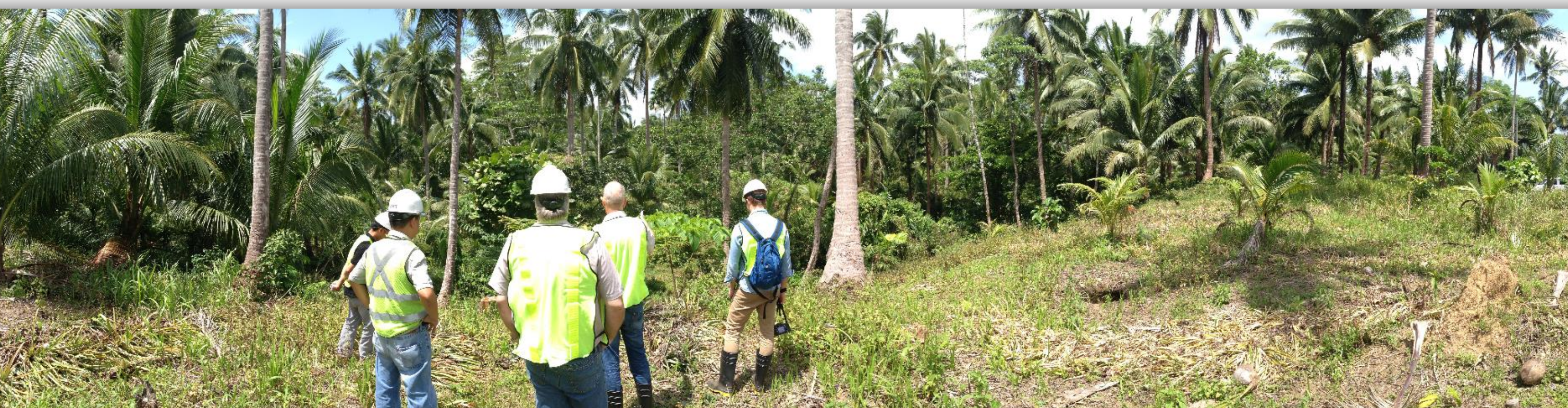
RTG
MINING INC.

Annual Report

31 DECEMBER 2014



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CORPORATE DIRECTORY

DIRECTORS:	Michael J Carrick (Chairman) Justine A Magee David A T Cruse Robert N Scott Phil C Lockyer Mathew G Syme (Appointed 4 June 2014, retired 9 September 2014)
SECRETARY:	Nicholas Day (Appointed: 21 January 2015) Ryan P Gurner (Appointed: 9 Sept 2014, Resigned: 21 January 2015) Hannah C Hudson (Resigned: 9 Sept 2014)
REGISTERED AND PRINCIPAL OFFICE:	Level 2 338 Barker Road, Subiaco WA 6000 Telephone: +61 8 6489 2900 Facsimile: +61 8 6489 2920
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AUDITORS:	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008
SHARE REGISTER:	<u>Australian Register</u> Computershare Investor Services Pty Limited Level 2 45 St Georges Terrace Perth WA 6000 Telephone: 1300 557 010 or + 61 8 9323 2000 Facsimile: + 61 8 9323 2033 <u>Canadian Register</u> Computershare Investor Services Inc 100 University Ave, 11th Floor Toronto Ontario M5J2Y1 Canada Telephone: +1 416 263 9449 Facsimile: +1 416 981 9800
STOCK EXCHANGE:	Australian Securities Exchange Limited Exchange Code: RTG – Fully paid shares Toronto Stock Exchange Inc Exchange Code: RTG – Fully paid shares

CORPORATE DIRECTORY cont.

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RTG MINING INC.

APPENDIX A

Management Discussion and Analysis

For the year ended December 31, 2014

APPENDIX A

This Management Discussion and Analysis ("MD&A) provides a review of the performance of RTG Mining Inc.'s ("RTG", "Company" or the "Group") operations and compares its performance with those of the preceding year and quarters. This MD&A also provides an indication of future developments along with issues and risks that can be expected to impact future operations. The comparative financial information presented in the report relates to both RTG and Ratel Group Limited ("Ratel Group"). This report has been prepared on the basis of available information up to December 31, 2014 and should be read in conjunction with the annual audited financial statements of the Company for the period ended December 31, 2014, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards and the Annual Information Form ("AIF") dated 30 March 2015 for December 31, 2014.

All figures are in US dollars unless otherwise indicated, and the effective date of this MD&A is March 30, 2015)

Additional information relating to the Company, including the Company's Financial Statements and AIF can be found on SEDAR at www.sedar.com.

DESCRIPTION AND OVERVIEW OF BUSINESS

RTG was incorporated on December 27, 2012 and is domiciled in the British Virgin Islands. On March 28, 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 2013, 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") and the surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG. The 162,538,641 previously issued subscription receipts were 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, were 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.

Ratel Group was incorporated on October 18, 2010 and is domiciled in the British Virgin Islands. Both CGX Limited ("CGX") and Zambian Mining Limited ("Zambian Mining") were incorporated on August 22, 2006 and are also domiciled in the British Virgin Islands. Ratel Group, CGX and Zambian Mining were previously wholly owned subsidiaries of Ratel Gold (now St Augustine Gold & Copper Limited ("SAU")). On 17 December 2010, the shares held by Ratel Gold (now SAU) were transferred to Ratel Group who acquired a 100% interest in Zambian Mining and CGX. Ratel Group was previously listed on the TSX on January 4, 2011 under the symbol "RTG" and pursuant to the Merger, has since ceased trading on the TSX. As of May 1, 2013, Ratel Group ceased to be a reporting issuer. CGX and Zambian Mining were incorporated to act as holding companies respectively for the interests in the Segilola Gold Project in Nigeria and the Mkushi Copper Project in Zambia (sold during the 2013 year, as discussed below).

On 4 June 2014, RTG completed the implementation of the schemes of arrangement (the "Schemes") pursuant to the terms of the previously announced Scheme Implementation Deed dated February 24, 2014 (the "Deed") between RTG and Sierra Mining Limited ("Sierra") to acquire all of the outstanding securities of Sierra.

Pursuant to the Schemes, RTG acquired all of the outstanding shares of Sierra ("Sierra Shares") and all of the outstanding listed options of Sierra ("Sierra Options"), and issued as consideration:

(a) to eligible shareholders of Sierra, 3 new ordinary shares of RTG ("RTG Shares") for every 10 Sierra Shares held and 1 new share purchase option of the Company ("RTG Option") for every 30 Sierra Shares held; and

(b) to eligible option holders of Sierra, 2 RTG Shares for every 10 Sierra Options held and 2 RTG Options for every 90 Sierra Options held.

The Company also acquired all unlisted Sierra Options ("Sierra Unlisted Options"), and issued as consideration to such holders of Sierra Unlisted Options:

(a) 1 RTG Share for every 10 Sierra Unlisted Options exercisable at $0.20 each on or before July 1, 2014, together with 1 RTG Option for every 90 Sierra Unlisted Options held; and

(b) 1 RTG Share for every 20 Sierra Unlisted Options exercisable at $0.25 each on or before July 1, 2015, together with 1 RTG Option for every 180 Sierra Unlisted Options held.

Pursuant to the Schemes, RTG has acquired a direct 40% interest in each of Mt Labo Exploration & Development Corporation, St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation and Oz Metals Exploration and Development Corporation and a further indirect interest in Mt Labo Exploration and Development Corporation collectively known as the "**Associates**".

Mabilo Project ("Mabilo" or the "Project)

The Company's principal asset and focus is the Mabilo Project. The Mabilo Project is located in Camarines Norte Province, Eastern Luzon, Philippines. It is comprised of one granted Exploration Permit (EP-014-2013-V) of approximately 498 ha and one Exploration Permit Application (EXPA-000188-V) of 2,820 ha. The Project area is relatively flat and is easily accessed by 15 km of all-weather road from the highway at the nearby town of Labo.

Sierra discovered the mineralisation in 2012 during a reconnaissance drilling program targeted on magnetic anomalies from a ground magnetic survey conducted by a former explorer. Sierra subsequently conducted a new ground magnetic survey in early 2013, remodelled the data and commenced a second phase of drilling in mid-2013.

Extensive drilling was undertaken during 2014 with significant extensions in known strike beyond the magnetic model in the North and South directions. A total of 69 drill holes totalling 11,231m were used for the maiden resource estimate (Announcement released on 24 November 2014 with the NI 43-101 Technical Report release on 8 January 2015). Drilling is ongoing and ninety diamond drill holes were completed at the end of 2014 with further drilling ongoing.

Mineral Resource Estimate Results - Reporting at 0.3 g/t Au lower cut-off - Mabilo Deposit - South and North Zones

Weathering State	Classification	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Contained Au ('000s oz)	Contained Cu ('000s t)	Contained Fe ('000s t)
Oxide + Supergene	Indicated	0.73	4.4	2.8	9.5	42.6	67.1	32.2	312.7
	Inferred	0.13	3.1	2.2	10.4	34.9	8.9	3.9	43.6
Fresh	Indicated	5.13	1.7	2.1	8.3	49.9	346.8	88.9	2,563.0
	Inferred	5.37	1.5	1.7	12.9	39.1	293.1	80.4	2,101.9

Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralised geological units. This resource table is quoted from all classified blocks above a lower cut-off grade 0.3 g/t Au within these wireframe solids. Differences may occur due to rounding

The definition of two high grade oxide mining products within the Resource materially improves the economics of the Project with limited need for upfront capital and potential for early cash flow.

Feasibility Study

Lycopodium Minerals Pty Ltd ("Lycopodium") has been managing the Phase 1 metallurgical test work program with analysis undertaken by ALS Metallurgy ("ALS") in Perth, Australia. The program covered the oxide and primary domains with excellent results. The Phase 1 program was finalised at the end of January 2015 and forms the basis for the definitive test work program and associated process design and engineering. The completion of this now allows the Company to move into Phase 2 Definitive Feasibility Study metallurgical test work.

The results to date of Phase 1 scoping metallurgical test work have also allowed a better definition of the end products from the proposed primary plant, producing two high grade and clean products that will enable discussions with offtake parties to advance and create a highly competitive environment for negotiations.

Work continued on the Definitive Feasibility Study, along with the metallurgical test work, work was conducted on environmental studies, community development and infrastructure studies for the Project.

The Study remains on track for completion in the third quarter of the 2015 calendar year.

Joint Venture

Mt Labo has a joint venture with Philippines mining contractor and supplier, Galeo Equipment and Mining Inc. ("Galeo") in both the Mabilo and Nalesbitan Gold-Copper Projects.

Pursuant to the terms of the unincorporated joint venture, Galeo can earn up to 42% in the Projects by completing approximately 14,000m of drilling, mining the first 1.5Mt of the pre-strip, providing management services including management of local community relations, assistance with permitting and funding their share of all joint venture expenditure from commencement.

Nalesbitan Project

The Nalesbitan Project comprises Mining Lease Contract MRD-459 of 500 Ha and MPSA Application APSA-V-0002 of 600 Ha. The Nalesbitan Project covers a large zone of alteration in which widespread zones of epithermal gold, silver and copper mineralisation have been outlined.

The mineralisation identified to date includes both low sulphidation and high sulphidation epithermal gold viens, potentially proximal to porphyry copper at depth. Induced Polarisation chargeability anomalies, interpreted to be due to sulphides associated with porphyry copper mineralisation, have been outlined in the southern part of the alteration zone. The Nalesbitan system has similarities to the giant Lepanto / Far South-East copper and gold porphyry system in northern Luzon.

The current focus at the Nalesbitan Project is advancement of community relations activities.

Bunawan Project ("Bunawan")

The Bunawan Project, the Company's secondary focus in the Philippines is located in the east of Mindanao Island in Agusan del Sur province, approximately 190 km north-northeast of Davao and adjacent to the Davao – Surigao highway.

The Bunawan Project is centered on a diatreme intrusive complex (Mahunoc diatreme) approximately five km NE of Medusa Mining's Co-O mine in eastern Mindanao. Historical production at the Co-O Mine has demonstrated a significant high grade gold system and there is active artisinal mining throughout the region which further reinforces the gold potential of the area. A number of the artisanal mining operations occur within and adjacent to the Mahunoc diatreme and the area is highly prospective for the discovery of economic epithermal Au-Ag mineralisation of intermediate sulphidation / carbonate-base metal type.

In parallel with the efforts on the Mabilo Project, the Company was able to secure the issue of the Bunawan exploration permit which Sierra had been working on for some period of time. Following the granting of the Exploration Permit, the Company commenced a reconnaissance drilling program in November 2014. At the end of 2014 nine holes had been completed for 3,074 metres. Mineralisation was intercepted in 6 of the 9 holes drilled, including 7m @ 4.18g/t Au and 4m @ 12.33g/t Au.

Mkushi Copper Project

A joint venture was entered into with African Eagle Resources ("AFE") for the Mkushi Copper Project in Zambia whereby the Company's wholly owned subsidiary Seringa Mining Limited ("SML") acquired a 51% interest in the project through its 51% shareholding in Mkushi Copper Joint Venture Limited ("MCJVL"), which holds the mine tenements, with AFE retaining a 49% interest. SML was responsible for funding a bankable feasibility study, while AFE managed exploration initiatives outside the initial development zones, with funding proportional to the percentage interest held by each party in the project. The joint venture agreement was finalised and executed on 30 May 2007. SML prepared a detailed feasibility study. On December 3, 2012, AFE announced it had sold its 49% interest to Elephant Copper Ltd ("Elephant Copper") whom the Company has now sold its interest in the joint venture to, as detailed below.

RTG announced on August 29, 2013 that it had sold its interest in the Mkushi Copper Project for US$13.1 million to Elephant Copper. Pursuant to the share sale agreement (the "Share Sale Agreement") between Zambian Mining and Elephant Copper, Zambian Mining agreed to sell 100% of the share capital of RTG's wholly owned subsidiary SML, which holds the 51% interest in MCJVL. The purchase price of US$13.1 million was satisfied by:

1. the issue of 20 million fully paid ordinary shares at an issue price of US$0.33 per share in Elephant Copper to ZML to the value of US$6.6 million ("Consideration Shares"); and
2. a US$6.5 million unsecured redeemable convertible note ("Convertible Note").

Elephant Copper also agreed to payment of the Deferred Heap Leach payment totalling US$1,399,064 million, before interest ("DHL Payment"). The DHL Payment represents amounts paid by Zambian Mining on behalf of Elephant Copper to MCJVL.

On October 22, 2013, the conditions precedent to the Share Sale Agreement with Elephant Copper were satisfied and the sale was completed. Elephant Copper indicated it was in the process of completing a listing on the TSX ("IPO") through a Transaction with International Millennium Mining Corp ("IMMC"), subject to securing funding to allow the planned development activities at the Mkushi Project to proceed. Under the planned transaction, IMMC will complete a consolidation (the "Consolidation") of all of its outstanding common shares (the "IMMC Securities") and completion of the Listing Transaction will be subject to the satisfaction of certain conditions prior to closing, including, but not limited to, all requisite regulatory approvals relating to the transaction, including, without limitation, TSXV approval, being obtained.

On November 21, 2014 IMMC announced that Elephant Copper had signed a mandate with Nedbank Capital, a division of Nedbank Limited, to act as Elephant Copper's financial advisor, on a commercially reasonable efforts basis, to raise capital for the Mkushi Copper Project development in Zambia and to act as a debt advisor to raise debt for the Mkushi Copper Project. IMMC noted in the announcement that IMMC and Elephant Copper have agreed to extend the deadline for concluding the Transaction to December 31, 2014. On the March 18, 2015 the Company received correspondence from Elephant Copper stating that they are progressing their listing on the TSX Venture Exchange and that Nedbank Limited remains committed as its coprorate and financial adviser.

The Convertible Note was repayable on or before January 1, 2015, with an exercise price for conversion equal to the lesser of US$0.45 and 1.36 times the IPO price for shares in Elephant Copper. As Elephant Copper are now in breach of their requirements under the Convertible Note, they are now accruing interest daily on the Convertible Note from January 1, 2015 at a prescribed rate of the higher of either 7% or LIBOR plus 4%. The Convertible Note is convertible at the sole election of Zambian Mining. Under the Share Sale Agreement, if:

1. the IPO does not proceed, or proceeds at a price less than US$0.33 per share, Zambian Mining will be entitled to additional Consideration Shares so that the total value of the Consideration Shares is US$6.6 million; and

2. Elephant Copper enters into an alternative transaction;

then, the total consideration payable under the Share Sale Agreement is to be satisfied in cash or alternatively, Elephant Copper will be required to buy all of the Consideration Shares and any shares to be issued under the Convertible Note at a price of US$0.33 per share.

Pursuant to the Share Sale Agreement, Elephant Copper undertook to complete its IPO by December 31, 2013 and repay the DHL Payment by January 1, 2014. On December 30, 2013, RTG received a letter from Elephant Copper requesting consideration of an amendment to the Share Sale Agreement to permit Elephant Copper more time to complete the IPO and repay the DHL Payment. SML issued a demand letter on January 8, 2014 demanding payment of the outstanding DHL Payment. SML has advised Elephant Copper that it fully reserves all of its rights and remedies under the Share Sale Agreement and has not agreed to any amendment

Segilola Gold Project

In May 2007, Segilola Gold Limited ("SGL"), a wholly owned subsidiary of RTG, entered into a joint venture with Tropical Mines Limited ("TML"), a private company based in Nigeria, to earn a 51% interest in the Segilola Gold Project in Nigeria ("the Joint Venture Agreement").

On March 30, 2012, SGL exercised the third and final option lifting its percentage interest in the mineral tenements from 38% to 51%. TML had refused to accept that SGL validly exercised this option. On May 18, 2012, SGL gave TML a notice of dispute advising of its intention to refer the dispute to arbitration under the Joint Venture Agreement and to seek a declaration that SGL is the holder of a 51% interest in the mineral tenements the subject of the Segilola Gold Project ("Notice of Arbitration").

On June 18, 2012, TML was granted interim orders in the Federal High Court of Nigeria (the "Court") restraining SGL from proceeding further with the arbitration or commencing a new arbitration until the hearing and determination of TML's motion. On June 27, 2012, SGL consented to the Court's orders that SGL not proceed further with the arbitration that was the subject of the Notice of Arbitration. The remaining issue in dispute relates to orders sought by TML that requires SGL to pay TML's legal fees to defend its interest in response to the Notice of Arbitration before SGL may re-commence the arbitration process under the Joint Venture Agreement.

A hearing was due to be held on October 4, 2012 to hear arguments on the point of costs but was adjourned to November 14, 2012 and further adjourned to April 22, 2013 for report of the settlement or hearing of the pending applications. At the hearing on April 22, 2013, counsel informed the Court that settlement discussions were underway and that parties needed time to conclude the same. As a result the matter was adjourned to June 17, 2013, 16 October 2013, June 9, 2014, and was subsequently further adjourned to November 24, 2014 for report of settlement. No hearing was held on November 24, 2014 and was adjourned by the Court to the June 16, 2015.

RTG has now entered into an unconditional Share Sale and Purchase Agreement for the sale of RTG's 51% interest in the Segilola Gold Project in Nigeria (the "Segilola Sale") for approximately US$14 million to RTG's joint venture partner, Segilola Resources Operating Limited ("SROL"). The purchaser is in default of their obligations for completion and have advised they are seeking to remedy the default. The Segilola Sale also provides for the settlement of the related disputes in relation to the Segilola Gold Project between Ratel Group, SGL, TML, SROL, Bakrie Delano Africa Limited, NGM Resources Limited and Mr Oladipo Delano under the terms of an agreed settlement Deed (the "Settlement Deed"). The disputes concern a purported termination of the Joint Venture Agreement. This includes the settlement of the injunctive proceedings brought by SGL before the Court and the interim injunction issued against SGL by the Court dated 18 June 2012. On the completion date of the Segilola Sale, signed counterparts of the Settlement Deed will be released from escrow and come into effect. As a result each of the injunctive proceedings is expected to be discontinued with no order as to costs and each party will bear their own costs.

Obuasi Joint Venture

In 2010 Ratel entered into an acquisition agreement to purchase all the shares in CAML Ghana Limited ("CAML Ghana"). CAML Ghana is an unrelated entity to Ratel. CAML Ghana and Westchester Resources Limited ("Westchester") are participants in a gold exploration project in Ghana pursuant to the Obuasi Prospecting Farm in and Joint Venture Agreement.

The acquisition agreement was conditional upon the approval of the transaction by the relevant Ghanaian Minister. Ministerial approval was not obtained, and on 3 November 2011 Ratel announced that the Obuasi Prospecting Farm in and Joint Venture Agreement had been terminated. Westchester issued proceedings in Ghana against a number of parties, including Ratel in February 2012, which are considered both unsubstantiated and without foundation ("Ghana Proceedings").

CAML Ghana was successful in having the Ghana Proceedings stayed following an order from the London Court of Arbitration in April 2012 in the context of arbitration proceedings launched against Westchester by CAML Ghana. On its application, Ratel was joined as a party to the arbitration. On November 27, 2012, on the application of Westchester, the High Court of Ghana set aside that stay order. CAML Ghana has appealed that decision. This appeal has not been determined.

In July 2013 a hearing took place in the arbitration before the Arbitral Tribunal in London. The Arbitral Tribunal delivered its award on all matters of liability in September 2013, finding in favour of CAML Ghana on all points and ordering Westchester to pay to CAML Ghana approximately US$1 million in damages and costs ("Arbitration Award") while reserving the right for CAML Ghana to seek further damages.

On November 14, 2013, CAML Ghana filed a petition in the United States District Court for the Southern District of New York seeking to confirm the Arbitration Award and to obtain an anti-suit injunction in relation to the Proceedings ("US Proceedings"). Ratel was a co-petitioner. Westchester opposed the petition. On May 21, 2014, the United States District Court issued a stipulated order ("Order"). Pursuant to the Order: Westchester is to commence proceedings in England, the seat of the arbitration, to challenge the Arbitration Award ("English Proceedings"); both the Ghana Proceedings (including the appeal) and the US Proceedings have been stayed pending the resolution of the English Proceedings; there will be no further litigation other than in accordance with the Order; and the parties have agreed to abide by the final judgment delivered in the English Proceedings.

One of Westchester's obligations under the Order was to provide to CAML Ghana a signed stipulation of discontinuance that is to be held on escrow pending the resolution of the English Proceedings. The stipulation of discontinuance is to have the effect of permanently terminating the Ghana Proceedings in the event the Arbitration Award is upheld in the English Proceedings. Westchester had not provided CAML Ghana with a signed stipulation of discontinuance. CAML Ghana has filed a motion to enforce the Order, and the motion was granted in CAML Ghana's favour. Westchester was required to commence the English Proceedings by Friday, 6 March 2015 and it failed to comply with the Order.

Loan Facility

During September 2012, Ratel Group entered into a loan facility agreement (the "Ratel Group Loan Facility Agreement") with CGA Mining Limited for the sum of $2.5M. In April 2013, the outstanding principal and interest on the loan facility was fully repaid.

RESULTS OF OPERATIONS

Change of Financial Year End

During the 2013 calendar year, RTG changed its financial year end from 30 June to 31 December, hence the December 2014 quarter is the fourth and final financial quarter for RTG's 2014 financial year.

SELECTED ANNUAL INFORMATION

(US$000's, except per share information)

	December 31, 2014 (12 months)	**December 31, 2013 (6 months)**	**June 30, 2013 (12 months)**
Revenue – interest and other income	32	12	4
Business development	(1,571)	(790)	(811)
Administrative costs	(3,838)	(2,039)	(4,748)
Operational expenses	-	-	(1,783)
Share of associate profit/(loss)	(1,677)	-	-
Discontinued Operations	-	2,216	-
Income/(loss) from continuing operations	(7,441)	(881)	(8,322)
Total assets	92,467	14,798	16,194
Total liabilities	1,221	209	723
Working Capital	1,654	11,055	14,509
Net Assets	91,246	14,590	15,471

The Company's result for the year ended December 31, 2014 was a net loss of $7.441M compared to the transitional six month period end December 31, 2013 net loss of $0.881M, and net loss of $8.322M for the twelve months ended June 30, 2013. The Company incurred varying costs throughout the year due to the merger with Sierra resulting in many one-time charges and the additional pickup of the Company's share of the Associate's losses. The merger has allowed the Company to acquire a direct 40% interest in each of Mt Labo Exploration & Development Corporate, St Ignatius Exploration and Mineral Resource Corporation, Bunawan Mining Corporation and Oz Metals Exploration and Development Corporation and a further indirect interest in Mt Labo Exploration and Development Corporation. The transitional period loss was influenced by the sale of Seringa Mining Limited for a net accounting gain of $2.216M and the reclassification of operating expenses ($1.783M) from the June 2013 year to discontinued operations in the December 31, 2013 period. Impacting the June 30, 2013 full year result was the recognition of a notional expense of $1.915M on the deemed embedded options expense for shares issued under the Loan Funded Share Plan, and also a provision for the joint venture partner receivable of $1.181M due from its Mkushi Copper Joint Venture sold in the December 31, 2013 period.

Revenue - Interest and other income
The Company earns interest income which fluctuates depending on total and currency composition of cash balances held and short term rates. During the year, the Company earned interest of $0.031M for the current period as compared to $0.025M for the transitional period, and $0.004M for the prior 12 month period. The Company holds differing quantities and currencies of cash including Australian Dollars, Canadian Dollars and United States Dollars which expose the Company to foreign exchange gains and losses. A foreign exchange loss of $0.387M was recorded in the in the current period as compared to a loss of $0.201M for the transitional period, and a loss of $0.319M for the 12 month period ended June 30, 2013.

Discontinued operations
SML was sold during the December 31, 2013 period. Accordingly the current and prior year results of SML and the gain on sale have been accounted for under discontinued operations in the financial statements. The net accounting gain on the sale recognized was $2.216M.

Operating expenses
Expenses for the current period were $nil as compared to the transitional 6 months of $nil, and $1,783M for the June 2013 year end. The expenses incurred in the June 30, 2013 year largely relate to operating expenses including a $1.181M expense for the provision against the receivable due from the joint venture partner for their 49% share of the development and operating costs and $0.313M in depreciation.

Share of associate profit/(loss)
Expenses for the current period were $1.677M as compared to the transitional 6 months of $nil, and $nil for the June 2013 year end. The $1.677M reflects the Company's share of costs in relation to its Mabilo Project and other interests ($0.857M), which has funded the following:

- the preparation of the Maiden Resource Statement at the Mabilo Project;
- commencement of permitting for the initial planned oxide mining development at Mabilo;
- preparation of a feasibility study for the Mabilo Project;
- obtaining the Bunawan Project exploration permit; and
- completion of the December quarter Bunawan drilling program.

The balance of $0.821M relates to a provision for drilling costs which may end up being offset against Galeo's earn-in.

Administrative expenses
The Company incurred administrative costs of $3.838M during the current year as compared to $2.038M during the transition 6 month period and $4.748M for the June 2013 year. The current year's costs are materially comparable on a pro-rata basis to the 6 month June 30, 2014 year end. The only notable difference has been a reduction in legal fees from $0.900M to $0.550M. For the June 30, 2013 year, expenses included a notional non-cash expense of $1.915M for a deemed embedded option related to shares issued under the Company's Loan Share Plan. Taking into account this notional adjustment, the increase in costs from the June 30, 2013 year is due to the establishment of a new full-time management team and appointment of non-executive directors in the March quarter of 2013. These staff were only partially apportioned to the Company under the management services agreement it shared with CGA Mining Limited.

Business development expenses
The Company incurred business development expenses of $1.571M during the current period as compared to $0.790M during the transitional 6 month period and $0.811M for the prior year 12 month period end 30 June 2013. The increase in costs is due to the Companies focus on identifying new opportunities and project acquisition since its sale of its Nigerian and Zambian assets, and investor relations since completion of the Merger with Sierra Mining Limited.

SUMMARY OF QUARTERLY RESULTS

(US$000's, except per share information)

	YTD 12 months to 31 Dec 2014(1)	Q4 Dec 2014	Q3 Sept 2014	Q2 Jun 2014	Q1 Mar 2014	*YTD Year end – 6 months to 31 Dec 2013* (1)	Q2 Dec 2013	Q1 Sep 2013	*YTD 12 months to 30 June 2013*	Q4 Jun 2013(1)
Revenue	*32*	4	10	8	10	*25*	13	12	*11*	11
Net profit/(loss)	*(7.441)*	(2.588)	(1,761)	(1,220)	(1,872)	*(881)*	557	(1,438)	*(8,323)*	(5,405)
Per share (undiluted US$ cents per share)	*(9.48)*	(1.18)	(0.27)	(7.46)	(0.57)	*(0.27)*	0.17	(0.44)	*(4.98)*	(3.27)
Per share (diluted US$ cents per share)	*(9.48)*	(1.18)	(0.27)	(7.46)	(0.57)	*(0.27)*	0.17	(0.44)	*(4.98)*	(3.27)

(1) For further details on the quarterly results for December 31, 2014, December 31, 2013 and June 30, 2013, refer section – Fourth Quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Company does not have any operations that generate cash inflow. RTG's financial success relies on management's ability to find economically viable mineral deposits. This process can take many years and is largely based on factors beyond the control of RTG.

In order to finance its project exploration and development activities, and corporate overhead, the Company is dependant on investor sentiment being positive towards the exploration business, so that funds can be raised through the sale of the Company's securities.

Cash and financial conditions

As at December 31, 2014, the Company had cash and cash equivalents of $2.395M compared to $10.987M at December 31, 2013 and $14.988 at June 30, 2013. As at December 31, 2014 the Company had cash and liquid assets of $5.73M which includes cash and cash equivalents, $0.940M relating to costs awarded to CAML Ghana under the Arbitration Award, $1M due from SROL under the Segilola Sale and the $1.396M DHL Payment due from Elephant Copper.

The Company manages liquidity risk through maintaining sufficient cash, loan facilities or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. The Company's liquidity needs can likely be met through existing cash on hand, subject to current operating parameters and budgets being met.

The Company currently has in place an active program of financial forecasting and budgeting both at a corporate and project level to manage both the application of funds and planning for future financial needs to ensure that any shortfall in revenue funds is adequately covered by cash reserves or planned new sources being either debt or equity based on the then most cost effective weighted average cost of capital. Expenditure to date for the Company has been largely in line with the overall initial budget forecasts, save for any costs related to legal disputes.

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at the reporting date in relation to each class of financial asset is the carrying amounts of those assets as indicated in the Company's balance sheet.

Investing activities

The Company recognised net investing cash outflows of $2.773M compared to $0.341M in the transitional period and $0.077M in the June 2013 year. This increase in outflows has come about in the main due to loans funded to its associates for its share of project related costs. On June 4, 2014, RTG completed the implementation of the Schemes to acquire the outstanding securities of Sierra. Pursuant to the Schemes, RTG has acquired a direct 40% interest in each of Mt Labo Exploration & Development Corporate, St Ignatius Exploration and Mineral Resource Corporate, Bunawan Mining Corporation and Oz Metals Exploration and Development Corporation and a further indirect interest in Mt Labo Exploration and Development Corporation.

The total loan balance from acquisition date to December 31, 2014 was $2.992M, and has funded the Company's share of costs associated with the following:

- the preparation of the Maiden Resource Statement at the Mabilo Project;
- commencement of permitting for the initial planned oxide mining development at Mabilo;
- preparation of a feasibility study for the Mabilo Project;
- obtaining the Bunawan Project exploration permit; and
- completion of the December quarter Bunawan drilling program.

Financing activities

During the current full year period, the only financing activities that occurred related to the exercise of 167 options at C$1.50. In the December 31, 2014 transitional period, there were no financing activities that occurred; however in the June 30, 2013 period, the Company recognised net inflows of $19.557M for the merger transaction between RTG and Ratel Group and subsequent capital raising of net proceeds $19.669M and receipt and repayment of a Loan Facility with CGA Mining Limited for the sum of $2.5M plus interest of $0.112M.

We refer readers to the "Subsequent Events" section for details of the recent capital raising.

SECURITIES OUTSTANDING

As at the date of this report, the Company had 8,784,687 options on issue. The total outstanding capital of the Company as at the date of this report was 128,763,233 fully paid common shares. The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

We refer readers to the "Subsequent Events" section for details of the recent capital raising.

FUTURE OUTLOOK

Work will continue on the Definitive Feasibility Study, including metallurgical test work, environmental studies, community development and infrastructure studies for the Mabilo Project.

The Study remains on track for completion in the third quarter of the 2015 calendar year.

Drilling is also ongoing at the project and will initially focus on infill drilling to convert inferred resources into indicated resources and will then refocus on more regional targets and extensions of the current defined resource.

Other Projects

In parallel with the efforts on the Mabilo Project, the Company will continue to progress its Bunawan exploration activities.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

During the period ended December 31, 2014, the Group entered into transactions with related parties in the wholly-owned group:

- loans of $129,087 were advanced on short term inter-company accounts.

These transactions were undertaken on commercial terms and conditions except that:

- loans are repayable at call; and
- no interest is payable on the loans at present.

Transactions between the Group and other related parties

During the year, the Company entered into loans with its associates totalling $2.992M.

FOURTH QUARTER

The Company recorded a net loss of $2.588M for the current quarter, as compared to a net loss of $1.761M in the September 2013 quarter. The Group's activities during the December quarter focussed on the reporting of the Maiden Resource Statement, materially improving both the understanding of the Mabilo Project and the confidence in being able to successfully move forward towards development. The definition of two high grade oxide mining products has materially improved the economics of the Project with limited need for upfront capital and earlier potential future cashflow.

As at December 31, 2014, the Company had cash and liquid assets of on hand and at bank of $5.73M including a receivable of $0.940M relating to costs awarded to CAML Ghana under the Arbitration Award, $1M due from SROL under the Segilola Sale and $1.396M DHL Payment due from Elephant Copper.

Consolidated Results
(US$000's, except per share information)
Profit and Loss

	Three month period ended			Year to Date
	December 31, 2014	**September 30, 2014**	**December 31, 2013^^**	**December 31, 2014**
Revenue	4	10	12	32
Income/(loss) from continuing operations	(2,588)	(1,761)	557	(6,585)
Business development costs^	(397)	(456)	(45)	(1,571)
Share of loss of associate	(1,237)	(456)	-	(857)
Basic profit/(loss) per share	(1.19)	(0.27)	0.17	(8.40)

^During the September 2014 quarterly there has been a reclassification of expenditure between business development payments and administration relative to the treatment in the profit and loss.
^^As Seringa was sold during the Dec 31, 2013 period, its profit and loss results were reclassified to discontinued operations in that quarter.

The Company's result for the three months to December 31, 2013 was a net loss of $2.588M, as compared to a net loss of $1.761M for the previous quarter, and a net gain of $0.557M for the December 2013 prior year quarter. Commentary regarding the December 2014 quarter result is outlined below.

Revenue - interest and other income
As discussed previously in the "Results of Operations" section, the Company earns interest income which fluctuates depending on total and currency composition of cash balances held and short term rates. During the current quarter, the Company earned interest income of $0.004M compared to $0.010M for the September 2014 quarter and $0.013M for the December 2013 quarter. Similarly discussed above at the "Results of Operations" commentary, a foreign

exchange loss of $0.063M was recorded in the current quarter, compared to a foreign exchange loss of $0.144M in the September 2014 quarter and a loss of $0.201M in the December 2013 quarter.

Expenses
Total expenses for the December 2014 quarter were $2.592M as compared to $1.771M for the September 2014 quarter, and $1.670M for the December 2013 quarter.

Specific items discussed below:

Administrative expenses
The Company incurred administrative costs of $0.893M in the December 2013 quarter, as compared to $0.858M in the September 2014 quarter and $0.983M during the December 2013 quarter.

Business development expenditure
The Company incurred business development expenses of $0.397M in the current quarter as compared to $0.456M in the previous quarter and $0.434M in the December 2013 quarter. These costs in the current period relate predominately to project analysis, the integration of Sierra and briefing institutional investors on the new developments.

Share of loss of associate
In the December 2014 quarter, the Company has recognised a loss of $1.237 M for its share of its associate's losses, an increase of $0.917M from the previous quarter loss of $0.312. These losses are generated from the Philippine entities acquired from the merger with Sierra, and are a function of increased exploration and development activity during the quarter including the initial resource at Mabilo, the feasibility related to the planned oxide mining operation and the drilling at Bunawan since grant of the permit. This also includes a provision for the Company's 64% share of drilling costs not yet reflected in the accounts of the associates. These drilling costs may end up being offset against Galeo's earn-in under the Mabilo Joint Venture.

Contractual obligations

		Payments due by period			
Contractual obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**
Operating leases[1]	309,825	206,550	103,275	-	-
Total contractual obligations	309,825	206,550	103,275	-	-

[1] Corporate office lease payments due.

CRITICAL ACCOUNTING ESTIMATES

The significant accounting policies used by RTG Mining are disclosed in Note 2 to the annual financial statements for the year ended 31 December, 2014. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

Accounting Policies

The Group's consolidated financial report as at 31 December 2014 complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The accounting policies of the Group are set out in Note 2 to the 31 December 2014 Annual Financial Statements, available on www.sedar.com.

Income Taxes

The determination of income and other tax liabilities requires interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ from that estimated and recorded by management.

Financial instruments and related risks

The Group's principal financial instruments comprise cash and cash equivalents, receivables, payables and borrowings. The Company currently has in place an active program of financial forecasting and budgeting both at a corporate and project level to manage both the application of funds and planning for future financial needs to ensure that any shortfall in funds is adequately covered by cash reserves or planned new sources being either debt or equity based on the then most cost effective weighted average cost of capital.

Risk management is carried out by management and the board of directors of the ultimate parent company (the "Board") under policies approved by the Board. The Board also provides regular guidance for overall risk management, including guidance on specific areas, such as mitigating foreign exchange, interest rate and credit risk.

The Group does not enter into financial instruments, including derivative financial instruments, for trade or speculative purposes.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, credit limits and future cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial asset, financial liability and equity instrument are disclosed in Note 2 to the Annual Financial Statements.

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2 to the Annual Financial Statements.

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at the reporting date in relation to each class of financial asset is the carrying amounts of those assets as indicated in the statement of financial position. Receivable balances are monitored on an ongoing basis and to the extent that recovery is deemed to be uncertain the Company raises a provision or impairs the asset against expected recovery. To date the only receivable provided for has been the Elephant Copper receivable of $1.4M which has been fully provided for to date.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group monitors this credit risk through holding its cash through banks with a Standard and Poors credit rating of 'A' or greater. The credit risk associated with cash is considered negligible by the Group. The Group does not hold collateral as security.

At balance date, the Group's maximum exposure to interest rate risk is as follows:

	Note	31 December 2014 US$	31 December 2013 US$	30 June 2013
Cash and cash equivalents				
US$ balances held	6	1,241,472	1,088,426	4,983,158
AU$ balances held	6	1,011,824	-	-
CAD$ balances held	6	-	9,647,983	9,814,440
		2,253,296	**10,736,409**	**14,797,599**

The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The Group's policy is to manage its exposure to interest rate risk by holding cash in short term fixed rate deposits and variable rate deposits. The Group's exposure to interest rate risk on post-tax profit or loss arises from higher or lower interest income from cash and cash equivalents.

Foreign currency risk

At reporting date, the Group had the following exposure to foreign currencies (AUD), (EUR) and (CAD) on financial instruments that are not designated as cash flow hedges:

	31 December 2014 US$	31 December 2013 US$	30 June 2013 US$
Financial Assets			
Cash and cash equivalents	1,153,502	9,908,655	10,039,210
Trade and other receivables	231,401	286,486	242,061
Prepayments	29,741	190	2,259
	1,414,644	10,195,331	10,283,527
Financial Liabilities			
Trade and other payables	97,982	208,625	175,488
	97,982	208,625	175,488
Net exposure	1,316,652	9,986,706	10,108,039

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will maintain sufficient cash or credit terms with its suppliers to meet the operating requirements of the business and invest excess funds in highly liquid short term cash deposits. Maintaining surplus working capital in highly liquid short term deposits allows the Group to meet its primary objectives by being able to fund new development and acquisition opportunities at short notice.

The responsibility for liquidity risk rests with the Board of Directors. The Group's liquidity needs can likely be met through cash on hand, and short term facilities subject to the current forecast operating parameters being met.

The contractual maturities of the Group's financial liabilities are as follows:

	December 31, 2014 US$	December 31, 2013 US$	June 30, 2013 US$
Within one month			
Trade creditors	105,466	208,625	624,396
One Month or later and no later than one year			
Trade creditors	274,439	-	-
	379,905	208,625	624,396

Sensitivity Analysis

The following table summarises the sensitivity of the Group's financial assets and liabilities to interest rate risk and foreign exchange rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax profit and equity would have been affected as shown.

Consolidated December 31, 2014		**Interest rate risk**				**Foreign exchange risk**			
		Negative movement		**Positive movement**		**Negative movement**		**Positive movement**	
Financial assets	**Carrying Amount $**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**
Cash and cash equivalents									
USD	1,241,472	(12,409)	(12,409)	12,409	12,409	-	-	-	-
AUD	1,011,824	(1,637)	(1,637)	1,637	1,637	(101,182)	(101,182)	101,182	101,182
CAD	108,462	-	-	-	-	(10,846)	(10,846)	10,846	10,846
EUR	33,216	-	-	-	-	(3,322)	(3,322)	3,322	3,322

1.The sensitivities show the net effect of a 10% movement in the USD against the AUD, CAD, EUR, NGN, and ZMK. Sensitivity rates have been based on 12 month averages.
2.The sensitivities show the net effect of a 1% movement in AUD and USD interest rates, respectively. Sensitivity rates have been based on 12 month averages.

Consolidated December 31, 2013		**Interest rate risk**				**Foreign exchange risk**			
		Negative movement		**Positive movement**		**Negative movement**		**Positive movement**	
Financial assets	**Carrying Amount $**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**
Cash and cash equivalents									
USD	1,105,411	(11,054)	(11,054)	11,054	11,054	(110,541)	(110,541)	110,541	110,541
AUD	231,192	(2,312)	(2,312)	2,312	2,312	(23,119)	(23,119)	23,119	23,119
CAD	9,647,983	(96,480)	(96,480)	96,480	96,480	(964,798)	(964,798)	964,798	964,798
EUR	6,044	(60)	(60)	60	60	(604)	(604)	604	604
NGN	6,449	(64)	(64)	64	64	(645)	(645)	645	645

1.The sensitivities show the net effect of a 10% movement in the USD against the AUD, CAD, EUR and NGN. Sensitivity rates have been based on 12 month averages.
2.The sensitivities show the net effect of a 1% movement in AUD and USD interest rates, respectively. Sensitivity rates have been based on 12 month averages.

Consolidated June 30, 2013		**Interest rate risk**				**Foreign exchange risk**			
		Negative movement		**Positive movement**		**Negative movement**		**Positive movement**	
Financial assets	**Carrying Amount $**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**
Cash and cash equivalents									
USD	4,983,158	(49,832)	(49,832)	49,832	49,832	-	-	-	-
AUD	163,708	(1,637)	(1,637)	1,637	1,637	(22,919)	(22,919)	22,919	22,919
CAD	9,814,440	(98,144)	(98,144)	98,144	98,144	(687,011)	(687,011)	687,011	687,011
EUR	45,108	(451)	(451)	451	451	(5,413)	(5,413)	5,413	5,413
NGN	10,888	(10,888)	(10,888)	10,888	10,888	(871)	(871)	871	871
ZMK	5,066	(5,066)	(5,066)	5,066	5,066	(405)	(405)	405	405

1.The sensitivities show the net effect of a 10% movement in the USD against the AUD, CAD, EUR, NGN, and ZMK. Sensitivity rates have been based on 12 month averages.
2.The sensitivities show the net effect of a 1% movement in AUD and USD interest rates, respectively. Sensitivity rates have been based on 12 month averages.

Capital risk management

The Group's total capital is defined as equity attributable to equity holders of the parent and cash and cash equivalents amounted to $ 116,295,115 at 31 December 2014. (31 December 31, 2013:$25,577,296; 30 June 2013: $30,459,174.)

The Group's capital management objectives are to safeguard the business as a going concern, to maintain a capital base sufficient to maintain future exploration and development of its projects. Management may issue more shares or raise or repay debt in order to maintain the optimal capital structure.
The Group does not have a target debt/equity ratio, but maintains a flexible financing structure so as to be able to take advantage of new investment opportunities that may arise. The Group monitors its capital risk management through annual cash flow projections and monthly reporting against budget.

The business of RTG should be considered speculative given the volatility in world stock markets (particularly with respect to mining and exploration companies) and the uncertain nature of mining and exploration activities generally. Amongst other things, the following are some of the key risk factors faced by RTG, its subsidiaries and associates:

- foreign exchange movements;
- movements in commodity prices (in particular gold, copper and iron ore prices and costs of production);
- securing offtake agreements for non-gold products;
- access to new capital (both debt and equity) and meeting liquidity requirements;
- the uncertain nature of exploration and development activities;
- increases in capital expenditures necessary to advance the Company's projects;
- the ability to profitably exploit new development projects;
- political, security and sovereign risks of Nigeria and the Philippines;
- joint venture relationships and disputes;
- permitting and local government and community support; and
- environmental obligations.

For further information on these and other risks inherent in the Company's business, we direct readers to the Annual Information Form for the December 31, 2014 financial year and the Scheme Booklet dated April 10, 2014 lodged on SEDAR at http://sedar.com

SUBSEQUENT EVENTS

On February 10, 2015, the Company announced it had resolved to raise approximately A$15 million in a placement to Australian and international institutional and sophisticated investors ("Placement").

Net proceeds of the Placement will be used:
- to fund permitting and development of the Mabilo Project;
- to fund exploration at the Bunawan Project; and
- for general working capital purposes.

Placement Details

The Placement consists of 22.3 million new Securities to be issued at a price of A$0.68 cents per Security to raise total funds of circa $15.1 million. The Securities will be issued in two tranches as below:

- *Tranche 1* - Comprising 16.79 million Securities at A$0.68 cents per Security to raise circa $11.4 million, was issued, on 18 February 2015, pursuant to ASX Listing Rules 7.1 and section 607 of the TSX Listing Rules; and

- *Tranche 2* - Comprising circa 5.5 million Securities at A$0.68 cents per Security to raise a further circa $3.7 million, (a) a portion of which was issued on 18 February 2015 to Canadian investors as subscription receipts to acquire shares (the "Subscription Receipts"), and (b) the remainder of which is to be issued to Australian and other international investors after receipt of shareholder approval at an **Extraordinary General Meeting of Shareholders** to be held on **April 10, 2015** (as announced to the market on the March 4, 2015 in the Company's Notice of Extraordinary General Meeting)**.**

That portion of the Placement to be subscribed for by Canadian investors has been done through a Placement of units, with each unit comprised of approximately 0.75 shares and 0.25 Subscription Receipts. Each Subscription Receipt will be automatically exercisable and entitle the holder to receive, without payment of additional consideration, one share of RTG upon the satisfaction of certain escrow release conditions, and the portion of the gross proceeds attributable to the Subscription Receipts will be held in escrow pending satisfaction of the escrow release conditions.

The escrow release conditions, among other things, include the receipt of all required shareholder and regulatory approvals (including approval of Tranche 2 by RTG's shareholders and approval of the Placement by the Toronto Stock Exchange (the "TSX") and the Australian Securities Exchange Limited (the "ASX")). If the escrow release conditions have not been satisfied on or prior to the release deadline (such deadline to be determined by the agents and RTG), the Subscription Receipts will be cancelled and an amount equal to the subscription price attributable to the Subscription Receipts shall be returned to the holders of the Subscription Receipts.

Convertible Note

The Convertible Note with Elephant Copper was repayable on or before January 1, 2015, and the Company under the terms of the Sale Agreement has commenced charging interest on the outstanding amount at an amount of greater of 7% or LIBOR plus 4%.

INTERNAL CONTROLS AND DISCLOSURE CONTROLS

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of internal controls over financial reporting (as such term is defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109")), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with International Financial Reporting Standards. The Company maintains an effective control environment and has used the Internal Control –- Integrated Framework (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission to design the Company's internal controls over financial reporting. The Company's CEO and CFO believe that the Company's internal controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

During the year ended 31 December, 2014, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

The Company's CEO and CFO are also responsible for the design and effectiveness of disclosure controls and procedures (as such term is defined in NI 52-109) to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's CEO and CFO believe that the Company's disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed under applicable securities legislation is recorded, processed, summarized and reported in a timely manner.

The Company's CEO and CFO have each evaluated the effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures as of 31 December, 2014 and have concluded that these controls and procedures are effective in reasonably assuring the reliability of financial reporting and that material information relating to the Company is made known to them by others within the Company and that such controls and procedures have no material weaknesses and no limits on the scope of their design.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward looking statements within the meaning of applicable securities laws including, among others, statements made or implied relating to the Company's objectives, strategies to achieve those objectives, the Company's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward looking statements generally can be identified by words such as "objective", "may", "will", "expect", "likely", "intend", "estimate", "anticipate", "believe", "should", "plans" or similar expressions suggesting future outcomes or events. Such forward looking statements are not guarantees of future performance and reflect the Company's current beliefs based on information currently available to management. Such statements involve estimates and assumptions that are subject to a number of known and unknown risks, uncertainties and other factors inherent in the business of the Company and the risk factors discussed in the AIF and other materials filed with the securities regulatory authorities from time to time which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Those risks and uncertainties include, but are not limited to: the mining industry (including operational risks; risks in exploration and development; the uncertainties involved in the discovery and delineation of mineral deposits, resources or reserves; and the uncertainty of mineral resource and mineral reserve estimates); the risk of gold, copper and other commodity price and foreign exchange rate fluctuations; the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company; the uncertainty associated with commercial negotiations and negotiating with foreign governments; the risks associated with international business activities; risks related to operating in Nigeria, the Philippines and other international jurisdictions; environmental risk; the dependence on key personnel; joint venture relationships and the ability to access capital markets.

Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statements were made and readers are advised to consider such forward looking statements in light of the risks set forth above. Except as required by applicable securities laws, the Company assumes no obligation to update or revise any forward looking statements to reflect new information or the occurrence of future events or circumstances.

The information in this MD&A that relates to exploration results at the Mabilo Project is based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr Ayres is a member of the Australian Institute of Geoscientists and a full-time employee of Mt Labo Exploration and Development Company, a Philippine mining company, an associate company of RTG Mining Inc. Mr Ayres has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, 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” and to qualify as a “Qualified Person” under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). Mr. Ayres has verified the data disclosed in this MD&A, including sampling, analytical and test data underlying the information contained in the MD&A. Mr. Ayres consents to the inclusion in the MD&A of the matters based on his information in the form and the context in which it appears.

The information in this MD&A relating to Bunawan Project Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information provided to Mr. Robert McLean, an independent consultant geologist and Competent Person, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. McLean has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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’., and as a “Qualified Person” under National Instruments 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). Mr. McLean has verified the data disclosed in this MD&A, including sampling, analytical and test data underlying the information contained in the MD&A. Mr. McLean consents to the inclusion in the report of the matters based on the information he has been provided and the context in which it appears.

The information in this MD&A that relates to Mineral Resources is based on information prepared by or under the supervision of Mr Aaron Green, who is a Qualified Person and Competent Person. Mr Green is a Member of the Australian Institute of Geoscientists and is employed by CSA Global Pty Ltd, an independent consulting company. Mr Green has sufficient experience that is 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” and to qualify as a “Qualified Person” under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). Mr. Green has verified the data disclosed in this MD&A, including sampling, analytical and test data underlying the information contained in the MD&A. Mr Green consents to the inclusion in the MD&A of the matters based on his information in the form and context in which it appears.

RTG
MINING INC.

APPENDIX B

Annual Financial Report

31 DECEMBER 2014

(Comparative Financial Information for 6 month period to 31 December 2013 and the 12 month period to 30 June 2013)

APPENDIX B

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CORPORATE DIRECTORY

DIRECTORS:	Michael J Carrick (Chairman) Justine A Magee David A T Cruse Robert N Scott Phil C Lockyer Mathew G Syme (Appointed 4 June 2014, retired 9 September 2014)
SECRETARY:	Nicholas Day (Appointed: 21 January 2015) Ryan P Gurner (Appointed: 9 Sept 2014, Resigned: 21 January 2015) Hannah C Hudson (Resigned: 9 Sept 2014)
REGISTERED AND PRINCIPAL OFFICE:	Level 2 338 Barker Road, Subiaco WA 6000 Telephone: +61 8 6489 2900 Facsimile: +61 8 6489 2920
BANKERS:	Australia and New Zealand Banking Group Limited 77 St Georges Terrace Perth WA 6000
AUDITORS:	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008
SHARE REGISTER:	Australian Register Computershare Investor Services Pty Limited Level 2 45 St Georges Terrace Perth WA 6000 Telephone: 1300 557 010 or + 61 8 9323 2000 Facsimile: + 61 8 9323 2033 Canadian Register Computershare Investor Services Inc 100 University Ave, 11th Floor Toronto Ontario M5J2Y1 Canada Telephone: +1 416 263 9449 Facsimile: +1 416 981 9800
STOCK EXCHANGE:	Australian Securities Exchange Limited Exchange Code: RTG – Fully paid shares Toronto Stock Exchange Inc Exchange Code: RTG – Fully paid shares

CORPORATE DIRECTORY cont.

LAWYERS:	Corrs Chambers Westgarth Level 15 Woodside Plaza 240 St Georges Terrace Perth WA 6000
	Blakes, Cassels & Graydon Suite 2600 3 Bentall Centre 59 Burrard Street Vancouver, B.C. Canada V7X 1L3
	K & L Gates Level 32 44 St Georges Terrace Perth WA 6000
WEBSITE:	www.rtgmining.com

DIRECTORS' REPORT

The Directors of RTG Mining Inc ("the Company" or "RTG") present their report on the consolidated entity consisting of RTG and the entities it controlled during the year ended December 31, 2014 (the "Consolidated Entity" or "the Group"). The Company's functional and presentation currency is USD ($).

A description of the Company's operations and its principal activities is included on page 8.

1. DIRECTORS AND COMPANY SECRETARY

The names, qualifications and experience of the Directors and Company Secretary in office during the period and until the date of this report are as follows:

Name	Position	Appointment date	Resignation date
Michael J Carrick	Chairman	28/3/2013	-
Justine A Magee	Managing Director	28/3/2013	-
Robert N Scott	Non-Executive Director	28/3/2013	-
Phil C Lockyer	Non-Executive Director	28/3/2013	-
David A Cruse	Non-Executive Director	28/3/2013	-
Mathew G Syme	Non-Executive Director	4/6/2014	9/9/2014

Current Directors

Michael J Carrick (B.Comm, B. Acc, ACA)
Chairman
Mr Michael Joseph Carrick joined RTG Mining Inc's Board of Directors in March 2013. Mr. Carrick, served as CEO of CGA Mining Limited, until the merger with B2Gold Corp. ("B2Gold") in January 2013. CGA developed the Masbate Gold Mine in the Philippines.

Mr. Carrick was previously Executive Chairman of AGR Limited, the entity which owned and developed the Boroo Gold Project in Mongolia, and before that was Chief Executive Officer of Resolute Limited.

Before entering the mining industry Mr. Carrick was a senior partner in one of the largest professional services firms.

During the three year period to the end of the financial year, Mr Carrick was a director of CGA Mining Limited (from January 2004 to January 2013) and non-executive director of B2 Gold from the merger in January 2013, resigning on 12 November 2014.

Mr. Carrick is member of the Remuneration/Nomination Committee.

Justine A Magee (B.Comm, ACA)
President and Chief Executive Officer

Ms Magee was appointed the Chief Executive Officer of the Company in March 2013 and does not hold directorships in any other listed company. She was formerly with Arthur Andersen and a director of AGR Limited and director and Chief Financial Officer of CGA Mining Limited (January 2004 to January 2013).

She has extensive experience in the resource sector also having headed the corporate and finance areas for Resolute Limited for 6 years.

During the three year period to the end of the financial year, Ms Magee was a director of CGA Mining Limited (from January 2004 to January 2013).

Ms Magee's principal responsibilities are commercial with a focus on the development of the existing asset portfolio and execution of new business opportunities in the resources sector while also managing the key stakeholder relationships.

Robert N Scott
Non-Executive Director

Mr Scott was appointed a Non-Executive Director of the Company in March 2013. He is a Fellow of the Institute of Chartered Accountants in Australia with over 35 years' experience as a corporate advisor. Mr Scott is a former senior partner of the international accounting firms of KPMG and Arthur Andersen. Mr Scott currently holds directorships on Sandfire Resources NL (July 2010-present), Lonestar Resources Limited (1996-present) and Homeloans Limited (Nov 2000-present).

During the three year period to the end of the financial year, Mr Scott was a director of CGA Mining Limited (resigned January 2013), Manas Resources Limited (resigned March 2013) and Neptune Marine Services (resigned March 2013).

Mr Scott is the chair of the RTG Mining Inc. Audit, Disclosure Committees and the Remuneration/Nomination Committee..

Phil C Lockyer
Non-Executive Director

Mr Lockyer was appointed a Non-Executive Director of the Company in March 2013. He is a Mining Engineer and Metallurgist with more than 40 years experience in the mining industry, with an emphasis on gold and nickel, in both underground and open pit mining operations.

Mr Lockyer was employed by WMC Resources for 20 years reaching the position of General Manager of Western Australia responsible for that company's gold and nickel divisions. Mr Lockyer holds a directorship on Swick Mining Services Limited (Feb 2008-present) and Western Desert Resources Limited (June 2010-present).

During the three year period to the end of the financial year, Mr Lockyer was a director of CGA Mining Limited (resigned January 2013), St Barbara Limited (resigned March 2014) and Focus Minerals Limited (resigned November 2013).

Mr Lockyer is a member of the Audit and Disclosure Committees.

David A Cruse
Non-Executive Director

Mr Cruse was appointed a Non-Executive Director of the Company in March 2013. He has had a long career in commerce and finance. He was a stockbroker for over 20 years, where he held senior management positions and directorships in the stockbroking industry, with particular focus on capital markets. Recently, Mr Cruse has been involved in the identification and commercialisation of a number of resource (including oil and gas) projects. He holds a directorship on Odyssey Energy Limited (Oct 2008-present).

During the three year period to the end of the financial year, Mr Cruse was a director of CGA Mining Limited (resigned January 2013).

Mr Cruse is a member of the Audit and Disclosure Committees and the Remuneration/Nomination Committee.

Mathew G Syme
Non-Executive Director

Mr Syme was appointed a Director of the Company in a transitionary role, following the completion of the Scheme of Arrangement with Sierra Mining Limited in June 2014. He is a Chartered Accountant and an experienced mining executive with over 23 years' experience as a senior executive of a number of companies in the Australian resources and media sectors.

During the three year period to the end of the financial year, Mr Syme was a director of Berkeley Resources Limited (August 2004 -August 2012) and director of Sierra Mining Limited (July 2010 to June 2014).

Mr Syme retired as a director of the Company on 9 September 2014.

Nicholas F Day (B.Comm, ACPA, Fellow FINSIA, MBA)

Chief Financial Officer and Company Secretary

Mr Day has more than 16 years' experience in finance and the resources industry. He has extensive experience in strategic planning, business development, mergers and acquisitions, bankable feasibility studies, and project development. Previously Mr Day was Director, CFO and Company Secretary of Coventry Resources Inc. He has also held Company Secretary and Financial Consultancy positions with Paringa Resources Limited; Black Range Minerals; Birimiam Gold; Ebooks.com; and was CFO and Company Secretary of Antaria and AIM & ASX listed mining company Albidon Ltd.

Mr Day was appointed by the Board on 21 January 2015.

Ryan P Gurner (B.Comm, ACA)
Chief Financial Officer/Company Secretary

Mr Gurner is a Chartered Accountant with over 10 years' experience in financial management and governance having previously held senior finance positions in both Australian and international resources companies. He was formerly a manager at a Big 4 accounting firm and holds both a Bachelor of Commerce and Bachelor of Science (hons).

Mr Gurner resigned 21 January 2015 to pursue other interests.

Hannah C Hudson (B.Comm, B.A, ACA)
Chief Financial Officer/Company Secretary

Ms Hudson previously worked with CGA Mining Limited as Financial Controller/Company Secertary. Ms Hudson resigned as CFO/Company Secretary 9 September 2014.

2. DIRECTORS' INTERESTS

The relevant interest of each Director in the shares and options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by Directors to the Australian Stock Exchange in accordance with s205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	**Interest in Securities at the date of this report**	
	Shares [1]	**Listed Options**
Current Directors		
Michael J Carrick	527,734	-
Justine A Magee	345,404	-
David A Cruse	794,280	73,082
Phil C Lockyer	65,385	-
Robert N Scott	80,770	-

**The Company completed a 1:10 share consolidation on 28 May 2014 prior to completion of the Scheme of Arrangement on 4 June 2014.

Notes
(1) "Shares" means fully paid shares in the capital of the Company.

3. MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the financial year ended 31 December 2014 and the number of meetings attended by each Director. There were three committees of directors in existence during the financial year, these being, the Audit Committee, Remuneration/Nomination Committee and the Disclosure Committee. We refer you to our Corporate Governance section at the end of the director's report for more information.

Committee Meetings				
	Directors Meetings	Audit	Remuneration/ Nomination	Disclosure
Number of Meetings Held	3	1	-	-
Number of Meetings Attended				
Michael J Carrick	3	n/a	-	n/a
Justine A Magee	3	n/a	n/a	n/a
Robert N Scott	3	1	-	-
Phil C Lockyer	3	1	n/a	-
David A Cruse	3	1	-	-
Mathew G Syme	1	-	-	-

4. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the year was mineral exploration and development. At the date of this report the Company's main projects are the Mabilo and Bunawan Projects in the Philippines.

5. EMPLOYEES

	2014	December 31, 2013	June 30, 2013
The number of full time equivalent people employed by the Consolidated Entity at 31 December 2014 (including consultants).	5	4	4

6. REVIEW OF OPERATIONS AND RESULTS

During the year the Company's main focus moved from one of new project acquisition to focusing initially on the integration of the newly acquired Sierra Mining Limited and its associated projects. RTG acquired a direct 40% interest in each of Mt Labo Exploration & Development Corporation, St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation and Oz Metals Exploration and Development Corporation and a further indirect interest in Mt Labo Exploration and Development Corporation.

During the September quarter the Company introduced a new geologist, Mr Bob Ayres who reviewed all the previous drilling activity at Mabilo and developed a strong structural understanding of the ore body. The focus of the Company has now moved from an exploration phase, to a development phase, with an emphasis placed on progressing the feasibility and permitting process.

Since acquiring an interest in the Mabilo Project the Company has made significant progress, with the reporting of a Maiden Resource Statement on November 24, 2014. This has allowed for a better understanding of the Project and confidence in being able to move forward successfully to development. The definition of two high grade oxide mining products within the Resource materially improves the economics of the Project with limited need for upfront capital and potential for early cash flow.

In parallel with the efforts on the Mabilo Project, the Company was able to secure the issue of the Bunawan exploration permit which Sierra had been working on for some period of time. Following the granting of the exploration permit the Company commenced a reconnaissance drilling program in November 2014. At the end of 2014 nine holes had been completed for 3,074 metres. Mineralisation was intercepted in 6 of the 9 holes drilled, including 7m @ 4.18g/t Au and 4m @ 12.33g/t Au.

Net loss after tax for the year ended 31 December 2014 was $6,585,437 (December 31, 2013 - 6mth period: Net loss after tax of $881,240 and June 30, 2013 period: net loss after tax of $8,322,752).

7. DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 31 December 2014.

8. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The significant changes in the state of affairs of the Consolidated Entity during the year were:

- The Company acquired Sierra Mining Limited by way of Scheme of Arrangement which closed on 4 June 2014;
- The Company announced its maiden resource estimate for the Mabilo Project (Announcement released on 24 November 2014 with the NI 43-101 Technical Report released on 8 January 2015);
- Lycopodium Minerals Pty Ltd (“Lycopodium”) has been managing the Phase 1 metallurgical test work program on the Mabilo Project (“Mabilo”), with analysis undertaken by ALS Metallurgy (“ALS”) in Perth, Australia. The program covered the oxide and primary domains with excellent results. The Phase 1 program was finalised at the end of January 2015 and forms the basis for the definitive test work program and associated process design and engineering. The completion of this now allows the Company to move into Phase 2 Definitive Feasibility Study metallurgical test work;
- Work continued on the Definitive Feasibility Study for Mabilo, along with the metallurgical test work. Work was conducted on environmental studies, community development and infrastructure studies for the Project. The Study remains on track for completion in the third quarter of the 2015 calendar year.
- The Company announced on 20 August 2014 the granting of Exploration Permit EP033XIII for the Bunawan Project in the Philippines;
- The Company announced the commencement of a drill program on 10 November 2014 at the Bunawan Project.
- At the end first quarter for 2015, results for the nine holes completed was released. Mineralisation was intercepted in 6 of the 9 holes drilled, including 7m @ 4.18g/t Au and 4m @ 12.33g/t Au.

9. EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 10 February 2015, the Company announced it had resolved to raise approximately A$15 million in a placement to Australian and international institutional and sophisticated investors (“Placement”).

Net proceeds of the Placement will be used:

- to fund permitting and development of the Mabilo Project;
- to fund exploration at the Bunawan Project; and
- for general working capital purposes.

Placement Details

The Placement consists of 22.3 million new Securities to be issued at a price of A$0.68 cents per Security to raise total funds of circa $15.1 million. The Securities will be issued in two tranches as noted below:

- *Tranche 1* - Comprising 16.79 million Securities at A$0.68 cents per Security to raise circa $11.4 million, was issued, on 18 February 2015, pursuant to ASX Listing Rules 7.1 and section 607 of the TSX Listing Rules; and

- *Tranche 2* - Comprising circa 5.5 million Securities at A$0.68 cents per Security to raise a further circa $3.7 million, (a) a portion of which was issued on 18 February 2015 to Canadian investors as subscription receipts to acquire shares (the “Subscription Receipts”), and (b) the remainder of which is to be issued to Australian and other international investors after receipt of shareholder approval at an **Extraordinary General Meeting of Shareholders** to be held on **April 10, 2015** (as announced to the market on the March 4, 2015 in the Company’s Notice of Extraordinary General Meeting)**.**

That portion of the Placement to be subscribed for by Canadian investors has been done through a Placement of units, with each unit comprised of approximately 0.75 shares and 0.25 Subscription Receipts. Each Subscription Receipt will be automatically exercisable and entitle the holder to receive, without payment of additional consideration, one share of RTG upon the satisfaction of certain escrow release conditions, and the portion of the gross proceeds attributable to the Subscription Receipts will be held in escrow pending satisfaction of the escrow release conditions.

The escrow release conditions, among other things, include the receipt of all required shareholder and regulatory approvals (including approval of Tranche 2 by RTG's shareholders and approval of the Placement by the Toronto Stock Exchange (the "TSX") and the Australian Securities Exchange Limited (the "ASX")). If the escrow release conditions have not been satisfied on or prior to the release deadline (such deadline to be determined by the agents and RTG), the Subscription Receipts will be cancelled and an amount equal to the subscription price attributable to the Subscription Receipts shall be returned to the holders of the Subscription Receipts.

10. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company is committed to further developing its current asset base, and identifying new mineral exploration and development opportunities to enhance shareholder value.

11. SHARE OPTIONS

Unissued Shares

As at the date of this report, the Company had 8,784,687 options on issue. The total outstanding capital of the Company as at the date of this report was 128,763,233 shares. The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares Issued as a Result of the Exercise of Options

During the financial year, 167 options were exercised. Details on movements in share options for the year are disclosed in Note 13 to the financial statements. No options have been granted subsequent to the end of the financial year.

12. REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and executives of the Company and the Group. For the purposes of this report, Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (executive or otherwise) of the parent entity.

Details of Key Management Personnel

(i) Directors	
Michael Carrick	Executive Chairman
Justine Magee	Director (Executive), Chief Executive Officer
Robert Scott	Director (Non-Executive)
Phil Lockyer	Director (Non-Executive)
David Cruse	Director (Non-Executive)
Matthew Syme	Director (Non-Executive) (Appointed 4 June 2014, retired 9 September 2014)

(ii) Executives	
Mark Turner	Chief Operating Officer
Nicholas Day	Chief Financial Officer and Company Secretary (Appointed: 21 January 2015)
Ryan Gurner	Chief Financial Officer and Company Secretary (Resigned: 21 January 2015)
Hannah Hudson	Chief Financial Officer and Company Secretary (Resigned: 9 September 2014)

Changes since the end of the reporting period

Ryan Gurner resigned from the position of Chief Financial Officer/Company Secretary on 21 January 2015, and Nicholas Day was appointed on 21 January 2015.

Remuneration Governance

The Remuneration/Nomination Committee is a committee of the Board. It is primarily responsible for making recommendations to the board on:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicator;
- remuneration levels of executives; and
- Non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

The Company's website contains further information on the role of this committee.

Remuneration Policy

The remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. Given the present nature of RTG's business, exploration and development, the Company believes the best way to achieve this objective is to provide executives (including executive directors) with a remuneration package consisting of fixed and variable components that reflect the person's responsibilities, duties and personal performance.

Non-executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. Each director receives a fee for being a director of the Company. The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between directors as agreed.

Executive Remuneration

Fixed Remuneration
Fixed remuneration consists of base remuneration (which is calculated on a total cost basis), as well as employer contributions to superannuation funds.

Arrangements put in place by the Board to monitor the performance of the Consolidated Entity's executives include:

- a review by the Board of the Group's financial performance; and
- annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

Remuneration levels are reviewed as required by the remuneration committee on an individual contribution basis in the form of a performance appraisal meeting. This incorporates analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

Variable Remuneration – Short Term Incentive ("STI")

Objective
The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total STI amount available is at the discretion of the board, however it is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure
Actual STI payments granted to each executive depend on the extent to which key Group objectives are met. The objectives typically consist of financial and non-financial, corporate and individual measures of performance. Typically included are measures such as contribution to financing and capital raising objectives, risk management and relationship management with key stakeholders. These measures were chosen as they represent the key drivers for the short term success of the business and provide a framework for delivering long term value.

STI payments are made at the discretion of the Board and remuneration committee. Amounts are determined in line with the extent to which a key business objective has been met and the individuals responsibilities and contribution. The process occurs shortly after the key objective has been met and payments are delivered as a cash bonus upon approval, in order to closely align the achievement and reward.

STI Bonus for 31 December 2014 Financial Period and for 31 December 2013 (six months) Financial Year and June 30, 2013
For the 31 December 2014, 31 December 2013 and June 30, 2013 financial period's there were no STI payments made to Executives. No STI bonus amounts have been forfeited during the 31 December 2014 ,31 December 2013 and 30 June 2013 financial years. STI payments are made at the discretion of the Board and remuneration committee.

Variable Remuneration - Long Term Incentive ("LTI")

Objective
The objective of the LTI plan is to reward executives in a manner that aligns remuneration with the creation of shareholder wealth.

Structure
LTI grants to executives are delivered in the form of loan funded shares under the Loan Funded Share Plan. Shares are granted to executives based on their role and responsibilities. The shares may be granted on varying vesting terms designed to align the individuals' role and responsibilities with the vesting terms. Shares granted as remuneration are determined as part of the overall review of performance and compensation. Criteria which are measured included relative share price performance over the period leading up to their grant. Details of LTI shares granted and the value of shares granted, sold and lapsed during the year are set out in the tables following.

Use of remuneration consultants
During the financial year, no remuneration consultants were used nor any fees paid.

Service Agreements

In relation to directors and executives, in the case of serious misconduct, employment may be terminated without notice, with no entitlement to termination payment other than Remuneration pro rata up to and including the date of termination. Details of the nature and amount of each element of the emolument of each director and key management personnel of the Company and each of the executive officers of the Company and the Consolidated Entity receiving the highest emolument for the financial year are as follows:

(a) Details of remuneration

The following tables show details of the remuneration received by the group's key management personnel for the current and previous financial period.

12 months ended **December 31, 2014**	**Short-term**			**Post-employment Benefits**	**Long term Benefits**	**Share based payments**		
	Cash salary & fees	**Cash bonus**	**Non-monetary benefits**	**Superannuation benefits**	**Annual and long service leave**	**Loan funded share plan**	**Total**	**Total Performance Related**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**%**
Directors								
Mr Michael Carrick	180,412	-	48,170	21,649	-	-	250,231	-
Ms Justine Magee	350,099	-	21,761	23,712	38,785	-	434,357	-
Mr Robert Scott	53,999	-	-	-	-	-	53,999	-
Mr Phil Lockyer	54,477	-	-	5,105	-	-	59,582	-
Mr David Cruse	54,477	-	-	5,105	-	-	59,582	-
Mr Mathew Syme (retired 9 September 2014)	14,072	-	-	1,337	-	-	15,409	
Executives								
Mr Mark Turner	346,133	-	38,997	20,963	20,413	-	426,506	-
Mr Ryan Gurner*	81,735	-	-	5,511	6,069	-	93,315	-
Ms Hannah Hudson**	189,856	-	-	18,277	-	-	208,133	-
Total Remuneration	**1,325,260**	**-**	**108,928**	**101,659**	**65,267**	**-**	**1,601,114**	**-**

** Ryan Gurner resigned as at 21 January 2015, ** Hannah Hudson resigned as at 9 September 2014.*

6 months ended **December 31, 2013**	**Short-term**			**Post-employment Benefits**	**Long term Benefits**	**Share based payments**		
	Cash salary & fees	**Cash bonus**	**Non-monetary benefits**	**Superannuation benefits**	**Annual and long service leave**	**Loan funded share plan**	**Total**	**Total Performance Related**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**%**
Directors								
Mr Michael Carrick	134,914	-	-	16,190	39,484	-	190,588	-
Ms Justine Magee	172,751	-	-	11,091	10,647	-	194,489	-
Mr David Cruse	26,618	-	-	-	-	-	26,618	-
Mr Philip Lockyer	26,618	-	-	2,462	-	-	29,080	-
Mr Robert Scott	26,618	-	-	-	-	-	26,618	-
Executives								
Mr Mark Turner	168,237	-	-	11,091	10,655	-	189,983	-
Ms Hannah Hudson	100,330	-	-	9,281	-	-	109,611	-
Total Remuneration	**656,086**	**-**	**-**	**50,115**	**60,786**	**-**	**766,987**	**-**

(a) Details of remuneration cont.

The following tables show details of the remuneration received by the group's key management personnel for the current and previous financial period.

12 months ended June 30, 2013	Short-term			Post-employment Benefits	Long term Benefits	Share based payments		
	Cash Salary & Fees	Cash Bonus	Other allowances	Superannuation benefits	Annual and long service leave	Loan funded share plan	Total	Total Performance Related
	US$	US$	US$	US$	US$	US$	US$	%
Directors								
Mr Michael Carrick	47,532	-	-	5,704	-	410,400	463,636	-
Ms Justine Magee	127,132	-	6,248	9,868	-	410,400	553,648	-
Mr David Cruse	14,262	-	-	-	-	68,400	82,662	-
Mr Philip Lockyer	14,262	-	-	1,284	-	68,400	83,946	-
Mr Robert Scott	14,262	-	-	1,284	-	68,400	83,946	-
Michael Bowen	-	-	-	-	-	-	-	-
Executives								
Mr Mark Turner	124,380	-	3,134	8,951	-	342,000	478,465	-
Ms Hannah Hudson	80,907	-	-	7,282	-	205,200	293,389	-
Total Remuneration	**422,737**		**9,382**	**34,373**	**-**	**1,573,200**	**2,039,692**	**-**

Equity instruments held by directors and key management personnel

(i) Shares issued to directors and executives

The details of the allocation of shares to key management personnel are as follows:

2014 Name	Opening balance 01 January 2014	Other changes*	Closing balance 31 December 2014	Share issue price ($C)*	Vested % to the end of December 31, 2014
Directors					
Mr Michael Carrick	3,000,000	(2,700,000)	300,000	1.65	100%
Ms Justine Magee	3,000,000	(2,700,000)	300,000	1.65	100%
Mr David Cruse	500,000	(450,000)	50,000	1.65	100%
Mr Philip Lockyer	500,000	(450,000)	50,000	1.65	100%
Mr Robert Scott	500,000	(450,000)	50,000	1.65	100%
Executives					
Mr Mark Turner	2,500,000	(2,250,000)	250,000	1.65	100%
Ms Hannah Hudson	1,500,000	(1,350,000)	150,000**	1.65	100%

**The Company completed a 1:10 share consolidation on 28 May 2014 prior to completion of the Scheme of Arrangement on 4 June 2014.*
***Balance at resignation date, 9 September 2014*

On 28 March 2013, shares were issued to key management personnel of the Company under the Loan Funded Share Plan (“LFSP” or “the Plan”) that was approved by Shareholders at the 21 March 2013 special shareholders meeting of Ratel Group Limited. The shares were issued to employees under the following terms (Refer to Note 21 for further details):

- Shares were issued on 28 March 2013 at C$0.165 (C$1.65 post 1:10 consolidation), which was in excess of the 5 day volume weighted average market price on that day.
- 14,000,000 shares were issued which vested immediately(June 2013).
- Shares issued under this plan have been paid for by employees who have been provided with an interest free non-recourse loan by the Company.
- A total of 14,000,000 shares were issued on 28 March 2013 with a face value of C$2,310,000.

Details of the non-recourse loans granted to employees can be found at Note 21.

(ii) Options granted to directors and key management personnel

There were no options granted to executives of the Company during the period ended 31 December 2014 (December 2013: nil, June 2013:nil).

(iii) Share holdings

(12 month period) 31 December 2014	Balance at start of period	Acquired	Granted under the Loan Share Plan	Other changes during the period*	Balance at the end of period
Directors					
Mr Michael Carrick	5,277,334	-	-	(4,749,600)	527,734
Ms Justine Magee	3,454,044	-	-	(3,108,640)	345,404
Mr David Cruse	1,365,400	757,740	-	(1,228,860)	894,280
Mr Philip Lockyer	653,850	-	-	(588,465)	65,385
Mr Robert Scott	807,700	-	-	(726,930)	80,770
Mr Mathew G Syme	-	-	-	5,007,403	5,007,403**
Executives					
Mr Mark Turner	2,500,000	-	-	(2,250,000)	250,000
Ms Hannah Hudson	1,541,664	-	-	(1,387,497)	154,166***

*The Company completed a 1:10 share consolidation on 28 May 2014 prior to the completion of the Scheme of Arrangement on 4 June 2014; **Balance at resignation date, 9 September 2014;and *** Balance at resignation date, 9 September 2014.

(6 month period) 31 December 2013	Balance at start of period	Received during the period on exercise of options	Granted under the Loan Share Plan	Other changes during the period	Balance at the end of period
Directors					
Mr Michael Carrick	5,277,334	-	-	-	5,277,334
Ms Justine Magee	3,454,044	-	-	-	3,454,044
Mr David Cruse	1,365,400	-	-	-	1,365,400
Mr Philip Lockyer	653,850	-	-	-	653,850
Mr Robert Scott	807,700	-	-	-	807,700
Executives					
Mr Mark Turner	2,500,000	-	-	-	2,500,000
Ms Hannah Hudson	1,541,664	-	-	-	1,541,664

(12 month period) 30 June 2013	Balance at start of period	Received during the period on exercise of options	Granted under the Loan Share Plan	Other changes during the period	Balance at the end of period
Directors					
Mr Michael Carrick	416,658	-	3,000,000	1,860,676	5,277,334
Ms Justine Magee	-	-	3,000,000	454,044	3,454,044
Mr David Cruse	-	-	500,000	865,400	1,365,400
Mr Philip Lockyer	-	-	500,000	153,850	653,850
Mr Robert Scott	-	-	500,000	307,700	807,700
Executives					
Mr Mark Turner	-	-	2,500,000	-	2,500,000
Ms Hannah Hudson	41,664	-	1,500,000	-	1,541,664

Loan funded share plan (“LFSP” or “the Plan”)

Shares issued pursuant to the LFSP are for services rendered to date by eligible employees and directors to date and, going forward, for services rendered by existing and any new eligible employees and directors who are appointed in the future. The purposes of the Plan are to motivate and retain employees, attract quality employees to the Group create commonality of purpose between the employees and the Group, create wealth for shareholders by motivating the employees, and enable the employees to share the rewards of the success of the Group. Where the Company offers to issue incentive shares to a Director employee, the Company may offer to provide the recipient with a limited recourse, interest free loan to be used for the purposes of subscribing for the shares in the Company. The Company’s recourse to repayment of the loans is limited to the lesser of:

a) The original loan to the participant less any repayments made; or
b) The market value of the shares as at the date of repayment of the loan.

(iv) Option holdings

(12 month period) 31 December 2014	Balance at start of period	Acquired	Other changes during the period*	Balance at the end of period
Directors				
Mr Michael Carrick	-	-	-	-
Ms Justine Magee	-	-	-	-
Mr David Cruse	-	-	73,082*	73,082
Mr Philip Lockyer	-	-	-	-
Mr Robert Scott	-	-	-	-
Mr Mathew Syme	-	-	556,379	556,379

*Options issued under Scheme with Sierra Mining

End of remuneration report.

13. INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company has paid insurance premiums of US$66,794 (2013: US$74,872) in respect of directors' and officers' liability contracts, for current and former directors and officers, including senior executives of the Company and directors, and senior executives and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by relevant officers in defending proceedings, whether civil or criminal, whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

14. ENVIRONMENTAL REGULATION

The Consolidated Entity has a policy of complying with its environmental performance obligations. No material environmental issues have occurred during the year ended 31 December 2014 or up to the date of this report.

15. AUDITORS INDEPENDENCE DECLARATION AND NON AUDIT SERVICES

Throughout the year, the auditors performed non audit services for the Company in addition to their statutory duties. A total of US$70,065 was paid for these services (refer to Note 14 for further details).

The auditor of the Company is BDO Audit (WA) Pty Ltd.	**31 December 2014**	**31 December 2013**	**30 June 2013**
	US$	**US$**	**US$**
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:			
• Audit related services	85,809	30,000	87,211
• Taxation services			
- Tax compliance	46,191	-	-
- Other assurance services	23,874	-	-
	155,874	30,000	87,211

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is included at page 76 of the financial report and forms part of this report.

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

MICHAEL CARRICK
Director
Perth

30 March 2015

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of RTG Mining Inc. ("the Company") is responsible for corporate governance of the Company. The Company has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. The Board continually reviews its governance practices to ensure they remain consistent with the needs of the Company. Some of these policies and procedures are summarised in this statement.

Other than as set out below, the Company complies with the ASX Corporate Governance Councils Corporate Governance Principles and Recommendations 2nd edition ("ASX Principles & Recommendations"). The Company also complies with Canadian corporate governance requirements as set out in National Instrument 58-101.

Details of RTG's key policies, practices and charters for the Board and each of its committees are made available on RTG's website http://www.rtgmining.com and may be obtained from the Company Secretary.

1. Lay solid foundations for management and oversight

Recommendation 1.1 – functions reserved to the board and those delegated to senior executives

The Board is responsible for the management of the affairs of the Company. This includes:

- setting, approving and evaluating financial and strategic plans and objectives and significant changes to organisational structure;
- monitoring the Company's annual budgets and business plans;
- approving and monitoring major capital expenditure, capital management and all material transactions, including the issue of securities;
- authorising borrowings, other than in the ordinary course of business, and the granting of security over the undertaking of the Company or any of its assets;
- authorising expenditures which exceed the Chief Executive Officer's ("CEO") delegated authority levels;
- approving and reviewing financial and other reporting;
- the appointment and removal of the CEO, Company Secretary and directors and determination of their remuneration and conditions of service; and
- establishing procedures which ensure that the Board is in a position to exercise its powers and to discharge its responsibilities as set out in Company's memorandum and articles of association (Constitutional Documents).

The Board operates under a written Code of Conduct and its Constitutional Documents which establish guidelines for its conduct. This ensures that directors act honestly, responsibly, ethically and in the best interests of the Company.

A copy of the Code of Conduct and Constitutional Documents is available on RTG's website.

The Board is responsible for setting and maintaining clear strategy and corporate objectives for the Company whilst recognising its responsibilities to employees, the communities and environments within which RTG operates and other relevant stakeholders.

1.1 Recommendation 1.2 – the process for evaluating the performance of senior executives

The Board maintains a Remuneration and Nomination Committee responsible for reviewing and making recommendations to the Board in respect of the performance measurement and remuneration of senior executives of the Company. Due to the Company's current stage of development and size during the year the Board performed the dual roles required under the Remuneration Committee and Nomination Committee.

The Chairman is responsible for conducting an annual review of the Board's performance.

1.2 *Recommendation 1.3 – information indicated in the guide to reporting on Principle 1*

During the Reporting Period senior executives were evaluated in accordance with the process disclosed at Recommendation 1.2, and where applicable, on RTG's website.

2 Structure the Board to add value

2.1 *Recommendation 2.1 – a majority of the Board are independent directors*

The Board is currently comprised of five directors, three of whom are independent non-executive directors:

- Michael Carrick (director and Chairman);
- Justine Magee (director and CEO);
- David Cruse (independent non-executive director);
- Robert Scott (independent non-executive director); and
- Phillip Lockyer (independent non-executive director).

The Company's Constitutional Documents set out the procedure to be followed if there is, or may be, a conflict between the personal or other interests of a director and a transaction entered into or being entered into by the Company.

The Board assesses independence prior to appointment and reviews the independence of its directors regularly against the criteria set out in the ASX Principles & Recommendations, section 1.4 of Canadian National Instrument 52-110 - Audit Committees and the Company's materiality thresholds.

In accordance with the ASX Principles and Recommendations, an independent director is a non-executive director who is not a member of management and is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of their judgment.

2.2 *Recommendation 2.2 – independence of the Chairman*

Whilst the Company recognises the benefit of having an independent director as Chairman, the Board considers that Mr Carrick retains independent judgment such that it does not interfere with the discharge of his duties to the Company. The Board has had due regard to the current size and structure of the Company, composition of the current Board (with a majority of directors being independent) and Mr Carrick's extensive experience in managing companies in the resources industry. The Board considers that Mr Carrick is the most suitable person to act as chair and believes that it can maintain a high level of integrity to discharge its duties and responsibilities as a Board.

2.3 *Recommendation 2.3 – the roles of Chairman and CEO are not exercised by the same individual*

The role of Chairman and CEO are not exercised by the same individual. Mr Carrick currently holds the position of Chairman of the Board and Ms Magee holds the office of CEO.

2.4 Recommendation 2.4 – the Board has established a nomination committee

The Company has established a Nomination Committee and has adopted a Nomination Committee Charter. Due to the Company's current stage of development and size during the year the Board performed the duties required for the Nomination Committee.

The Remuneration and Nomination Committee currently comprises:

- Robert Scott (non-executive director and Chairman)
- Michael Carrick (director);
- David Cruse (non-executive director); and

A full copy of the Company's Remuneration and Nomination Committee Charter is made available on RTG's website.

Mr Scott is the Chair of the Remuneration/Nomination Committee so that the Chair of the committee is not the Chair of the Board.

2.5 Recommendation 2.5 – the process for evaluating the performance of the Board, its committees and individual directors

The Board regularly reviews the size and composition of the Board to ensure that mixes of skills are represented at Board level. Requisite skills under review are managerial, technical, financial, corporate and commercial expertise. The review process takes into account a broad range of experience with a focus on the mining and resources sector and consideration for experience in various jurisdictions.

New directors receive a letter of appointment and executives, where applicable, receive a service agreement which set out the Company's expectations including the term of appointment and duties to be undertaken upon acceptance of the position.

The Board encourages directors to participate in continuous improvement programs from time to time, as considered appropriate. Directors are required to attend and partake in presentations and briefings to enhance their skills, experience and contribute to the Company's development.

The structure of the Board has evolved over time to reflect the changing needs of the Company and to ensure that strategic and commercial objectives are met.

Details of each director's skills, expertise, qualifications and experience can be found in the Directors Report.

2.6 Recommendation 2.6 – information indicated in the guide to reporting on Principle 2

The following additional information is provided with respect to reporting on Principle 2.

Company's materiality thresholds

When assessing Company matters, the Board considers the following quantitative and qualitative materiality thresholds:

- Statement of financial position items are material if they have a value of more than 10% of pro-forma net assets;
- Profit and loss items are material if they have an impact on the current year operating result of 10% or more;

- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on statement of financial position or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%, and
- Contracts will be considered material if they are outside the ordinary course of business, contact exceptionally onerous provisions, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced , or cannot be replaced without an increase in cost of such quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Statement concerning availability of independent professional advice

If a Director considers it necessary to obtain independent professional advice to properly discharge their responsibilities as a director, then, provided the Director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

Appointment of new directors

During the financial year, Mr Mathew Syme was appointed as director of the Board, he was formerly the Chief Executive Officer of Sierra Mining Limited. He was appointed 4 June 2014 on a transitional basis, and retired from this position on 9 September 2014.

3 Promote ethical and responsible decision-making

3.1 Recommendation 3.1 – the entity has established a code of conduct and has disclosed the code or a summary of the code

RTG has established a Code of Conduct which applies to all directors, officers and employees.

The Code of Conduct sets ethical standards of business practice and enables the Company to manage risks and adhere to legal and compliance obligations set by stakeholders and regulatory bodies.

The Code of Conduct sets clear guidelines with respect to:

- workplace health and safety;
- responsibility for the environment;
- conducting business acting with integrity, fairness and respect (including discrimination and harassment);
- conflicts of interest; and
- compliance with applicable laws and regulatory requirements.

The Company also has an Insider Trading Policy which sets out disclosure requirements and procedures in respect of trading of RTG securities.

RTG's Code of Conduct and Insider Trading Policy are available on the Company's website.

3.2 Recommendation 3.2 – the entity has established a policy concerning diversity and disclosed the policy or a summary of that policy

The Board has adopted a policy promoting diversity and equal opportunity (Diversity Policy). A full copy of the Company's Diversity Policy will be made available on RTG's website.

The Diversity Policy sets out RTG's commitment in achieving diversity by:

- establishing measurable objectives which are reviewed on an annual basis;
- taking active measures in eliminating discrimination and harassment; and
- recruiting and maintaining a diversified workforce and implementing programs which provide for flexible work arrangements and various other diversity considerations.

3.3 Recommendation 3.3 – measurable objectives for achieving gender diversity

The measurable objectives set by the Board for the Reporting Period, and a report as to the Company's progress towards achieving the objectives is set out in the following table:

Measurable objective	**Progress towards achieving objective**
Equality in remuneration scales	Remuneration scales across the organization are reviewed annually as part of the annual remuneration review process. During this process any inequalities are identified and addressed.
Approach all recruitment and selection with equality that ensures no bias towards either male or female candidates (through job ads, briefings to recruitment agents, selection criteria based on experience, applicants considered on merit)	All recruitment and selection that took place during the Reporting Period was approached in accordance with the objective.
Approach to all promotions with equality that ensures no bias towards male or female candidates (ie best person for the role)	All promotions that took place during the Reporting Period were approached in accordance with the objective.
Approach to training and career development opportunities with equality to ensure no bias towards any staff member(s).	All training and career development that took place during the Reporting Period was approached in accordance with the objective.
Offer flexible working arrangements for mothers of young children, provided the arrangement is acceptable to both the employee and the Company.	Flexible working arrangements continued to be offered in accordance with the objective during the Reporting Period. Flexible working arrangements were reviewed as part of the annual performance and remuneration review process.
Review the Company's governance charter, policies and procedures to address diversity.	The Company's governance charters, policies and procedures were reviewed to address diversity in the current reporting period.

3.4 *Recommendation 3.4 – the proportion of women employees in the whole organisation, in senior executive positions and on the Board*

The information in the table is current as at 31 December 2014.

	Male	**Female**	**Total**	**Male (%)**	**Female (%)**	**Total (%)**
Senior management positions	6	1	7	86	14	100
Other positions	-	3	3	-	100	100
Total	**6**	**4**	**10**	**86**	**14**	**100**

Throughout the year there were 2 women in senior executive positions:

- Justine Magee – President, CEO and executive director; and
- Hannah Hudson – Chief Financial Officer (CFO) and Company Secretary. (resigned 9 September 2014)

Currently, there is one woman on the Board of RTG, Ms Magee.

3.5 *Recommendation 3.5 – information indicated in the guide to reporting on Principle 3*

A copy of the Company's Code of Conduct and Diversity Policy is available on RTG's website.

4 Safeguard integrity in financial reporting

4.1 *Recommendation 4.1 – the Board has established an audit committee*

The Board has established an Audit Committee and has adopted a Charter of the Audit Committee documenting its composition and responsibilities.

4.2 *Recommendation 4.2 – structure and details of the audit committee*

The Audit Committee should be structured so that is

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent Chair, who is not Chair of the Board; and
- has at least three members.

Recommendation 4.2, and ASX Listing Rule 12.7 . The members of the Audit Committee, their status and the number of times they met during the Reporting Period are outlined in the following table.

Name	**No of meetings held**	**No of meetings attended**
Robert Scott (non-executive director, Chairman)	1	1
Phil Lockyer (non-executive director)	1	1
David Cruse (non-executive director)	1	1

The qualifications of each director are set out in the Directors' Report.

All members are independent within the meaning of Canadian Securities National Instrument 52-110 and ASX Principles and Recommendations. Each of the members is financially literate under Section 1.5 of Canadian Securities National Instrument 52-110.

4.3 Recommendation 4.3 – the audit committee has a formal charter

Details of the functions of the Audit Committee are set out in the Audit Committee Charter, a copy of which will be made available on the Company's website.

The Charter of the Audit Committee is reviewed and updated annually and presented to the Board for approval.

4.4 Recommendation 4.4 – information indicated in the guide to reporting on Principle 4
Selection, appointment and rotation of external auditor

RTG's current external auditor is BDO (Audit) WA Pty Ltd. The Audit Committee annually reviews the independence and performance of the external auditor and recommends to the Board the appointment of the external auditor.

5 Make timely and balanced disclosure

5.1 Recommendation 5.1 – policies designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at senior executive level

As a dual listed entity, RTG has in place a Continuous Disclosure Policy and Procedures to ensure that it complies with ASX, Corporations Act 2001 (Cth) (Corporations Act), TSX Company Manual and applicable Canadian securities requirements with respect to timely and balanced disclosure at senior executive level.

The Company provides timely and effective disclosure of price sensitive and other material information through media communications, analyst briefings and through its public announcements on the ASX, TSX and on the Company's website.

5.2 Recommendation 5.2 – information indicated in the guide to reporting on Principle 5

The matters set out in the guide to reporting on Principle 5 will be included in RTG's corporate governance statement that will form part of each annual report.

A copy of the Continuous Disclosure Policy is made available on the Company's website.

6 Respect the rights of shareholders

6.1 Recommendation 6.1 – a communications policy for promoting effective communication with shareholders

The Company is committed to ensuring that accurate and timely information is communicated to its shareholders. Material information concerning the Company is communicated through public announcements on the ASX, TSX and on the Company's website and where applicable, information mailed to shareholders. The Company also encourages shareholder participation at its annual general and special meetings of the shareholders of the Company.

RTG's register of shareholders is maintained by Computershare Investor Services (Computershare). Computershare also provides investor information to RTG shareholders.

6.2 Recommendation 6.1 – information indicated in the guide to reporting on Principle 6

The Board aims to ensure that the shareholders are informed of all major developments affecting the Company.

Electronic Communication

The Company makes available on its website the following information on a regular and up-to-date basis:

- Information briefings to media and analyst;
- Notices of meetings and explanatory materials;
- Financial information including annual reports; and
- All other Company announcements.

The Company provides shareholder materials directly to shareholders through electronic means. A shareholder may request a hard copy of the Company's annual report to be posted to them.

In addition to the above, shareholders are able to register through the Company's website for information updates.

Meetings

The Company considers general meetings to be an effective means to communicate with shareholders.

The Company provides information in the notice of meeting that is presented in a clear, concise and effective manner.

7 Recognise and manage risk

7.1 Recommendation 7.1 – policies for oversight and management of material business risks

The Company monitors and manages its material business risks and legal obligations and has policies and practical control systems in place to identify and manage risks.

7.2 Recommendation 7.2 – the board requires management to design and implement risk management and internal control system to manage the entity's material business risks

Risk management is also carried out by management and the Board under policies approved by the Board. The Board also provides regular guidance for overall risk management, including guidance on specific areas, such as mitigating foreign exchange, interest rate and credit risk.

As part of its primary duties and responsibilities, the Audit Committee identifies and monitors the management of the principal risks that could impact the financial reporting of the Company.

The Audit Committee discusses significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. The review includes a consideration of any significant findings prepared by the external auditor together with management's responses.

Management is required to periodically report to the Board as to adherence to policies, guidelines and limits approved by the Board for management of risks.

The Board undertakes an annual review of the Company's risk management policies and procedures to ensure that it complies with its legal obligations and can effectively manage its material business risks.

For the purposes of assisting investors to understand better the nature of risks faced by RTG Mining Inc, the board has prepared a list of operational risks as part of these Principle 7 disclosures. However, the Board notes that this does not necessarily represent an exhaustive list and that it may be subject to change based on underlying market events.

- foreign exchange movements;
- movements in commodity prices (in particular gold, copper and iron ore prices and costs of production);
- securing offtake agreements for non-gold products;
- access to new capital (both debt and equity) and meeting liquidity requirements;
- the uncertain nature of exploration and development activities;
- increases in capital expenditures necessary to advance the Company's projects;
- the ability to profitably exploit new development projects;
- political, security and sovereign risks of Nigeria and the Philippines;
- joint venture partner relationships and disputes;
- permitting and local government and community support;
- environmental obligations; and
- the occurrence of force majeure events.

We refer readers to our Annual Information Form lodged on www.sedar.com for further details of risks facing the Company.

7.3 Recommendation 7.3 – compliance with section 295A of the Corporations Act

As a foreign registered company, the Company is not required to comply with section 295A of the Corporations Act. However, similar certificates are issued under FORM 52-109F1 on the TSX for the CFO and CEO declaring that the accounts have been reviewed, are fairly presented and are without misrepresentation.

7.4 Recommendation 7.4 – information indicated in the guide to reporting on Principle 7

The matters set out in the guide to reporting on Principle 7 will be included in RTG's corporate governance statement that will form part of each annual report, and where applicable, is available on RTG's website.

8 Remunerate fairly and responsibly

8.1 Recommendation 8.1 – the board has established a remuneration committee

RTG is committed to ensuring that matters concerning remuneration of directors and senior management and RTG's obligations in respect of employment benefits are dealt with fairly and responsibly.

Due to the Company's current stage of development and size during the year the Board performed the Remuneration Committee's duties. A copy of the Remuneration Committee Charter is available on RTG's website.

8.2 Recommendation 8.2 – structure of the remuneration committee

The Remuneration and Nomination Committee should be structured so that it:

- is comprised of a majority of independent directors;
- is chaired by an independent chair; and
- has at least three members.

The Remuneration Committee , was not at all times during the Reporting Period, structured in accordance with Recommendation 8.2 and ASX Listing Rule 12.8. Mr Michael Carrick is not considered Independent.

Whilst the Company recognises the benefit of having an independent Chairman on the Remuneration Committee, the Board considers that Mr Carrick retains independent judgment such that it does not interfere with the discharge of his duties to the Committee.

8.3 Recommendation 8.3 – structure of remuneration of non-executive directors from that of executive directors and senior executives

The Remuneration and Nomination Committee Charter adopted by the Board ensures that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. Given the present nature of RTG's business, early stage production, exploration and development, the Company believes the best way to achieve this objective is to provide executives (including executive directors) with a remuneration package consisting of fixed and variable components that reflect the person's responsibilities, duties and personal performance.
Details of the remuneration structure of executive directors, non-executive directors and senior executives will be provided in the Company's annual reports.

The Chairman of the Remuneration and Nomination Committee reports to the Board and, as appropriate, make recommendations to the Board after each meeting held.

8.4 Recommendation 8.4 – information in the guide to reporting on Principle 8

The matters set out in the guide to reporting on Principle 8 will be included in RTG's corporate governance statement that will form part of each annual report, and where applicable, will be made available on RTG's website.
Details of remuneration, including the Company's policy on remuneration can be found in the "Remuneration Report" which forms part of the Directors' Report.

The table below summarises the Company's compliance with the ASX Principles & Recommendations.

Recommendation	Comply Yes/No
Principle 1 – Lay solid foundations for management and oversight	
1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Yes
1.3 Companies should provide the information indicated in the guide to reporting on Principle 1.	Yes
Principle 2 – Structure the board to add value	
2.1 A majority of the board should be independent directors.	Yes
2.2 The chair should be an independent director.	No
2.3 The roles of chair and chief executive officer should not be exercised by the same individual.	Yes
2.4 The board should establish a nomination committee.	Yes
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes
2.6 Companies should provide the information indicated in the guide to reporting on Principle 2.	Yes
Principle 3 – Promote ethical and responsible decision-making	
3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to: • The practices necessary to maintain confidence in the Company's integrity. • The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders. • The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes
3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Yes
3.3 Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Yes
3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Yes
3.5 Companies should provide the information indicated in the guide to reporting on Principle 3.	Yes
Principle 4 – Safeguard integrity in financial reporting	
4.1 The board should establish an audit committee.	Yes
4.2 The audit committee should be structured so that it: • Consists only of non-executive directors • Consists of a majority of independent directors • Is chaired by an independent chair, who is not chair of the board • Has at least three members	Yes
4.3 The audit committee should have a formal charter.	Yes
4.4 Companies should provide the information indicated in the guide to reporting on Principle 4	Yes
Principle 5 – Make timely and balanced disclosure	
5.1 Companies should establish written policies designed to ensure compliance with ASX listing rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes
5.2 Companies should provide the information indicated in the guide to reporting on Principle 5.	Yes
Principle 6 – Respect the rights of shareholders	
6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes
6.2 Companies should provide the information indicated in the guide to reporting on principle 6.	Yes
Principle 7 – Recognise and manage risk	
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes
7.2 The board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Yes

7.3 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risks.	No
7.4 Companies should provide the information indicated in the guide to reporting on principle 7.	Yes
Principle 8 – Remunerate fairly and responsible	
8.1 The board should establish a remuneration committee	Yes
8.2 The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent director • has at least three members	No
8.3 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes
8.4 Companies should provide the information indicated in the guide to reporting on principle 8.	Yes

RTG is committed to complying fully with, laws and stock exchange requirements governing the nature, extent and timeliness of its disclosures and other disclosure-related matters.

The external auditors are required to attend the Annual General Meeting and are available to answer any shareholder questions about the conduction of the audit and preparation of the audit report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31 December 2014	31 December 2013 (6 months)	30 June 2013 (12 months)
		US$	US$	US$
Continuing operations				
Revenue	**3**	31,625	24,598	10,553
Exploration and evaluation expenditure	**4(a)**	-	(91,333)	(558,853)
Operating expenses	**4(e)**	-	-	(1,783,165)
Business development expenses	**4(b)**	(1,570,777)	(790,426)	(811,117)
Borrowing costs		-	-	(112,606)
Share of associate loss	**4(d)**	(1,677,500)	-	-
Foreign exchange loss		(386,768)	(201,060)	(319,111)
Administrative expenses	**4(c)**	(3,837,929)	(2,038,845)	(4,748,453)
Loss from continuing operations		**(7,441,349)**	**(3,097,066)**	**(8,322,752)**
Income tax benefit/(expense)		-	-	-
Loss after income tax from continuing operations for the period		**(7,441,349)**	**(3,097,066)**	**(8,322,752)**
Discontinued operations				
Gain from discontinued operations after tax	**16**	-	2,215,826	-
Net loss for the period		**(7,441,349)**	**(881,240)**	**(8,322,752)**
Other comprehensive income/(loss)				
Exchange differences on translation of foreign operations		**(101,433)**	**-**	**-**
Total comprehensive loss for the period		**(7,542,782)**	**(881,240)**	**(8,322,752)**
Loss attributable to:				
Owners of the Company		**(7,542,782)**	**(881,240)**	**(8,322,752)**
Total comprehensive loss attributable to:				
Owners of the Company		**(7,542,782)**	**(881,240)**	**(8,322,752)**
Loss per share from continuing operations attributable to the ordinary equity holders of the company				
Basic loss per share (cents)	**15**	(9.48)	(9.48)*	(50.37)*
Diluted loss per share (cents)	**15**	(9.48)	(9.48)*	(50.37)*
Total comprehensive loss per share attributable to the ordinary equity holders of the company				
Basic loss per share (cents)	**15**	(9.61)	(2.70)*	(50.37)*
Diluted loss per share (cents)	**15**	(9.61)	(2.70)*	(50.37)*

* Comparative EPS have been recalculated on a post share consolidation basis

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2014	31 December 2013	30 June 2013
		US$	US$	US$
ASSETS				
Current Assets				
Cash and cash equivalents	6	2,394,974	10,987,534	14,988,172
Trade and other receivables	7	349,146	276,255	242,061
Prepayments	8	130,579	187	2,259
Total Current Assets		**2,874,699**	**11,263,976**	**15,232,492**
Non-Current Assets				
Property, plant and equipment	9	230,670	362,329	961,496
Available for sale financial assets	10	1,841,854	1,841,854	-
Investment in associates	24	83,197,341	-	-
Loans to associate	25	2,992,472	-	-
Derivative financial asset	16	1,330,228	1,330,228	-
Total Non-Current Assets		**89,592,565**	**3,534,411**	**961,496**
TOTAL ASSETS		**92,467,264**	**14,798,387**	**16,193,988**
LIABILITIES				
Current Liabilities				
Trade and other payables	11	276,566	198,625	722,986
Provisions	12	944,251	10,000	-
Total Current Liabilities		**1,220,817**	**208,625**	**722,986**
TOTAL LIABILITIES		**1,220,817**	**208,625**	**722,986**
NET ASSETS		**91,246,447**	**14,589,762**	**15,471,002**
SHAREHOLDER'S EQUITY				
Issued capital	13(a)	113,900,141	34,162,759	34,162,759
Reserves	13(b)	3,199,695	(1,160,957)	(1,160,957)
Accumulated losses	13(c)	(25,853,389)	(18,412,040)	(17,530,800)
TOTAL SHAREHOLDER'S EQUITY		**91,246,447**	**14,589,762**	**15,471,002**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Twelve months to 31 December 2014	***Issued Capital US$***	***Acquisition reserve US$***	***Share based payment reserve US$***	***Foreign currency translation reserve US$***	***Accumulated losses US$***	***Total US$***
Balance at 1 January 2014	**34,162,759**	**(4,300,157)**	**3,139,200**	**-**	**(18,412,040)**	**14,589,762**
Loss for the year	-	-	-	(101,433)	(7,441,349)	(7,542,782)
Total comprehensive income /(loss) for the year	**-**	**-**	**-**	(101,433)	(7,441,349)	**(7,542,782)**
Shares issued upon exercise of options	240	-	-	-	-	240
Shares/options issued under Scheme	79,737,142	-	4,462,085	-	-	84,199,227
At 31 December 2014	**113,900,141**	**(4,300,157)**	**7,601,285**	**(101,433)**	**(25,853,389)**	**91,246,447**

Six months to 31 December 2013	***Issued Capital US$***	***Acquisition reserve US$***	***Share based payment reserve US$***	***Accumulated losses US$***	***Total US$***
Balance at 1 July 2013	**34,162,759**	**(4,300,157)**	**3,139,200**	**(17,530,800)**	**15,471,002**
Loss for the half year	-	-	-	(881,240)	(881,240)
Total comprehensive loss for the half year	**-**	**-**	**-**	**(881,240)**	**(881,240)**
At 31 December 2013	**34,162,759**	**(4,300,157)**	**3,139,200**	**(18,412,040)**	**14,589,762**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY cont.

Twelve months to 30 June 2013	***Issued Capital US$***	***Acquisition reserve US$***	***Share based payment reserve US$***	***Accumulated losses US$***	***Total US$***
Balance at 1 July 2012	**14,493,355**	**(4,300,157)**	**1,224,000**	**(9,208,048)**	**2,209,150**
Loss for the year	-	-	-	(8,322,752)	(8,322,752)
Total comprehensive income /(loss) for the year	**-**	**-**	**-**	**(8,322,752)**	**(8,322,752)**
Share acquired upon merger	2	-	-	-	2
Shares issued under employee loan share plan	-	-	1,915,200	-	1,915,200
Shares issued on private placement	20,660,936	-	-	-	20,660,936
Share issue costs	(991,534)	-	-	-	(991,534)
At 30 June 2013	**34,162,759**	**(4,300,157)**	**3,139,200**	**(17,530,800)**	**15,471,002**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	31 December 2014 US$	31 December 2013 (6 months) US$	30 June 2013 (12 months) US$
Cash flows from operating activities				
Exploration costs		-	(91,333)	(558,853)
Payments to suppliers and employees		(5,225,108)	(3,391,819)	(3,768,662)
Interest received		31,431	24,598	10,553
Net cash (outflow) from operating activities	**6(a)**	**(5,193,677)**	**(3,458,554)**	**(4,316,962)**
Cash flows from investing activities				
Payments for property, plant & equipment		(14,405)	(341,024)	(77,538)
Loans to associated entities		(2,992,472)	-	-
Cash acquired upon completion of Scheme net of acquisition costs		233,824	-	-
Net cash (outflow) from investing activities		**(2,773,053)**	**(341,024)**	**(77,538)**
Cash flows from financing activities				
Proceeds from issue of shares		-	-	20,660,939
Proceeds from exercise of options		240	-	-
Capital raising costs		-	-	(991,534)
Loan funds received		-	-	2,500,000
Loan principal repaid		-	-	(2,500,000)
Borrowing costs		-	-	(112,606)
Net cash inflow from financing activities		**240**	**-**	**19,556,799**
Net increase/(decrease) in cash and cash equivalents		(7,966,490)	(3,799,578)	15,162,299
Cash and cash equivalents at beginning of the period		10,987,534	14,988,172	144,984
Reclassification of opening cash to receivable		(109,684)	-	-
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		(516,386)	(201,060)	(319,111)
Cash and cash equivalents at end of the financial period	**6**	2,394,974	**10,987,534**	**14,988,172**

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

1. CORPORATE INFORMATION

The financial report of the Company for the year ended 31 December 2014 was authorized for issue in accordance with a resolution of directors on 25 March 2015.

RTG was incorporated on 27 December 2012 and is domiciled in the British Virgin Islands. Its registered address is Midocean Chambers, 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 became a wholly-owned subsidiary of RTG.
On 15 April 2013 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 shares of Ratel Group (the "Ratel Shares") were exchanged for shares of RTG (the "RTG Shares") the surviving corporation formed by the Merger became a wholly-owned subsidiary of RTG; and the 162,538,641 previously issued subscription receipts were automatically converted (for no additional consideration) into 162,538,641 RTG Shares and the gross proceeds of the Private Placement, less the commission paid to Haywood Securities Inc. as agent under the Private Placement and less the fees paid to the subscription receipt agent under the Private Placement, were 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.

The principal activity of the Consolidated Entity during the course of the year was mineral exploration and development. There have been no significant changes in the nature of principal activities of the Consolidated Entity during the year other than as disclosed in the "Significant Changes in the State of Affairs" section of the Directors Report.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

a) Basis of preparation

The consolidated financial statements have been prepared as a general purpose financial report which have been prepared in accordance International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB"). The consolidated financial statements have also been prepared on a historical cost basis, except for available for sale financial assets which have been measure at fair value.

The financial report is presented in United States Dollars (US$).

The Company is a for profit entity.

b) Statement of compliance

The consolidated financial report complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

RTG changed its financial year end from 30 June to 31 December during the previous period therefore the prior period comparatives are for the 6 month period ended 31 December 2013 and 12 month period ended 30 June 2013.

<u>New and amended standards adopted</u>

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2014:

- AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 128 Investments in Associates and Joint Ventures, AASB 127 Separate Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards;

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

b) Statement of compliance cont.

- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13;
- AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011);
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle; and
- AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities.

The adoption of the above standards and amendments did not result in adjustments to the amounts recognised in the financial statements and no change to the Group's accounting policy was required.

New standards and interpretations not yet adopted.

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial years ended 31 December 2014. They have not been adopted in preparing the financial statements for the year ended 31 December 2014 and are expected to impact the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the table over.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

b) Statement of compliance cont.

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by company
AASB 9 Financial Instruments	**AASB 9 (2009), (2010) & (2013)** Addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. **AASB 9 (2014)** Introduces a third measurement category of financial assets (fair value through other comprehensive income) and adds additional application guidance to the contractual cash flows characteristics test and the business model assessment. Includes the requirements for accounting for expected credit losses on financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised. Credit losses will be recognised from initial recognition and updated at the each of each reporting period.	Adoption of AASB 9 is only mandatory for the year ending 31 December 2018. Due to the recent release of this standard, the entity has not yet made an assessment of the impact of these amendments.	Annual reporting periods beginning on or after 1 January 2018
IFRS 15 (issued June 2014) Revenue from contracts with customers	An entity will recognise 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. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Due to the recent release of this standard the company has not yet made an assessment of the impact of this standard.	Annual reporting periods beginning on or after 1 January 2017

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

c) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its controlled entities, referred collectively throughout these financial statements as the “Consolidated Entity”, as at 31 December 2014. Transactions between companies within the Consolidated Entity have been eliminated on consolidation.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

A change of ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Non-controlling interest are allocated their share of net profit after tax in the statement of profit or loss and other comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Associates
Associates are entities over which the Group has significant influence but not control or joint control. Associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method of accounting, the group’s share of post-acquisition profits or losses of associates is recognised in consolidated profit of loss and the groups share of post-acquisition other comprehensive income of associates is recognised in consolidated other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received from associates are recognised in the parent entity’s profit or loss, while they reduce the carrying amount of the investment in the consolidated financial statements.

When the Groups share of post-acquisition losses in an associate exceeds its interest in the associate (including any unsecured long-term receivables), the Group does not recognise further losses unless it has obligations to, or has made payments, on behalf of the associate.

The financial statements of the associates are used to apply the equity method. The end of the reporting period of the associates is 30 June each year, and all use consistent accounting policies.

d) Significant accounting estimates and assumptions

I. Significant accounting judgments’

The valuation of certain assets held by the Group is dependent upon the estimation of mineral resources and ore reserves. There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being restated. Such change in reserves could impact on asset carrying values.

II. Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

Non-consolidation of entities
Mt Labo Exploration and Development Corporation (“Mt Labo”), Bunawan Mining Corporation (“Bunawan”), St Ignatious and Oz Metals Exploration and Development Corporation (“Oz Metals”) (“the Associates”).

Under AASB 10, an investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. Based on this, the Board control and voting rights in the Associates, RTG has determined that there is an absence of control over the Associates and that they will be equity accounted in line with AASB 128.

Board Control:
The Boards of each of the Philippine companies are comprised of four members, with each company Board sharing a maximum of one common Board member with RTG Mining Inc. It follows that the common RTG Board members can not directly control the Boards of the Philippine companies.

Voting Rights:
RTG, through Sierra Mining Pty Ltd, controls 40% of the shareholdings of St Ignatius, Bunawan and Oz Metals, with the remaining 60% of the shareholdings being controlled by an external Philippine shareholder. Thus, RTG cannot exercise control over these entities via their shareholding positions.

RTG controls 40% of the shareholdings of Mt Labo. Through RTG’s 40% holding in St Ignatius, it also holds, and indirect interest in Mt Labo. However, as demonstrated above, RTG is not able to control the decision making activities of St Ignatius, either through management control or shareholder control, and hence it cannot control its indirect interest in Mt Labo.

Based on the above assessment of Board Control and Voting Rights, and in the absence contractual obligations between RTG and the Philippine companies, RTG is satisfied that it does not have power over the Associates and hence does not control the Associates.

Impairment of plant and equipment
The Group determines whether plant and equipment is impaired at least on an annual basis. This requires an assessment on whether there have been any impairment triggers, and where there have been triggers for impairment, an estimation of the recoverable amount of cash generating units to which the plant and equipment are allocated.

Share based payment transactions
The Group measures the costs of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The Group measures the cost of cash-settled share based payments at fair value at grant date using the binomial formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 21.

Discontinued operations
A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

During the prior period the Entity sold its 100% owned subsidiary Seringa Mining Limited. The proceeds of the sale consisted of shares in the purchaser and a convertible note receivable, with the ability for the Entity to elect to receive the convertible note receivable in the form of shares in the purchaser. Given the current state of the purchasers operations, the Entity has valued the investment and the convertible note receivable based on the Entity’s percentage shareholding in the purchasers net assets at the date of sale. Refer to Note 16.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

Estimated impairment of non-financial assets
Non-financial assets (including property, plant and equipment, intangible assets, assets held for resale, and investments in associates) are reviewed at each reporting date to determine whether there are any indicators that the carrying amount may not be recoverable. Goodwill is tested for impairment annually. Value in use models are prepared to support the carrying value of the assets and require estimates and assumptions to be applied to derive future cash flows.

Impairment assessment for convertible note receivable and available for sale asset sold
The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

e) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office, plant and equipment – over 1 to 10 years

Processing plant and equipment – life of mine, subject to the resource base.

The assets' residual values, useful lives and amortization methods are reviewed, and adjusted if appropriate, at each financial year.

Impairment
The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

De-recognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss and other comprehensive income in the period the item is derecognised.

f) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profits or taxable profit or loss; and

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry–forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are recognised at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and the same taxation authority.

g) Other taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (“GST” or “VAT”), except where the amount of GST or VAT incurred is not recoverable from the relevant taxation authorities, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST or VAT included.

The net amount of GST or VAT recoverable from, or payable to, the relevant taxation authorities is included as a receivable or payable in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST or VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST or VAT recoverable from, or payable to, the taxation authority.

h) Exploration and evaluation expenditures

Exploration and evaluation expenditures are written off as incurred, except for acquisition costs and where an area of interest is established.
Exploration assets acquired from a third party are carried forward provided that either i) the carrying value is expected to be recouped through the successful development and exploitation or sale of an area of interest or ii) exploitation and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in relation to the area

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

are continuing and the rights of the tenure are current. If capitalised exploration and evaluation costs do not meet either of these tests, they are expensed to profit or loss.

An area of interest is established where a discovery of economically recoverable resource is made. The area of interest will be established as a mineral project. All activity relating to the area of interest is then subsequently capitalised. Where development is anticipated, costs will be carried forward until the decision to develop is made.

Each area of interest is reviewed at least bi-annually to determine whether it is appropriate to continue to carry forward the capitalised costs.

Upon approval for the development of an area of interest, accumulated expenditure for the area of interest is transferred to capitalised development expenditure.

i) Foreign currency translation

Both the functional currency and presentation currency of the Company is United States dollars (US$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The functional currency of the Company's foreign entities is the Philippine Peso.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign entities are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognized as a separate component of equity and as a foreign currency translation adjustment in other comprehensive income (loss) in statement of profit or loss and other comprehensive income.

j) Employee leave benefits

I. Wages, salaries, annual leave and sick leave

Provision is made for the Group's liability for employee entitlements arising from services rendered by employees to reporting date. Employee entitlements due to be settled within one year have been measured at their nominal amounts based on remuneration rates which are due to be paid when the liability is settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

II. Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit valuation method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

k) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

l) Cash and cash equivalents

Cash and short term deposits in the statement of financial position include cash at bank and short term deposits with an original maturity of three months or less.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

For the purposes of the statement of cash flows, cash and cash equivalents include cash and cash equivalents defined above, net of outstanding bank overdrafts.

m) Contributed equity

Shares are classified as equity and are recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

n) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is represented in the statement of profit or loss and other comprehensive income net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p) Trade and other receivables

Trade receivables, which generally have 30 day terms are recognised and carried at fair value and subsequently measured at amortised cost less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

q) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

r) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

s) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

t) Revenue recognition

Revenue is reoognised and measured at fair value of the consideration received or receivable to the extent that it is possible that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest revenue
Revenue is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

u) Business combinations of entities under common control

Business combinations are accounted for using the acquisition method.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

v) Interest in a jointly controlled asset

The Group has entered into joint arrangements which are classified as joint operations because the parties to the joint arrangements have rights to the assets and obligations for the liabilities, rather than to the net assets, of the joint arrangements. The Group has recognised its direct right to, as well as its share of jointly held, assets, liabilities, revenues and expenses of joint operations which have been included in the financial statements.

w) Share based payment transactions

The Company provides benefits to directors, consultant and employees of the Group in the form of share-based payment transactions, whereby eligible recipients render services in exchange for shares or rights over shares ('equity-settled transactions'). There is currently an options scheme, which provides benefits to eligible recipients of the Company.

The costs of equity-settled transactions with directors and employees is measured by reference to fair value at the date at which they are granted. The fair value is determined using a Black & Scholes further details of which are given in Note 21.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of RTG if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except awards where vesting is conditional upon a market performance condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the parent entity and board of directors.

y) Earnings per share

I. *Basic earnings/(loss) per share*

Basic earnings per share is calculated by dividing:

- the profit/(loss) attributable to owners of the Company, excluding any costs of servicing equity other than shares.
- by the weighted average number of shares outstanding during the year, adjusted for bonus elements in shares issued during the year.

II. *Diluted earnings per share*

Diluted earnings 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 shares; and
- the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential shares.

z) Parent entity financial information

The financial information for the parent entity, RTG Mining Inc, disclosed in Note18 has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiaries which are accounted for at cost in the financial statements of RTG Mining Inc.

aa) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities, that are designated as available-for-sale or are not classified as Loans and Receivables, Held to Maturity Investments or Financial Assets at Fair Value through the Profit or Loss. After initial recognition available-for sale financial assets are

measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

ab) Derivative financial instruments

The Group has derivative financial instruments in the form of a convertible note issued by Elephant Copper Ltd, which is convertible into shares at the discretion of the Company. Such derivative financial instruments are initially recognised at fair value at the date at which the derivatives are issued and are subsequently re-measured at fair value. These derivatives do not qualify for hedge accounting and changes in fair value are recognised immediately in profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

ac) Investment in associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

Under the equity method, investments in associates are carried in the consolidated statement of financial performance at cost plus post-acquisition changes in the Groups share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

the equity method, the Group determines whether it is necessary to recognize any impairment loss with respect to the Group's net investment in the associate.

The Group's share of its associates' post-acquisition profits or losses is recognized in the statement of profit or loss and other comprehensive income, and its share of post-acquisition movements in reserves along with currency movements on translation of the associates is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entitiy's statement of profit or loss and other comprehensive income, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognised further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associates of the Group are 30 June each year, differing from the Groups 31 December reporting date. The reporting dates were in place when the associates were acquired in the current financial period.

(ad) Asset acquisition

RTG acquired all of the outstanding shares of Sierra ("Sierra Shares") and all of the outstanding listed options of Sierra ("Sierra Options"), and issued as consideration:

- to eligible shareholders of Sierra, 3 new ordinary shares of RTG ("RTG Shares") for every 10 Sierra Shares held and 1 new share purchase option of the Company ("RTG Option") for every 30 Sierra Shares held; and

- to eligible optionholders of Sierra, 2 RTG Shares for every 10 Sierra Options held and 2 RTG Options for every 90 Sierra Options held.

The Company also acquired all unlisted Sierra Options ("Sierra Unlisted Options"), and issued as consideration to such holders of Sierra Unlisted Options:

- 1 RTG Share for every 10 Sierra Unlisted Options exercisable at $0.20 each on or before July 1, 2014, together with 1 RTG Option for every 90 Sierra Unlisted Options held; and

- 1 RTG Share for every 20 Sierra Unlisted Options exercisable at $0.25 each on or before July 1, 2015, together with 1 RTG Option for every 180 Sierra Unlisted Options held.

On 4 June 2014 RTG completed the above through the issuance of 79,063,206 ordinary RTG shares and 8,784,854 RTG listed options.

Pursuant to the Schemes, RTG has acquired a direct 40% interest in each of Mt Labo Exploration & Development Corporation, St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation and Oz Metals Exploration and Development Corporation and a further indirect 24% interest in Mt Labo Exploration and Development Corporation. As the acquisition of Sierra is not deemed a business acquisition, the transaction must be accounted for as a share based payment for the net assets acquired.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB112 applies. No goodwill will arise on the acquisitions and transaction costs of the acquisitions will be included in the capitalised costs of the asset.

(ae) Fair value

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the group.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

3. REVENUE

	31 December 2014 US$	31 December 2013 (6 months) US$	30 June 2013 (12 months) US$
Interest income	31,431	24,598	10,553
Other	194	-	-
	31,625	24,598	10,553

4. EXPENSES

	31 December 2014 US$	31 December 2013 (6 months) US$	30 June 2013 (12 months)
(a) Exploration and evaluation expenditure			
Employee benefits	-	56,380	255,500
Consultants fees	-	9,930	-
Motor vehicle expenses	-	4,261	17,221
Travel expenses	-	478	-
Exploration and drilling	-	-	42,256
Rental expense	-	-	34,873
Other general and office costs	-	20,284	209,003
	-	91,333	558,853

	31 December 2014 US$	31 December 2013 (6 months) US$	30 June 2013 (12 months) US$
(b) Business development			
Travel	629,020	283,304	514,816
Employee fees	504,274	266,876	238,171
Other	437,483	240,246	58,130
	1,570,777	790,426	811,117

4. EXPENSES cont.

	31 December 2014 US$	31 December 2013 (6 months) US$	30 June 2013 (12 months) US$
(c) Administrative expenses			
Accounting & audit fees	135,094	5,489	173,089
Employee and directors fees	1,806,212	612,645	1,066,528
Office rental	295,065	-	42,452
Loan share plan embedded option expense	-	-	1,915,200
Legal fees	552,867	923,046	1,203,238
Listing and shareholder reporting costs	164,644	9,728	147,633
Consultants	326,907	27,355	46,275
Computer support	50,255	27,629	35,582
Depreciation	32,633	12,929	27,304
Insurance	43,258	21,010	58,978
Other	430,994	399,014	32,174
	3,837,929	2,038,845	4,748,453
(d) Share of loss of associate			
Share of net losses of associates	856,588	-	-
Share of drilling cost accrual	820,912		
	1,677,500	-	-

	31 December 2014 US$	31 December 2013 (6 months) US$	30 June 2013 (12 months) US$
(e) Operating expenses			
Provision for joint venture partner receivable	-	-	1,181,194
Depreciation	-	-	312,788
Employee expenses	-	-	220,850
Other	-	-	68,333
	-	-	1,783,165

Refer note 24 “Investment in associates” for further details.

5. INCOME TAX

The Company is incorporated in the British Virgin Islands and holds its registered office there, however it is an Australian resident for tax purposes due to the location of its central management and control. The major components of income tax benefit are:

(a) Recognised in the statement of profit or loss and other comprehensive income	31 December 2014 US$	31 December 2013 (6 months) US$	30 June 2013 (12 months) US$
Current income tax			
Current Income tax expense / (benefit)	-	-	(963,778)
Adjustments in respect of current income tax of previous years	-	-	-
Deferred Income tax			
Relating to the origination and reversal of temporary differences	(563,114)	-	17,191
Gain not recognised for income tax purposes	-	569,512	-
Deferred tax assets not brought to account	563,114	(569,512)	946,587
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-	-

5. INCOME TAX cont.

(b) A reconciliation between tax expense and accounting loss before income tax	31 December 2014 US$	31 December 2013 (6 months) US$	30 June 2013 (12 months) US$
Accounting loss before income tax	(7,441,349)	(881,240)	(8,322,752)
At the domestic income tax rate of 30% (Australia)	(2,232,404)	(264,372)	(2,496,825)
Expenditure not allowable for income tax purposes	1,859,510	425,460	1,515,857
Gain not recognized for income tax purposes	-	(730,600)	-
Adjustments in respect of current income tax of previous years	-	-	34,382
Deferred tax assets not brought to account	372,894	569,512	946,587
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-	-

(c) Deferred income tax	31 December 2014 US$	31 December 2013 (6 months) US$	30 June 2013 (12 months) US$
Deferred income tax at 31 December 2014 relates to the following:			
Deferred tax assets			
Accruals	40,891	5,198	30,000
Provision for doubtful debts	87,068	64,578	
Tax losses available to offset against future taxable income	1,284,770	826,037	916,587
Foreign exchange losses	108,694	62,497	-
Deferred tax assets not brought to account	(1,521,423)	(958,309)	(946,587)
	-	-	-

The tax losses have not been recognised as their realisation is not considered probable at this stage. The recovery of any tax losses is dependent upon compliance with relevant tax authorities and regulations.

6. CASH AND CASH EQUIVALENTS

	31 December 2014 US$	31 December 2013 US$	30 June 2013 US$
Cash on hand	56	1,647	5,857
Cash at bank	2,394,918	10,985,887	14,982,315
	2,394,974	10,987,534	14,988,172

Cash at bank earns interest at floating rates based on daily bank deposit rates.

For further information on financial risk management refer to Note 20.

6. CASH AND CASH EQUIVALENTS

(a) Reconciliation to Statement of Cash Flows

	31 December 2014 US$	31 December 2013 (6 months) US$	30 June 2013 (12 months) US$
Reconciliation of net loss after tax to net cash flows from operations			
Net loss after related income tax	(7,441,349)	(881,240)	(8,322,752)
Adjustment for non-cash income and expense items:			
Depreciation	32,633	118,076	340,092
Gain from discontinued operations	-	(2,215,826)	
Share based payments	-	-	1,915,200
Borrowing costs	-	-	112,606
Share of associate profit/loss	1,677,500	-	-
Asset write off	113,430	-	-
Unrealised foreign exchange (gains)/losses	351,078	66,921	319,111
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables	238,045	(34,194)	888,461
(Increase) / decrease in prepayments	(29,551)	2,070	15,777
Increase /(decrease) in payables	(135,463)	(514,361)	414,543
Net cash outflow from operating activities	(5,193,677)	(3,458,554)	(4,316,962)

b) Non Cash Financing and Investing Activities

During the year ended 30 June 2013, shares were issued by RTG Mining in relation to the reorganisation of the Company and 1,400,000 shares were issued pursuant to the Loan Funded Share Plan. These are shown in Note 13**.**

7. TRADE AND OTHER RECEIVABLES

	31 December 2014 US$	31 December 2013 US$	30 June 2013 US$
VAT and GST	17,765	58,168	32,132
Other debtors	331,381	218,087	209,929
Joint venture partner receivable	1,396,453	1,396,453	1,181,194
Provision for joint venture partner receivable	(1,396,453)	(1,396,453)	(1,181,194)
	349,146	276,255	242,061

Other receivables are non-interest bearing and are generally on 30-90 day terms.

The joint venture partner receivable due on the joint venture partner 49% share of the development costs funded by the Company at the Mkushi Copper Project has been fully provided for as at 31 December 2013. This amount is recoverable under the sale agreement for the project. Refer to Note 20 for further information on trade and other receivables.

8. PREPAYMENTS

	31 December 2014 US$	31 December 2013 US$	30 June 2013 US$
Security deposits	100,838	-	-
Other	29,741	187	2,259
	130,579	187	2,259

9. PROPERTY, PLANT & EQUIPMENT

	31 December 2014 US$	31 December 2013 US$	30 June 2013 US$
Office equipment			
Opening balance	362,329	160,587	174,123
Additions	14,405	235,877	13,768
Disposals	(113,431)	(21,207)	-
Depreciation expense	(32,633)	(12,929)	(27,304)
At 31 December, net of accumulated depreciation	230,670	362,329	160,587
Processing plant and equipment under construction			
Opening balance	-	800,909	1,049,926
Additions	-	-	63,771
Disposals	-	(695,762)	-
Depreciation expense	-	(105,147)	(312,788)
At 31 December, net of accumulated depreciation	-	-	800,909

Total plant & equipment	31 December 2014 US$	31 December 2013 US$	30 June 2013 US$
Opening balance	362,329	961,496	1,224,049
Additions	14,405	235,877	77,539
Disposals	(113,431)	(716,969)	-
Depreciation expense	(32,633)	(118,076)	(340,092)
At 31 December, net of accumulated depreciation	230,670	362,329	961,496

10. OTHER FINANCIAL ASSETS

Investments	31 December 2014 US$	31 December 2013 US$	30 June 2013 (12 months) US$
Available for sale financial assets – at fair value	1,841,854	1,841,854	-
	1,841,854	1,841,854	-

The fair value of the available for sale investment has been determined directly by reference to our percentage share of the net assets of Elephant Copper. Refer to Note 22 for more information.

11. TRADE AND OTHER PAYABLES

	31 December 2014 US$	31 December 2013 US$	30 June 2013 (12 months) US$
Trade creditors – third parties	105,466	183,625	594,398
Accrued expenses	171,100	15,000	128,588
	276,566	198,625	722,986

Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms. There are no amounts that are expected to be settled greater than 12 months. Refer to Note 20 for further information on trade and other payables.

12. PROVISIONS

	31 December 2014 US$	31 December 2013 US$	30 June 2013 (12 months) US$
Employee entitlements*	123,339	10,000	-
Provision for drilling costs	820,912	-	-
	944,251	10,000	-

* Provision for Annual Leave

(a) Movement in Provision	**Employee entitlements**
At 1 January 2014	10,000
Annual leave	71,679
Other	862,572
At 31 December 2014	944,251

Employee entitlements
Refer Note 2(o) for the relevant accounting policy applied in the measurement of this provision.

Provision for drilling costs
A provision has been made for the Company's 64% share of drilling costs not yet reflected in the accounts of the associates. These drilling costs may end up being offset against Galeo's earn-in under the Mabilo Joint Venture.

13. CONTRIBUTED EQUITY AND RESERVES

	31 December 2014 Number	31 December 2013 Number	30 June 2013 Number	31 December 2014 US$	31 December 2013 US$	30 June 2013 US$
(a) Issued and paid up capital:	111,973,237	326,538,643	326,538,643	113,900,141	34,162,759	34,162,759

Fully paid shares carry one vote per share and the right to dividends. The Company is authorised to issue an unlimited number of shares of no par value of a single class.

Movements in contributed equity during the period were as follows:

(i) Shares	**Number**	**US$**
Opening balance at 1 January 2014	326,538,643	34,162,759
Share consolidation 1:10	(293,884,779)	-
Shares issued under Scheme*	79,319,206	79,737,142
Shares issued on exercise of options	167	240
Total shares on issue at 31 December 2014	**111,973,237**	**113,900,141**

*Refer Note 24 for more information

Opening balance at 1 July 2013	326,538,643	34,162,759
Total shares on issue at 31 December 2013	**326,538,643**	**34,162,759**

13. CONTRIBUTED EQUITY AND RESERVES cont.

Movements in contributed equity during the period were as follows cont.:

	Number	**US$**
Opening balance at 1 July 2012	150,000,000	14,493,355
Shares issued under merger	2	2
Shares issued under the employee loan share plan	14,000,000	-
Private placement	162,538,641	20,660,936
Capital raising costs	-	(991,534)
Total shares on issue at 30 June 2013	**326,538,643**	**34,162,759**

Fully paid shares carry one vote per share and the right to dividends. The Company is authorised to issue an unlimited number of shares of no par value of a single class.

(ii) Options	Number
Opening balance at 1 January 2014	-
Options issued under Scheme*	8,784,854
Exercise of options	(167)
Total shares on issue at 30 June 2014	8,784,687

*Exercisable at C$1.50 on or before 4 June 2017, refer Note 24 for more information.

The options issued in the period were valued using the Black and Scholes method with the following assumptions:

Number of options	8,784,854
Grant date share price	C$1.10
Exercise price	C$1.50
Expected volatility	90%
Option life	3 years
Dividend yield	0.00%
Interest rate	1.2%

(b) Reserves

	Acquisition $US	**Share based payments $US**	**Foreign currency translation US$**	**Total $US**
At 1 January 2014	(4,300,157)	3,139,200	-	(1,160,957)
Options issued under Scheme	-	4,462,085	-	4,462,085
Other comprehensive loss for the year	-	-	(101,433)	(101,433)
At 31 December 2014	(4,300,157)	7,601,285	(101,433)	3,199,695

	Acquisition $US	**Share based payments $US**	**Total $US**
At 1 July 2013	(4,300,157)	3,139,200	(1,160,957)
At 31 December 2013	(4,300,157)	3,139,200	(1,160,957)

13. CONTRIBUTED EQUITY AND RESERVES cont.

	Acquisition $US	Share based payments $US	Total $US
At 1 July 2012	(4,300,157)	1,224,000	(3,076,157)
Loan share plan	-	1,915,200	1,915,200
At 30 June 2013	(4,300,157)	3,139,200	(1,160,957)

Nature and purpose of reserves

Acquisition reserve
The acquisition reserve is used to record the difference between the consideration transferred and the equity acquired for common control business combinations.

Share based payment reserve
The share based payment reserve is used to record the value of share based payments provided to employees, including key management personnel and directors as part of remuneration. The notional value attributed to the shares issued under the Loan Share Plan is included in this reserve as accounting standards deem the non recourse loan to contain an embedded option (Refer to Note 21).

Foreign currency translation reserve ("FCTR")
Exchange differences arising on translation of the controlled entity and the Company's share of associates FCTR are recorded in other comprehensive income as described in Note 24 and accumulated in a reserve within equity. The cumulative amount is reclassified to profit of loss when the net investment is disposed of.

(c) Accumulated losses

	$US
At 1 January 2014	(18,412,040)
Net loss for the year	(7,441,349)
At 31 December 2014	(25,853,389)

	$US
At 1 July 2013	(17,530,800)
Net loss for the half year (six months)	(881,240)
At 31 December 2013	(18,412,040)

	$US
At 1 July 2012	(9,208,048)
Net loss for the year (twelve months)	(8,322,752)
At 30 June 2013	(17,530,800)

(d) Dividends

No dividends were paid or proposed during or since the end of the financial year.

Refer to Note 20 for information on capital risk management.

14. AUDITOR'S REMUNERATION

The auditor of the Company is BDO Audit (WA) Pty Ltd.	31 December 2014	31 December 2013 (6 months)	30 June 2013 (12 months)
	US$	US$	US$
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:			
• An audit or review of the financial report of the entity and any other entity in the consolidated group.	85,809	30,000	87,211
• Other services in relation to the entity and any other entity in the consolidated group			
- Tax compliance	46,191	-	-
- Other assurance services	23,874	-	-
	155,874	30,000	87,211

15. LOSS PER SHARE

Basic Earnings Per Share ("EPS") is calculated as net profit/(loss) attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of shares, adjusted for any bonus element. Diluted EPS is calculated as net profit/(loss) attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential shares divided by the weighted average number of shares and dilutive potential shares, adjusted for any bonus element.

The following reflects the income and share data used in the basic and diluted loss per share calculation:

(a) Loss used in calculating earnings per share	31 December 2014 US$	31 December 2013 (6 months) US$	30 June 2013 (12 months) US$
Loss attributable to ordinary equity holders of the parent			
-Continuing operations	(7,441,349)	(3,097,066)	(8,322,752)
-Discontinued operations	-	2,215,826	-
Loss attributable to ordinary equity holders of the Parent for basic earnings	(7,441,349)	(881,240)	(8,322,752)

(b) Weighted average number of shares	Number of Shares	Number of Shares	Number of Shares
Weighted average number of shares used in calculating basic EPS	78,471,188	326,538,643	165,240,681
Effect of dilutive options	-	-	-
Adjusted weighted average number of shares used in calculating diluted earnings per share	78,471,188	326,538,643	165,240,681

16. DISCONTINUED OPERATIONS

On 29 August 2013, RTG announced it had entered into an agreement for the sale of its 51% interest in the Mkushi Copper Project, through the sale of Seringa Mining Limited, for US$13.1m to RTG's joint venture partner, Elephant Copper Ltd ("Elephant Copper"). On 22 October 2013, the conditions precedents to the agreement were satisfied and the sale was completed. The purchase price of US$13.1m was 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"). As at the date of these financial statements, RTG holds 20,000,000 shares in Elephant Copper, a currently unlisted BVI incorporated entity. Under the agreement, Elephant Copper had also agreed to repay on or before 1 January 2014, the joint venture partner receivable, which is in the order of $1,396,653 as at the date of these financial statements. The Group has not yet received the joint venture partner receivable and has fully provided for this receivable in these financial statements. Additionally Elephant Copper has not yet completed an Initial Public Offering ("IPO") required to be completed by 31 December 2013 under the agreement. A demand letter was issued to Elephant Copper on 8 January 2014 demanding payment of the outstanding DHL Payment. RTG has advised Elephant Copper that it fully reserves all of its rights and remedies under the agreement.

The Convertible Note was repayable on or before 1 January 2015, and the Company under the terms of the Sale Agreement has commenced charging interest on the outstanding amount at an amount of greater of 7% or LIBOR plus 4%. It has an exercise price for conversion equal to the lesser of US$0.45 and 1.36 times the IPO Price. Should the IPO Price be less than US$0.33, RTG is then entitled to an additional tranche of Elephant Cooper shares so that the total consideration shares received from Elephant Cooper is equal to at least US$6.6m, based on the IPO share issuance price.

Financial performance of the discontinued operations

	31 December 2014 US$	**31 December 2013 US$**
Gain on sale	-	2,435,335
Expenses	-	(219,508)
Gain/(Loss) for the period from discontinued operations	**-**	**2,215,826**

Assets and liabilities – held for sale operations

The major classes of assets and liabilities of the discontinued operations:

	31 December 2014 US$	**31 December 2013 US$**
Assets		
Cash	-	9,547
Receivables	-	10,230
Property, plant and equipment	-	716,969
	-	736,746
Liabilities		
Trade and other payables	-	-
	-	-

Consideration received on the sale of Seringa Mining Limited has been valued based on the shareholding interest in Elephant Copper Limited nets assets as at the acquisition date. The following table sets out the consideration received. For further information on the valuation refer to Note 22.

Consideration received	**US$**
20,000,000 Elephant Copper Limited shares	1,841,854
Convertible note	1,330,228
	3,172,082
Less: net assets sold	736,747
Gain on sale before tax	**2,435,335**

17. RELATED PARTY DISCLOSURE

The consolidated entity consists of RTG and its subsidiaries and joint ventures listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest (%) 31 December 2014	Investment (US$) 31 December 2014	Equity Interest (%) 31 December 2013	Investment (US$) 31 December 2013
Controlled Entities					
Sierra Mining Pty Ltd	Australia	100	-	-	-
SRM Gold Limited	British Virgin Islands	100	-	-	-
Sierra Philippines Pty Ltd	Australia	100	-	-	-
Ratel Group Limited	British Virgin Islands	100	2	100	2
CGX Limited	British Virgin Islands	100	2	100	2
Ilesha Mining Holdings Limited	British Virgin Islands	100	22,546	100	22,546
Ilesha Mining Co-operative	The Netherlands	100	39,845	100	39,845
Ilesha Mining Limited	The Netherlands	100	40	100	40
Segilola Gold Ltd (1)	Nigeria	100	100,555	100	100,555
Joint Ventures					
Segilola Joint Venture Co(1)	Nigeria(1)	38(1)	-	38(1)	-

1. RTG has entered into a sale agreement for its interest in the Segilola Gold Project in Nigeria to the current joint venture partner for a total consideration of US$14M, with US$1M due on completion, US$5M due in 18 months after completion and a 3% net smelter royalty, under which up to a maximum of US$8M may be paid to RTG. The sale provides for the settlement of the related disputes in relation to the Segilola Gold Project between Ratel Group, SGL, TML, SROL, Bakrie Delano Africa Limited, NGM Resources Limited and Mr Oladipo Delano under the terms of an agreed settlement deed ("Settlement Deed"). The disputes concern a purported termination of the Joint Venture Agreement. This includes the settlement of the injunctive proceedings brought by SGL before the Court and the interim injunction issued against SGL by the Court dated June 18, 2012. On the completion date of the Segilola Sale, signed counterparts of the Settlement Deed will be released from escrow and the terms of the Settlement Deed will come into effect. As a result, each of the injunctive proceedings is expected to be discontinued with no order as to costs and each party will bear their own costs. The purchaser is in default of their obligations for completion and has advised they are seeking to remedy the default.

(a) Controlling Entity

The ultimate controlling entity of the wholly owned group is RTG Mining Inc.

(b) Other transactions with related parties

Transactions with related parties

During the period ended 31 December 2014, the Group entered into transactions with related parties in the wholly-owned group:

- loans of $129,087 were advanced on short term inter-company accounts, and
- loans of $2,992,472 were advanced on to associates of the Company.

These transactions were undertaken on the following terms and conditions:

- loans are repayable at call; and
- no interest is payable on the loans at present.

17. RELATED PARTY DISCLOSURE cont.

(c) Key management personnel compensation

	31 December 2014	31 December 2013 (6 months)	30 June 2013 (12 months)
	US$	**US$**	**US$**
Short term employee benefits	1,434,188	656,086	428,985
Post-employment benefits	101,659	50,115	34,373
Long term benefits	65,267	60,786	-
Share based paymetns	-	-	1,573,200
	1,601,114	**766,987**	**2,036,558**

Detailed remuneration disclosures are provided in the remuneration report on pages 10 to 17.

18. PARENT ENTITY INFORMATION

	31 December 2014	31 December 2013 (6 months)	30 June 2013 (12 months)
	US$	**US$**	**US$**
Information relating to RTG:			
Current assets	2,600,234	11,249,224	15,922,350
Total assets	93,431,944	11,498,126	15,933,031
Current liabilities	(1,220,816)	(200,114)	(462,030)
Total liabilities	(2,174,075)	(200,114)	(462,030)
Issued capital	113,900,141	34,162,760	36,188,960
Share option reserve	7,601,285	3,139,200	1,224,000
Asset acquisition reserve	(4,974,629)	(4,974,629)	(4,974,629)
Accumulated losses	(25,268,928)	(21,029,319)	(16,967,329)
Total shareholders' equity	**91,257,869**	**11,298,012**	**15,471,002**
Loss of the parent entity	(4,239,609)	(3,196,718)	(6,039,380)
Total comprehensive income/(loss) of the parent entity	**(4,239,609)**	**(3,196,718)**	**(6,039,680)**

19. COMMITMENT AND CONTINGENCIES

31 December 2014	**Payments due by period**				
Contractual obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**
Lease obligations[1]	309,825	206,550	103,275	-	-
Total contractual obligations	309,825	206,500	103,275	-	-

[1] Corporate office lease payments due.

19. COMMITMENT AND CONTINGENCIES cont.

31 December 2013		Payments due by period			
Contractual obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**
Lease obligations[1]	516,374	206,550	309,824	-	-
Total contractual obligations	516,374	206,550	309,824	-	-

[1] Corporate office lease payments due.

30 June 2013		Payments due by period			
Contractual obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**
Lease obligations[1]	619,650	206,550	413,100	-	-
Total contractual obligations	619,650	206,550	413,100	-	-

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, receivables, payables and borrowings. The Company currently has in place an active program of financial forecasting and budgeting both at a corporate and project level to manage both the application of funds and planning for future financial needs to ensure that any shortfall in funds is adequately covered by cash reserves or planned new sources being either debt or equity based on the then most cost effective weighted average cost of capital.

Risk management is carried out by management and the board of directors of the ultimate parent company (the "Board") under policies approved by the Board. The Board also provides regular guidance for overall risk management, including guidance on specific areas, such as mitigating foreign exchange, interest rate and credit risk.

The Group does not enter into financial instruments, including derivative financial instruments, for trade or speculative purposes.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, credit limits and future cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2.

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at the reporting date in relation to each class of financial asset is the carrying amounts of those assets as indicated in the statement of financial position. Receivable balances are monitored on an ongoing basis and to the extent that recovery is deemed to be uncertain the Company raises a provision or impairs the asset against expected recover. To date the only receivable provided for has been the Elephant Copper receivable of $1.4M which has been fully provided for to date.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group monitors this credit risk through holding its cash through banks with a Standard and Poors credit rating of 'A' or greater. The credit risk associated with cash and cash equivalents is considered negligible by the Group. The Group does not hold collateral as security.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont.

The Group does not have any other receivables past due or impaired.

Interest rate risk

At reporting date, the Group's maximum exposure to interest rate risk is as follows:

	Note	31 December 2014	31 December 2013	30 June 2013
		US$	US$	
Cash and cash equivalents				
US$ balances held	6	1,241,472	1,088,426	4,983,158
AU$ balances held	6	1,011,824	-	-
CAD$ balances held	6	-	9,647,983	9,814,440
		2,253,296	**10,736,409**	**14,797,599**

The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The Group's policy is to manage its exposure to interest rate risk by holding cash in short term fixed rate deposits and variable rate deposits. The Group's exposure to interest rate risk on post-tax profit or loss arises from higher or lower interest income from cash and cash equivalents.

Foreign currency risk

At reporting date, the Group had the following exposure to foreign currencies (AUD), (EUR) and (CAD) on financial instruments that are not designated as cash flow hedges:

	31 December 2014	31 December 2013	30 June 2013
	US$	US$	US$
Financial Assets			
Cash and cash equivalents	1,153,502	9,908,655	10,039,210
Trade and other receivables	231,401	286,486	242,061
Prepayments	29,741	190	2,259
	1,414,644	10,195,331	10,283,527
Financial Liabilities			
Trade and other payables	97,982	208,625	175,488
	97,982	208,625	175,488
Net exposure	1,316,652	9,986,706	10,108,039

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will maintain sufficient cash or credit terms with its suppliers to meet the operating requirements of the business and invest excess funds in highly liquid short term cash deposits. Maintaining surplus working capital in highly liquid short term deposits allows the Group to meet its primary objectives by being able to fund new development and acquisition opportunities at short notice.

The responsibility for liquidity risk rests with the Board of Directors. The Group's liquidity needs can likely be met through cash on hand, short and long-term borrowings subject to the current forecast operating parameters being met.

The contractual maturities of the Group's financial liabilities are as follows:

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont.

	31 December 2014	31 December 2013	30 June 2013
	US$	US$	US$
Within one month			
Trade creditors	105,466	208,625	624,396
One Month or later and no later than one year			
Trade creditors	274,439	-	-
	379,905	208,625	624,396

The Group manages liquidity risk through maintaining sufficient cash loan facilities or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. The Group's liquidity needs can likely be met through existing cash on hand, subject to the current forecast operating parameters being met.

Sensitivity Analysis

The following table summarises the sensitivity of the Group's financial assets and liabilities to interest rate risk and foreign exchange rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax profit and equity would have been affected as shown.

Consolidated			**Interest rate risk**				**Foreign exchange risk**			
31 December 2014			**Negative movement**		**Positive movement**		**Negative movement**		**Positive movement**	
Financial assets	**Note**	**Carrying Amount $**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**
Cash and cash equivalents										
USD	2	1,241,472	(12,409)	(12,409)	12,409	12,409	-	-	-	-
AUD	1,2	1,011,824	(1,637)	(1,637)	1,637	1,637	(101,182)	(101,182)	101,182	101,182
CAD	2	108,462	-	-	-	-	(10,846)	(10,846)	10,846	10,846
EUR	2	33,216	-	-	-	-	(3,322)	(3,322)	3,322	3,322

1.The sensitivities show the net effect of a 10% movement in the USD against the AUD, CAD, EUR, NGN, and ZMK. Sensitivity rates have been based on 12 month averages.
2.The sensitivities show the net effect of a 1% movement in AUD and USD interest rates, respectively. Sensitivity rates have been based on 12 month averages.

Consolidated			**Interest rate risk**				**Foreign exchange risk**			
31 December 2013			**Negative movement**		**Positive movement**		**Negative movement**		**Positive movement**	
Financial assets	**Note**	**Carrying Amount $**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**
Cash and cash equivalents										
USD	2	1,105,411	(11,054)	(11,054)	11,054	11,054	(110,541)	(110,541)	110,541	110,541
AUD	1,2	231,192	(2,312)	(2,312)	2,312	2,312	(23,119)	(23,119)	23,119	23,119
CAD	1,2	9,647,983	(96,480)	(96,480)	96,480	96,480	(964,798)	(964,798)	964,798	964,798
EUR	1,2	6,044	(60)	(60)	60	60	(604)	(604)	604	604
NGN	1,2	6,449	(64)	(64)	64	64	(645)	(645)	645	645

1.The sensitivities show the net effect of a 10% movement in the USD against the AUD, CAD, EUR and NGN. Sensitivity rates have been based on 12 month averages.
2.The sensitivities show the net effect of a 1% movement in AUD and USD interest rates, respectively. Sensitivity rates have been based on 12 month averages.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont.

Consolidated 30 June 2013			**Interest rate risk**				**Foreign exchange risk**			
			Negative movement		**Positive movement**		**Negative movement**		**Positive movement**	
Financial assets	**Note**	**Carrying Amount $**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**
Cash and cash equivalents										
USD	5	4,983,158	(49,832)	(49,832)	49,832	49,832	-	-	-	-
AUD	1,5	163,708	(1,637)	(1,637)	1,637	1,637	(22,919)	(22,919)	22,919	22,919
CAD	1,5	9,814,440	(98,144)	(98,144)	98,144	98,144	(687,011)	(687,011)	687,011	687,011
EUR	1,5	45,108	(451)	(451)	451	451	(5,413)	(5,413)	5,413	5,413
NGN	1,5	10,888	(10,888)	(10,888)	10,888	10,888	(871)	(871)	871	871
ZMK	1,5	5,066	(5,066)	(5,066)	5,066	5,066	(405)	(405)	405	405

1.The sensitivities show the net effect of a 10% movement in the USD against the AUD, CAD, EUR, NGN, and ZMK. Sensitivity rates have been based on 12 month averages.
2.The sensitivities show the net effect of a 1% movement in AUD and USD interest rates, respectively. Sensitivity rates have been based on 12 month averages.

Capital risk management

The Group's total capital is defined as equity attributable to equity holders of the parent and cash and cash equivalents amounted to $116,295,115 at 31 December 2014. (31 December 2013:$25,577,296; 30 June 2013: $30,459,174.)

The Group's capital management objectives are to safeguard the business as a going concern, to maintain a capital base sufficient to maintain future exploration and development of its projects. Management may issue more shares or repay debts in order to maintain the optimal capital structure.

The Group does not have a target debt/equity ratio, but maintains a flexible financing structure so as to be able to take advantage of new investment opportunities that may arise. The Group monitors its capital risk management through annual cash flow projections and monthly reporting against budget.

21. SHARE BASED PAYMENTS

Loan funded share plan

Shares issued pursuant to the Loan Funded Share Plan are for services rendered to date by eligible employees and directors to date and, going forward, for services rendered by existing and any new eligible employees and directors who are appointed in the future. The purposes of the Plan are to motivate and retain employees, attract quality employees to the Group create commonality of purpose between the employees and the Group, create wealth for shareholders by motivating the employees, and enable the employees to share the rewards of the success of the Group. Where the Company offers to issue incentive shares to a Director employee, the Company may offer to provide the recipient with a limited recourse, interest free loan to be used for the purposes of subscribing for the shares in the Company. The Company's recourse to repayment of the loans is limited to the lesser of:

a) The original loan to the participant less any repayments made; or
b) The market value of the shares as at the date of repayment of the loan.

21. SHARE BASED PAYMENTS cont.

Loan Funded Share Plan Shares issued at 31 December 2014

Name	Date of issue	Share issue price ($C)*	Balance at 1 January 2014	Other Changes*	Granted during the period	Forfeited during the period	Balance at 31 December 2014
Michael Carrick	28 March 2013	1.65	3,000,000	(2,700,000)	nil	nil	300,000
Justine Magee	28 March 2013	1.65	3,000,000	(2,700,000)	nil	nil	300,000
David Cruse	28 March 2013	1.65	500,000	(450,000)	nil	nil	50,000
Philip Lockyer	28 March 2013	1.65	500,000	(450,000)	nil	nil	50,000
Robert Scott	28 March 2013	1.65	500,000	(450,000)	nil	nil	50,000
Mark Turner	28 March 2013	1.65	2,500,000	(2,250,000)	nil	nil	250,000
Hannah Hudson	28 March 2013	1.65	1,500,000	(1,350,000)	nil	nil	150,000**
Other employees	28 March 2013	1.65	2,500,000	(2,250,000)	nil	nil	250,000

*The Company completed a 1:10 share consolidation on 28 May 2014 prior to the completion of the Scheme of Arrangement on 4 June 2014.
** Balance at resignation date, 9 September 2014.

Loan Funded Share Plan Shares issued at 31 December 2013 (6 months)

Name	Date of issue	No. of shares issued	Share issue price ($C)*	Balance at 1 July 2013	Granted during the period	Forfeited during the period	Balance at 31 December 2013
Michael Carrick	28 March 2013	3,000,000	0.165	3,000,000	nil	nil	3,000,000
Justine Magee	28 March 2013	3,000,000	0.165	3,000,000	nil	nil	3,000,000
David Cruse	28 March 2013	500,000	0.165	500,000	nil	nil	500,000
Philip Lockyer	28 March 2013	500,000	0.165	500,000	nil	nil	500,000
Robert Scott	28 March 2013	500,000	0.165	500,000	nil	nil	500,000
Mark Turner	28 March 2013	2,500,000	0.165	2,500,000	nil	nil	2,500,000
Hannah Hudson	28 March 2013	1,500,000	0.165	1,500,000	nil	nil	1,500,000
Other employees	28 March 2013	2,500,000	0.165	2,500,000	nil	nil	2,500,000

21. SHARE BASED PAYMENTS cont.

Loan Funded Share Plan Shares issued at 30 June 2013

Name	Date of issue	No. of shares issued	Share issue price ($C)	Balance at 1 July 2012	Granted during the year	Forfeited during the year	Balance at 30 June 2013
Michael Carrick	28 March 2013	3,000,000	0.165	nil	3,000,000	nil	3,000,000
Justine Magee	28 March 2013	3,000,000	0.165	nil	3,000,000	nil	3,000,000
David Cruse	28 March 2013	500,000	0.165	nil	500,000	nil	500,000
Philip Lockyer	28 March 2013	500,000	0.165	nil	500,000	nil	500,000
Robert Scott	28 March 2013	500,000	0.165	nil	500,000	nil	500,000
Mark Turner	28 March 2013	2,500,000	0.165	nil	2,500,000	nil	2,500,000
Hannah Hudson	28 March 2013	1,500,000	0.165	nil	1,500,000	nil	1,500,000
Other employees	28 March 2013	2,500,000	0.165	nil	2,500,000	nil	2,500,000

The shares issued in the June 2013 period were treated as an option for accounting purposes given the limited recourse nature of the associated loan and were valued using the Black and Scholes method with the following assumptions:

Number of options	14,000,000
Grant date share price	C$1.50
Expected volatility	90%
Option life	20 years
Dividend yield	0.00%
Interest rate	1.87%

Employee and director option plan

On 15 October 2010 the Board of Ratel Group Limited approved an option plan whereby Directors and Employees could be issued options in the Company. 14,000,000 options were granted under this plan expired on 22 February 2013. No further options have been granted.

22. FAIR VALUE MEASUREMENTS

The Group measures the following assets at fair value on a recurring basis:
- Available for sale financial assets
- Derivative financial asset

Fair value hierarchy

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:
Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

22. FAIR VALUE MEASUREMENTS cont.

Recognised fair value measurements

The following table presents the Group's assets measured at fair value at 31 December 2014. Comparative information has not been provided as per the transitional provisions of the new rules.

At 31 December 2014	**Notes**	**Level 1 US$**	**Level 2 US$**	**Level 3 US$**	**Total US$**
Available for sale financial asset		-	-	1,841,854	1,841,854
Derivative financial asset		-	-	1,330,228	1,330,228
Total financial assets		**-**	**-**	**3,172,082**	**3,172,082**

Disclosed fair values
The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

Valuation techniques used to derive level 2 and 3 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all the specific inputs required to fair value an instrument are observable, the instrument is classified as level 2. If one or more of the significant inputs is not based on market observable data, the instrument is classified as level 3. The Entity holds an investment and convertible note receivable from Elephant Copper Limited, an unlisted entity. The investment in Elephant Copper Limited was valued based on RTG's 18% interest in Elephant Copper Limited's net asset carrying value, which is considered to equate to Elephant Copper Limited's fair value of $10M, based on audited information and an independent valuation. The convertible note valuation was based on the investment interest RTG is entitled to receive in Elephant Copper Limited's net asset carrying value, should RTG elect to receive the convertible note receivable in the form of shares. Hence these items have been classified as Level 3 as there is no active market to be able to observe the fair market value of the shares to determine the fair values used for the financial instruments.

The following table presents the changes in level 3 items for the period ended 31 December 2014.

	Available for sale financial assets	**Derivative financial asset**	**Total**
	US$	**US$**	**US$**
Opening balance at 1 January 2014	1,841,854	1,330,228	3,172,082
Movement in fair value	-	-	-
Total financial assets	**-**	**-**	**-**
Acquisitions	-	-	-
At 31 December 2014	**1,841,854**	**1,330,228**	**3,172,082**

23. SEGMENT REPORTING NOTE

The Company's operations are segmented on a regional basis and are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments has been defined as the Chief Executive Officer.

The Company operates in a single segment, being mineral exploration and development. With the exception of its some of its minor exploration and evaluation assets which are held in Africa, all of the Company's other significant assets are held in the Philippines (see Note 24).

The following is the geographical locations of the Company's assets:

23. SEGMENT REPORTING NOTE cont.

31 December 2014

Operating segment	**Philippines 2014 US$**	**Australia 2014 US$**	**Other 2014 US$**	**Consolidated Total 2014 US$**
Revenue				
Segment revenue from external customers	-	194	-	194
Interest revenue	-	31,431	-	31,431
Total revenue as per statement of comprehensive income				**31,625**

Results	**Philippines US$**	**Australia US$**	**Other US$**	**Consolidated Total US$**
Segment profit/(loss) before tax	(1,677,500)	(5,560,483)	(203,366)	(7,441,349)
Revenue	-	31,625	-	31,625
Administrative expenses	-	(3,631,376)	(206,553)	(3,837,929)
Foreign exchange	-	(381,444)	(5,324)	(386,768)
Share of associate profit/(loss)	(1,677,500)	-	-	(1,677,500)
Other expenses	-	(1,579,288)	8,511	(1,570,777)
Segment profit/(loss) before income tax as per statement of comprehensive income				**(7,441,349)**
Depreciation expense	-	(32,633)	-	

31 December 2014	**Philippines 2014 US$**	**Australia 2014 US$**	**Other 2014 US$**	**Consolidated Total 2014 US$**
Segment assets				
Corporate assets	86,189,813	3,070,689	3,206,763	92,467,264
Total assets as per statement of financial position				**92,467,264**
Segment liabilities				
Corporate liabilities	(820,912)	(399,905)	-	**(1,220,817)**

31 December 2013 (six months)

Operating segment	**Philippines 2013 US$**	**Australia 2013 US$**	**Other 2013 US$**	**Consolidated Total 2013 US$**
Revenue				
Segment revenue from external customers	-	-	-	-
Interest revenue	-	24,598	-	24,598
Total revenue as per statement of comprehensive income				**24,598**

23. SEGMENT REPORTING NOTE cont.

31 December 2013 (six months) cont.

Results	**Philippines**	**Australia**	**Other**	**Consolidated Total**
	US$	**US$**	**US$**	**US$**
Segment profit/(loss) before tax	-	(3,009,882)	(87,184)	(3,097,066)
Interest revenue	-	24,598	-	24,598
Administrative expenses	-	(2,028,738)	(10,107)	(2,038,845)
Foreign exchange	-	(215,316)	14,256	(201,060)
Other expenses	-	(790,426)	(91,333)	(881,759)
Segment profit/(loss) before income tax as per statement of comprehensive income				**(3,097,066)**
Depreciation expense	-	(12,929)	-	

	Philippines	**Australia**	**Other**	**Consolidated Total**
Segment assets				
Corporate assets	-	11,498,122	3,300,265	14,798,387
Total assets as per statement of financial position				**14,798,387**
Segment liabilities				
Corporate liabilities	-	(200,113)	(8,512)	**(208,625)**

30 June 2013 (twelve months)

Operating segment	**Philippines 2013 US$**	**Australia 2013 US$**	**Other 2013 US$**	**Consolidated Total 2013 US$**
Revenue				
Segment revenue from external customers	-	-	-	-
Interest revenue	-	10,553	-	10,553
Total revenue as per statement of comprehensive income				**10,553**

Results	**Philippines**	**Australia**	**Other**	**Consolidated Total**
Segment profit/(loss) before tax	-	(6,735,699)	(1,587,053)	(8,322,752)
Interest revenue	-	10,553	-	10,553
Administrative expenses	-	(3,700,341)	(1,048,112)	(4,748,453)
Foreign exchange	-	(326,445)	7,334	(319,111)
Other expenses	-	(2,719,466)	(546,275)	(3,265,741)
Segment profit/(loss) before income tax as per statement of comprehensive income				**(8,322,752)**
Depreciation expense	-	-	(339,315)	

23. SEGMENT REPORTING NOTE cont.

30 June 2013 (twelve months) cont.

	Philippines	Australia	Other	Consolidated Total 2013
Segment assets				
Corporate assets	-	14,035,441	2,158,550	16,193,988
Total assets as per statement of financial position				**16,193,988**
Segment liabilities				
Corporate liabilities	-	(705,756)	(17,230)	**(722,986)**

24. INVESTMENT IN ASSOCIATES

(a) Acquisition of interest

On 4 June 2014, RTG completed the implementation of the Schemes pursuant to the terms of the previously-announced Scheme Implementation Deed dated February 24, 2014 (the "Deed") between RTG and Sierra Mining Limited ("Sierra") to acquire all of the outstanding securities of Sierra.

Pursuant to the Schemes, RTG has acquired a direct 40% interest in each of Mt Labo Exploration & Development Corporation, St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation and Oz Metals Exploration and Development Corporation and a further indirect interest in Mt Labo Exploration and Development Corporation. As the acquisition of Sierra is not deemed a business acquisition, the transaction must be accounted for as a share based payment for the net assets acquired.

The consideration payable was 79,063,206 RTG shares and 8,784,854 RTG listed options. Details of the fair value of the assets and liabilities acquired as at 4 June 2014 are as follows:

Purchase consideration comprised	31 December 2014 US$
79,063,206 shares*	79,737,140
8,784,854 listed options*	4,462,085
Total consideration	84,199,225
Costs associated with acquisition	1,093,842
	85,293,067

*Share issue price C$1.10, option issue value C$0.554
(This was the closing price on issue of 4/6/2014)

Net assets acquired

	Recognised at acquisition US$	Carrying value US$
Cash and cash equivalents	1,327,666	1,327,666
Trade and other receivables	349,013	349,013
Investment in associates	83,989,104(1)	1,366,798
	85,665,783	3,043,477
Trade and other payables	(372,716)	(372,716)
Fair value of identifiable net assets	**85,293,067**	**2,670,761**

24. INVESTMENT IN ASSOCIATES cont.

Cash inflow on acquisition

Net cash at acquisition date	1,327,666
Direct costs related to acquisition	(1,093,842)
	233,824

(1) Investment in associate at 31 December 2014

	31 December 2014 US$
Investment in associate	83,989,104
Share of associates net loss	(856,588)
Share of foreign currency translation reserve	64,825
	83,197,341

(b) Summarised financial information

The following table illustrates summarised financial information relating to the Group's associates:

Extract from the associates statement of financial position

31 December 2014	**Bunawan Mining Corporation**	**Oz Metals Exploration & Development Corporation**	**St Ignatius Exploration & Mineral Resources Corporation**	**Mt Labo Exploration & Development Corporation**	**Mt Labo Joint Venture**	**Total**
Current assets	386,236	44,876	13,680	-	409,769	854,561
Non-current assets	519,968	130,102	109,200	-	2,074,882	2,834,152
	906,204	**174,978**	**122,880**	**-**	**2,484,651**	**3,688,713**
Current liabilities	348,067	-	-		220,707	568,774
Non-current liabilities	5,363,337	2,355,518	75,669	-	4,821,497	12,616,021
	5,711,404	**2,355,518**	**75,669**	**-**	**5,042,204**	**13,184,795**
Net assets/(liabilities)	**(4,805,200)**	**(2,180,540)**	**47,211**	**-**	**(2,557,553)**	**(9,496,082)**
Share of associates net profit/(loss)	(237,176)	95,929	(138)	8,235	(720,472)	(853,622)
Share of associate FCTR	32,742	18,065	(373)	-	14,392	64,826
Group share of net assets ($)	(1,922,080)	(872,215)	18,884	-	(1,047,574)	(3,822,985)

Closing share of Net Assets Total	(3,822,985)
Add: Fair Value Uplift	86,955,500*
Add: share of associate FCTR	64,826
	83,197,341

*The fair value uplift incorporates $4,333,194 attributable to the excess of SRM's interest in the associate entities carried at cost, over SRM's share of the net assets of the associate entities at the time they were acquired by RTG.

The current reporting date for the associate entities is 30 June.

The associate had no contingent liabilities or capital commitments as at 31 December 2014.

25. LOANS TO ASSOCIATE

On 4 June 2014, RTG completed the implementation of the Schemes to acquire the outstanding securities of Sierra. Pursuant to the Schemes, RTG has acquired a direct 40% interest in each of Mt Labo Exploration & Development Corporate, St Ignatius Exploration and Mineral Resource Corporate, Bunawan Mining Corporation and Oz Metals Exploration and Development Corporation and a further indirect interest in Mt Labo Exploration and Development Corporation.

The total loan balance from acquisition date to 31 December 2014 was $2.992M, and has funded the Company's share of costs associated with the following:

- the preparation of the Maiden Resource Statement at the Mabilo Project;
- commencement of permitting for the initial planned oxide mining development at Mabilo;
- preparation of a feasibility study for the Mabilo Project;
- obtaining the Bunawan Project exploration permit; and
- completion of the December quarter Bunawan drilling program.

	31 December 2014	**31 December 2013 (6 months)**	**30 June 2013 (12 months)**
	US$	**US$**	**US$**
Loans to associates	2,992,472	-	-
	2,992,472	**-**	**-**

These transactions were undertaken on commercial terms and conditions, except that:

I. there is no fixed repayment of the loan; and
II. no interest payable on the loans at present.

26. EVENTS AFTER REPORTING DATE

On 10 February 2015, the Company announced it had resolved to raise approximately A$15 million in a placement to Australian and international institutional and sophisticated investors ("Placement").

Net proceeds of the Placement will be used:

- to fund permitting and development of the Mabilo Project;
- to fund exploration at the Bunawan Project; and
- for general working capital purposes.

Placement Details

The Placement consists of 22.3 million new Securities to be issued at a price of A$0.68 cents per Security to raise total funds of circa $15.1 million. The Securities will be issued in two tranches as below:

- *Tranche 1* - Comprising 16.79 million Securities at A$0.68 cents per Security to raise circa $11.4 million, was issued, on 18 February 2015, pursuant to ASX Listing Rules 7.1 and section 607 of the TSX Listing Rules; and

- *Tranche 2* - Comprising circa 5.5 million Securities at A$0.68 cents per Security to raise a further circa $3.7 million, (a) a portion of which was issued on 18 February 2015 to Canadian investors as subscription receipts to acquire shares (the "Subscription Receipts"), and (b) the remainder of which is to be issued to Australian and other international investors after receipt of shareholder approval at an **Extraordinary General Meeting of Shareholders** to be held on **April 10, 2015** (as announced to the market on the March 4, 2015 in the Company's Notice of Extraordinary General Meeting)**.**

That portion of the Placement to be subscribed for by Canadian investors has been done through a Placement of units, with each unit comprised of approximately 0.75 shares and 0.25 Subscription Receipts. Each Subscription

26. EVENTS AFTER REPORTING DATE cont.

Receipt will be automatically exercisable and entitle the holder to receive, without payment of additional consideration, one share of RTG upon the satisfaction of certain escrow release conditions, and the portion of the gross proceeds attributable to the Subscription Receipts will be held in escrow pending satisfaction of the escrow release conditions.

The escrow release conditions, among other things, include the receipt of all required shareholder and regulatory approvals (including approval of Tranche 2 by RTG's shareholders and approval of the Placement by the Toronto Stock Exchange (the "TSX") and the Australian Securities Exchange Limited (the "ASX")). If the escrow release conditions have not been satisfied on or prior to the release deadline (such deadline to be determined by the agents and RTG), the Subscription Receipts will be cancelled and an amount equal to the subscription price attributable to the Subscription Receipts shall be returned to the holders of the Subscription Receipts.

Convertible Note

The Convertible Note with Elephant Copper was repayable on or before January 1, 2015, and the Company under the terms of the Sale Agreement has commenced charging interest on the outstanding amount at an amount of greater of 7% or LIBOR plus 4%.

DIRECTORS DECLARATION

In accordance with a resolution of the directors of the Company, I state that in the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity:

  (i) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the twelve month period ended 31 December 2014; and

  (ii) comply with International Accounting Standards and other mandatory professional reporting standards; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.

MICHAEL CARRICK
Director

Perth, 30 March, 2014

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF RTG MINING INC.

As lead auditor of RTG Mining Inc. for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of RTG Mining Inc. and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 30 March 2015

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of RTG Mining Inc.

Report on the Financial Report

We have audited the accompanying financial report of RTG Mining Inc., which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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's end or from time to time during the financial 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Stat*ements, 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of RTG Mining Inc., would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of RTG Mining Inc. 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 31 December 2014 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 2(a).

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2014. 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 RTG Mining Inc. for the year ended 31 December 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

Jarrad Prue

Director

Perth, 30 March 2015

AUSTRALIAN SECURITIES EXCHANGE ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. The additional information was applicable as at 28 February 2014.

DISTRIBUTION OF All SECURITY HOLDERS

Analysis of numbers of Shareholders by size of holding:

Category			Number of Shareholders
1	-	1,000	1
1,001	-	5,000	-
5,001	-	10,000	-
10,001	-	100,000	3
100,001	and over		11
			15

There is 1 shareholders holding less than a marketable parcel of shares.

SUBSTANTIAL SHAREHOLDERS

There are two substantial shareholders to the best of the Company's knowledge as defined under the Corporations Act 2001.

Name	Number of Equity Securities	Power %
B2Gold	13,551,574	10.5%
Hains Family	12,550,030	9.7%

VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

SHARES

Each share is entitled to one vote when a poll is called otherwise each member present at a meeting or by proxy has one vote on a show of hands.

CHESS DEPOSITARY NOMINEE (CDI) HOLDERS

A CDI represents a beneficial interest in an underlying Share. CDIs rank equally in all respects with existing Shares in RTG Mining Inc.; however, there are certain differences between CDIs and Common Shares (in particular in relation to voting and how other rights are exercised)

OPTIONS

These securities have no voting rights.

The Company has used its cash in a way consistent with its business objectives.

TOP 20 SHARE HOLDERS

Rank	Name	Shares	% of Units
1.	CHESS DEPOSITARY NOMINEES PTY LIMITED	100,511,216	78.06
2.	CDS & CO	17,394,934	13.51
3.	ROYTOR & CO	2,771,076	2.15
4.	MARK SAVAGE REVOCABLE TRUST	1,846,200	1.43
5.	EXCHANGES CONTROL FOR CLASS C01	1,420,008	1.10
6.	JAYVEE & CO TR FRANKLIN GOLD AND PRECIOUS METALS FUND	1,397,790	1.09
7.	HAYWOOD SECURITIES INC	1,017,391	0.79
8.	JAYVEE & CO TR FRANKLIN GOLD AND PRECIOUS METALS FUND	1,000,000	0.78
9.	CGX HOLDINGS PTY LTD	972,222	0.76
10.	EXCHANGES CONTROL FOR CLASS M01	163,135	0.13
11.	APOGEE GOLD FUND LLC	150,000	0.12
12.	JAYVEE & CO	75,362	0.06
13.	SALIM SHARIFF	30,000	0.02
14.	CASTLE SPRINGS PTY LTD	13,889	0.01
15.	JULIENNE PAULA DADLEY BULL	10	0.00
	Total Top Holders Balance	**128,763,233**	**100**
	Total Number of Shares on Issue	**128,763,233**	**100**

TOP 20 QUOTED CHESS DEPOSITARY NOMINEE (CDI) HOLDERS

Rank	Name	Units	% of Units
1.	J P MORGAN NOMINEES AUSTRALIA LIMITED	9,222,982	9.18
2.	NATIONAL NOMINEES LIMITED	8,802,101	8.76
3.	CGA MINING LIMITED	5,195,200	5.17
4.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	3,670,946	3.65
5.	HOPETOUN CONSULTING PTY LTD <THE M SYME FAMILY A/C>	3,000,000	2.98
6.	R W ASSOCIATES PTY LTD <RW ASSOC SUPER FUND A/C>	2,445,000	2.43
7.	ARREDO PTY LTD	2,272,500	2.26
8.	AWJ FAMILY PTY LTD <ANGUS W JOHNSON FAMILY A/C>	2,027,850	2.02
9.	MR IAN MIDDLEMAS	1,920,000	1.91
10.	CGA MINING LIMITED	1,770,000	1.76
11.	MAXIMO SARA	1,717,515	1.71
12.	CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	1,705,000	1.70
13.	MR BRIAN HENRY MCCUBBING + MRS ADRIANA MARIA MCCUBBING <B MCCUBBING SUPER FUND A/C>	1,690,000	1.68
14.	MINTURN PTY LTD	1,646,778	1.64
15.	CITICORP NOMINEES PTY LIMITED	1,609,803	1.60
16.	LAUNCESTON GASWORKS PTY LTD	1,544,980	1.54
17.	NEFCO NOMINEES PTY LTD	1,400,000	1.39
18.	JACKHAMISH PTY LTD	1,020,000	1.01
19.	HOPETOUN CONSULTING PTY LTD <THE M SYME FAMILY A/C>	1,000,000	0.99
20.	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	995,297	0.99
	Total Top Holders Balance	**54,655,952**	**54.38**
	Total Remaining Holders Balance	**23,132,397**	**45.62**
	Total Chess Depositary Nominee (CDI) Holders	**100,511,216**	**100**

DISTRIBUTION OF All CDI HOLDERS

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

Category			Number of Shareholders
1	-	1,000	39
1,001	-	5,000	150
5,001	-	10,000	115
10,001	-	100,000	363
100,001	and over		126
			793

There are 26 CDI holders holding less than a marketable parcel of shares.

TOP 20 OPTION HOLDERS

Rank	Name	Units	% of Units
1.	CGA MINING LIMITED	577,244	6.57
2.	PITTAR NOMINEES PTY LTD <THE PITTAR FAMILY A/C>	558,710	6.36
3.	CDS & CO	334,499	3.81
4.	MR DAVID WILLIAM FINDLAY	333,778	3.80
5.	HOPETOUN CONSULTING PTY LTD <THE M SYME FAMILY A/C>	333,333	3.79
6.	MRS VICKI GAYE PLAYER <V G PLAYER SUPER FUND A/C>	258,538	2.94
7.	PITTAR NOMINEES PTY LTD <THE PITTAR FAMILY A/C>	258,519	2.94
8.	ARREDO PTY LTD	252,500	2.87
9.	MR IAN MIDDLEMAS	213,333	2.43
10.	CGA MINING LIMITED	196,667	2.24
11.	MAXIMO SARA	190,835	2.17
12.	CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	189,444	2.16
13.	MINTURN PTY LTD	182,976	2.08
14.	NEFCO NOMINEES PTY LTD	155,889	1.78
15.	CITICORP NOMINEES PTY LIMITED	151,746	1.73
16.	LAUNCESTON GASWORKS PTY LTD	142,209	1.62
17.	REXI MARKETING PTY LTD	121,998	1.39
18.	JACKHAMISH PTY LTD	113,333	1.29
19.	MR DOUG GRAY <GLENMORE ESTATE S/FUND A/C>	112,407	1.28
20.	HOPETOUN CONSULTING PTY LTD <THE M SYME FAMILY A/C>	111,111	1.27

	Total Top Holders Balance	**4,789,069**	**54.52**
	Total Remaining Holders Balance	**3,995,618**	**45.48**
	Total Option Holders	**8,784,687**	**100**

DISTRIBUTION OF All CDI HOLDERS

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

Category			**Number of Shareholders**
1	-	1,000	280
1,001	-	5,000	221
5,001	-	10,000	66
10,001	-	100,000	84
100,001	and over		22
			673

There are 437 holders holding less than a marketable parcel of shares.

SCHEDULE OF INTERESTS AND LOCATION OF TENEMENTS

Tenement reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Application for Mineral Production-Sharing Agreement ("APSA") 002-V	Philippines	RTG's interest is held through its interest in its associate entity, Mt Labo Exploration and Development Corporation.	40%	40%
Exploration Permit ("EP") 014-2013-V	Philippines		40%	40%
EXPA-000188-V	Philippines			
Exploration Permit Application ("EXPA") 118-XI	Philippines	RTG's interest is held through its interest in its associate entity Bunawan Mining Corporation.	40%	40%
APSA-03-XIII	Philippines		40%	40%
EXPA-037-XIII	Philippines		40%	40%
EP 033-XIII	Philippines		40%	40%
EP-01-06-XI	Philippines		40%	40%
EP-01-10XI		RTG's interest is held through its interest in its associate entity Oz Metals Exploration & Development Corporation.		
EP-02-10-XI	Philippines		40%	40%
EXPA-123-XI	Philippines		40%	40%

MINERAL RESOURCES STATEMENT

Summary of Resources

The Company's Resources as at 31 December 2014, reported in accordance with the 2012 Edition of the JORC Code, are as follows:

Mineral Resource Estimate Results - Reporting at 0.3 g/t Au lower cut-off - Mabilo Deposit - South and North Zones									
Weathering State	**Classification**	**Million Tonnes**	**Cu %**	**Au g/t**	**Ag g/t**	**Fe %**	**Contained Au ('000s oz)**	**Contained Cu ('000s t)**	**Contained Fe ('000s t)**
Oxide + Supergene	Indicated	0.73	4.4	2.8	9.5	42.6	67.1	32.2	312.7
	Inferred	0.13	3.1	2.2	10.4	34.9	8.9	3.9	43.6
Fresh	Indicated	5.13	1.7	2.1	8.3	49.9	346.8	88.9	2,563.0
	Inferred	5.37	1.5	1.7	12.9	39.1	293.1	80.4	2,101.9
Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralised geological units. This resource table is quoted from all classified blocks above a lower cut-off grade 0.3 g/t Au within these wireframe solids. Differences may occur due to rounding									

Annual Review of Resources

During the year, the Company reported its maiden Resource estimate for the Mabilo Project located in the Philippines (refer ASX announcement dated 24 November 2014). As a result of the annual review of the Company's Resources, there has been no change to the Resource reported for the Mabilo Project.

Governance of Resources

The Company engages external consultants and competent persons (as determined pursuant to the JORC Code) to prepare and calculate estimates of its Resources. Management and the Board review these estimates and underlying assumptions for reasonableness and accuracy. The results of the Resource estimates are then reported in accordance with the requirements of the JORC Code and other applicable rules (including ASX Listing Rules).

Where material changes occur during the year to a project, including project's size, title, exploration results or other technical information then previous resource estimates and market disclosures are reviewed for completeness.

The Company reviews its Resources as at 31 December each year. Where a material change has occurred in the assumptions or data used in previously reported Resource, then where possible a revised Resource estimate will be prepared as part of the annual review process. However, there are circumstances where this may not be possible (e.g. an ongoing drilling programme), in which case a revised Mineral Resource Estimate will be prepared and reported as soon as practicable.

Competent Person Statement

The information in this release that relates to exploration results at the Mabilo Project is based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr Ayres is a member of the Australian Institute of Geoscientists and a full-time employee of Mt Labo Exploration and Development Company, a Philippine mining company, an associate company of RTG Mining Limited. Mr Ayres has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, 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" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI

APPENDIX C

ANNUAL INFORMATION FORM

For the year ended December 31, 2014

RTG Mining Inc
Level 2, 338 Barker Road
Subiaco WA 6008

Telephone: +61 8 6489 2900
Fax: +61 8 6489 2920

www.rtgmining.com

Dated: March 30, 2015

APPENDIX C

RTG MINING INC.
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Currency

Unless otherwise specified, all dollar references are to United States (US) dollars. On December 31, 2014, one (1) US dollar was worth approximately 1.1629 Canadian dollars ("C$") and approximately $1.2261 Australia dollars ("A$") based on rates provided by currency site www.oanda.com.

Forward Looking Statements

This Annual Information Form ("AIF") includes certain "forward-looking statements" within the meaning of Canadian securities legislation including, among others, statements made or implied relating to the Company's objectives, strategies to achieve those objectives, the Company's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations. All statements, other than statements of historical fact, included herein, , are forward-looking statements. Forward looking statements generally can be identified by words such as "objective", "may, "will", "expected", "likely", "intend", "estimate", "anticipate", "believe", "should", "plans", or similar expressions suggesting future outcomes or events.

Forward looking statements are not guarantees of future performance and reflect the Company's current beliefs based on information currently available to management. Such forward looking statements are based on a number of material assumptions, which could prove to be significantly incorrect, including: the Company's ability to obtain necessary fianancing and adequate insurance; the Company's expectations regarding the economy generally, current and future stock prices, results of operations, and the extent of future growth and performance; and assumptions that all necessary permits and governmental approvals will be obtained. Forward looking statements by their nature involve known and unknown risks, uncertainties and are subject to factors inherent in the business of the Company and the risk factors discussed in this AIF and other materials filed with the securities regulatory authorities from time to time which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Those risks and uncertainties include, but are not limited to: the mining industry (including operational risks; risks in exploration, and development; the uncertainties involved in the discovery and delineation of mineral deposits, resources or reserves; and the uncertainty of mineral resource and mineral reserve estimates); the risk of gold, copper and other commodity price and foreign exchange rate fluctuations; the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company; the uncertainty associated with commercial negotiations and negotiating with foreign governments; the risks associated with international business activities; risks related to operating in Nigeria and the Philippines; environmental risk; the dependence on key personnel; the ability to access capital markets, joint venture relationships and disputes, permitting and local government and community support and other risks and uncertainties disclosed in "*Risk Factors"* in this AIF.

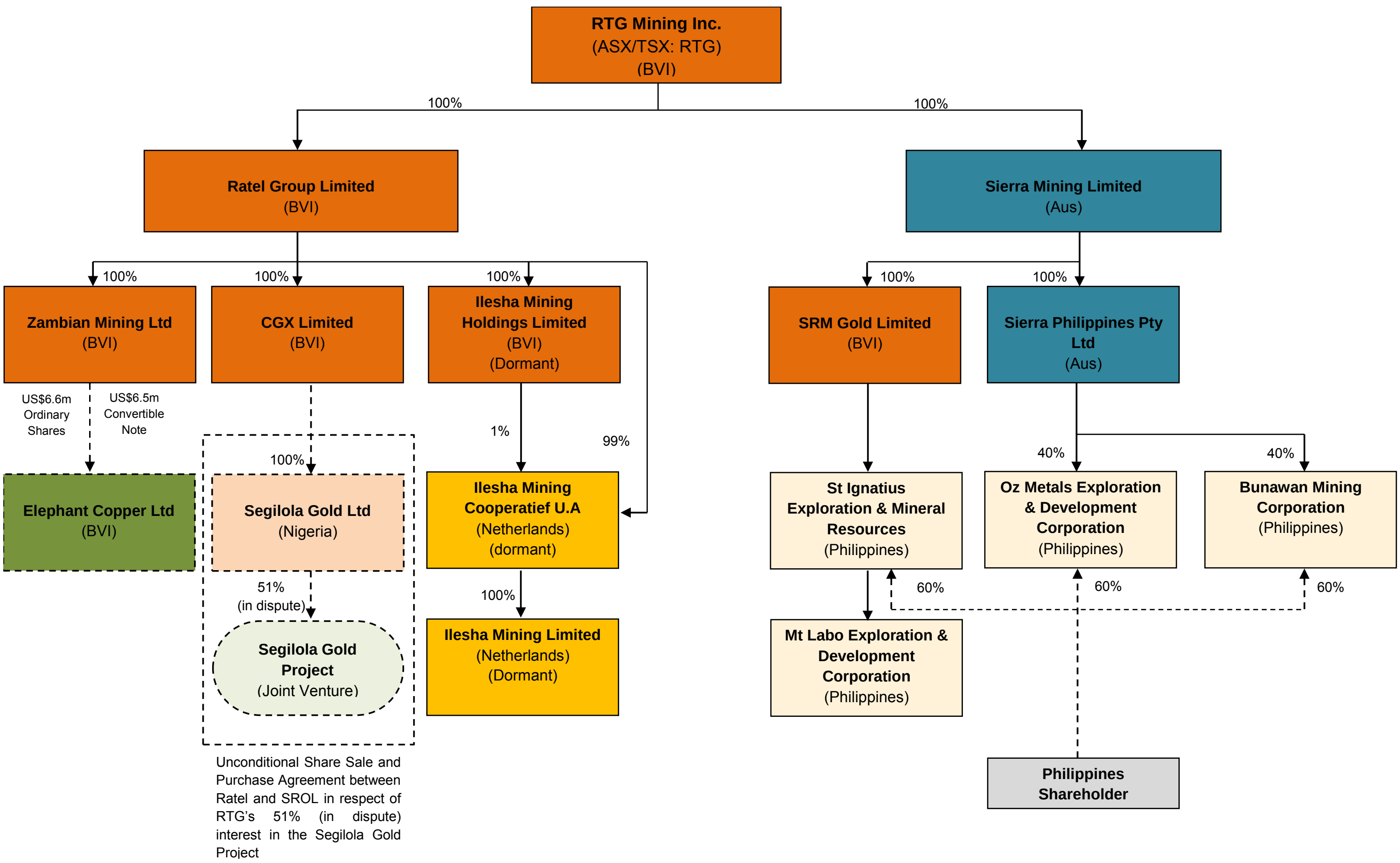
Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statements were made and are advised to consider such forward looking statements in light of the risks set forth above. Except as required by applicable securities laws, the Company assumes no obligation to update or revise any forward looking statements to reflect new information or the occurrence of future events or circumstances.

1. Corporate Structure

Name, Address and Incorporation

RTG Mining Inc. ("RTG", or the "Company") was incorporated on December 27, 2012 pursuant to the BVI Business Companies Act 2004 (British Virgin Islands). The Company's registered office is at Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110, British Virgin Islands and its corporate office is located at Level 2, 338 Barker Road Subiaco WA Australia. On March 28, 2013, Ratel Group Limited ("Ratel Group") and RTG completed the merger (the "Merger") of Ratel Group and Ratel Merger Ltd., a wholly-owned subsidiary of RTG. The surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG. RTG's shares ("RTG Shares") began trading on the Tortonto Stock Exchange ("TSX") under the former symbol for Ratel Group's shares, "RTG", effective as of the open of markets on April 15, 2013. On June 4, 2014, RTG merged with Sierra Mining Limited ("Sierra") and the Company was also admitted to the Australian Securities Exchange ("ASX") under the symbol "RTG".

RTG Mining Inc. Group Structure as at March 31, 2015



2. General Development of the Business

Three-Year History

Year ended 2014

On June 4, 2014, RTG completed the implementation of the schemes of arrangement (the "Schemes") pursuant to the terms of the previously announced Scheme Implementation Deed dated February 24, 2014 (the "Deed") between RTG and Sierra to acquire all of the outstanding securities of Sierra and their projects in the Philippines.

Pursuant to the Schemes, RTG acquired all of the outstanding shares of Sierra ("Sierra Shares") and all of the outstanding listed options of Sierra ("Sierra Options"), and issued as consideration:

(a) to eligible shareholders of Sierra, 3 new shares of RTG ("RTG Shares") for every 10 Sierra Shares held and 1 new share purchase option of the Company ("RTG Option") for every 30 Sierra Shares held; and

(b) to eligible option holders of Sierra, 2 RTG Shares for every 10 Sierra Options held and 2 RTG Options for every 90 Sierra Options held.

The Company also acquired all unlisted Sierra Options ("Sierra Unlisted Options"), and issued as consideration to such holders of Sierra Unlisted Options:

(a) 1 RTG Share for every 10 Sierra Unlisted Options exercisable at $0.20 each on or before July 1, 2014, together with 1 RTG Option for every 90 Sierra Unlisted Options held; and

(b) 1 RTG Share for every 20 Sierra Unlisted Options exercisable at $0.25 each on or before July 1, 2015, together with 1 RTG Option for every 180 Sierra Unlisted Options held.

Pursuant to the Schemes, RTG has acquired a direct 40% interest in each of Mt Labo Exploration & Development Corporation ("Mt Labo"), St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation ("Bunawan Corp") and Oz Metals Exploration and Development Corporation and a further indirect interest in Mt Labo Exploration and Development Corporation collectively known as the "**Associates**". Mt Labo is the holding company for the Mabilo Project and Bunawan Corp is the holding company for the Bunawan Project.

Year ended 2013

RTG was incorporated on December 27, 2012 and is domiciled in the British Virgin Islands. On March 28, 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 April 15, 2013, 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 shares of Ratel Group (the "Ratel Shares") were exchanged for RTG Shares and the surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG. Tthe 162,538,641 previously issued subscription receipts were 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, were 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.

Loan Facility

During September 2012, Ratel Group entered into a Loan Facility Agreement with CGA Mining Limited for the sum of $2.5M. In April 2013, the outstanding principal and interest on the loan facility was fully repaid.

<u>Year ended 2012</u>

Ratel Group was incorporated on October 18, 2010 and is domiciled in the British Virgin Islands. Both CGX Limited ("CGX") and Zambian Mining Limited ("Zambian Mining") were incorporated on August 22, 2006 and are also domiciled in the British Virgin Islands. Ratel Group, CGX and Zambian Mining were previously wholly-owned subsidiaries of Ratel Gold (now St Augustine Gold & Copper Limited ("SAU")). On December 17, 2010, the shares held by Ratel Gold (now SAU) were transferred to Ratel Group who acquired a 100% interest in Zambian Mining and CGX. CGX and Zambian Mining were incorporated to act as holding companies respectively for the interests in the Segilola Gold Project in Nigeria and the Mkushi Copper Project in Zambia.

3. Description of the Business

Business of the Company

Objectives and Strategy

RTG has a strategic focus on acquiring and developing interests in mineral properties with demonstrated potential for hosting economic mineral deposits, with gold deposits as the primary focus, and progressing them towards production.

Company Assets

The Company's business is dependent on foreign operation, as many of its properties, including its princical asset, are located in the Philippines and the African continent.

Mabilo Project ("Mabilo" or the "Project)

The Company's principal asset and focus is the Mabilo Project. The Mabilo Project is located in Camarines Norte Province, Eastern Luzon, Philippines. It is comprised of one granted Exploration Permit (EP-014-2013-V) of approximately 498 ha and one Exploration Permit Application (EXPA-000188-V) of 2,820 ha. The Project area is relatively flat and is easily accessed by 15 km of all-weather road from the highway at the nearby town of Labo.

Sierra discovered the mineralisation in 2012 during a reconnaissance drilling program targeted on magnetic anomalies from a ground magnetic survey conducted by a former explorer. Sierra subsequently conducted a new ground magnetic survey in early 2013, remodelled the data and commenced a second phase of drilling in mid-2013.

Extensive drilling was undertaken by the Company during 2014 with significant extensions in known strike beyond the magnetic model in the North and South directions. A total of 69 drill holes totalling 11,231m were used for the maiden resource estimate (Announcement released on November 24, 2014 with the NI 43-101 Technical Report released on January 8, 2015 - see *Mabilo Project – Mineral Resource Estimate* section below). Drilling is ongoing and ninety diamond drill holes were completed at the end of 2014 with further drilling ongoing.

Table 1 Mineral Resource Estimate

Mineral Resource Estimate Results - Reporting at 0.3 g/t Au lower cut-off - Mabilo Deposit - South and North Zones									
Weathering State	**Classification**	**Million Tonnes**	**Cu %**	**Au g/t**	**Ag g/t**	**Fe %**	**Contained Au ('000s oz)**	**Contained Cu ('000s t)**	**Contained Fe ('000s t)**
Oxide + Supergene	Indicated	0.73	4.4	2.8	9.5	42.6	67.1	32.2	312.7
	Inferred	0.13	3.1	2.2	10.4	34.9	8.9	3.9	43.6
Fresh	Indicated	5.13	1.7	2.1	8.3	49.9	346.8	88.9	2,563.0
	Inferred	5.37	1.5	1.7	12.9	39.1	293.1	80.4	2,101.9
Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralised geological units. This resource table is quoted from all classified blocks above a lower cut-off grade 0.3 g/t Au within these wireframe solids. Differences may occur due to rounding									

The definition of two high grade oxide mining products within the Resource materially improves the economics of the Project with limited need for upfront capital and potential for early cash flow.

<u>Feasibility Study</u>

Lycopodium Minerals Pty Ltd ("Lycopodium") has been managing the Phase 1 metallurgical test work program with analysis undertaken by ALS Metallurgy ("ALS") in Perth, Australia. The program covered the oxide and primary domains with excellent results. The Phase 1 program was finalised at the end of January 2015 and forms the basis for the definitive test work program and associated process design and engineering. The completion of this now allows the Company to move into Phase 2 Definitive Feasibility Study metallurgical test work.

The results to date of Phase 1 scoping metallurgical test work have also allowed a better definition of the end products from the proposed primary plant, producing two high grade and clean products that will enable discussions with offtake parties to advance and create a highly competitive environment for negotiations.

Work continued on the Definitive Feasibility Study, along with the metallurgical test work, work was conducted on environmental studies, community development and infrastructure studies for the Project.

The Study remains on track for completion in the third quarter of the 2015 calendar year.

Nalesbitan Project

The Nalesbitan Project comprises Mining Lease Contract MRD-459 of 500 Ha and MPSA Application APSA-V-0002 of 600 Ha. The Nalesbitan Project covers a large zone of alteration in which widespread zones of epithermal gold, silver and copper mineralisation have been outlined.

The mineralisation identified to date includes both low sulphidation and high sulphidation epithermal gold viens, potentially proximal to porphyry copper at depth. Induced Polarisation chargeability anomalies, interpreted to be due to sulphides associated with porphyry copper mineralisation, have been outlined in the southern part of the alteration zone. The Nalesbitan system has similarities to the giant Lepanto / Far South-East copper and gold porphyry system in northern Luzon.

Bunawan Project

The Bunawan Property is located in the east of Mindanao Island in Agusan del Sur province, the Philippines, approximately 190 km north-northeast of Davao and adjacent to the Davao – Surigao highway.

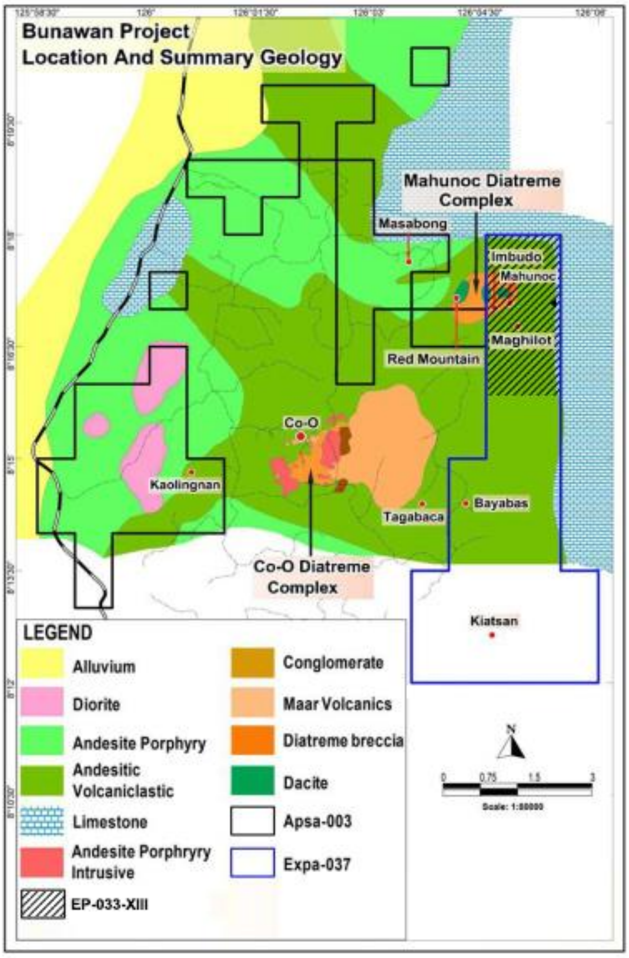


Figure 1 Location Plan with Regional Geology Showing Both the Co-O and Mahunoc Diatreme Complexes

The Bunawan Project is centered on a diatreme intrusive complex (Mahunoc diatreme) approximately five km NE of Medusa Mining's Co-O mine in eastern Mindanao. Historical production at the Co-O Mine has demonstrated a significant high grade gold system and there is active artisinal mining throughout the region which further reinforces the gold potential of the area. A number of the artisanal mining operations occur within and adjacent to the Mahunoc diatreme and the area is highly prospective for the discovery of economic epithermal Au-Ag mineralisation of intermediate sulphidation / carbonate-base metal type.

In parallel with the efforts on the Mabilo Project, the Company was able to secure the issue of the Bunawan exploration permit which Sierra had been working on for some period of time.

Following the granting of the Exploration Permit, RTG announced in November 2014 that it has commenced a reconnaissance drilling program. At the end of 2014 nine holes had been completed for 3,074 metres. Mineralisation was intercepted in 6 of the 9 holes drilled, including 7m @ 4.18g/t Au and 4m @ 12.33g/t Au.

Bahayan Project

The Bahayan project in the Philippines comprises Exploration Permit Application 123 ("EXPA-123-XI") covering 69.2km^2 of ground near the Diwalwal mining camp. High-grade gold veins were discovered at Diwalwal in the early 1980's, although there has been little modern exploration at Diwalwal and surrounding areas. Based on the Mines And Geosciences Bureau ("MGB") XI MTSR as of December 2014, EXPA-123-XI has been endorsed to the MGB Central Office and is awaiting the clearance of the MGB Director.

Production from the low sulphidation epithermal quartz veins at Diwalwal is estimated to have exceeded 8 million ounces of gold. Geologically the steep dipping veins strike west-northwest and occur in highly fractured zones which are deeply oxidized, silicified and chloritised.

Mawab Project

The Mawab Project in the Philippines comprises two contiguous applications which have a combined area of 65.66 km2. They are located in the Masara Mineral Field, one of most highly mineralised section of the Pacific Cordillera where there are a number of past mines and deposits currently at an advanced stage of development.

Taguibo Project

The Taguibo Project in the Philippines comprises one granted Exploration Permit and two applications for Exploration Permits covering a combined area of 128.7 km^2. Exploration Permit No. 000001-06-XI was granted on the October 18, 2006. The two applications have been cleared and have priority of application.

Native copper and malachite in quartz veins cutting sediments has been reported in Exploration Permit No. 000001-06-XI and quartz and base-metal stockwork zones reported in both EPA 118 and EPA 131. Artisanal gold mining is widespread in all three tenement applications.

Based on the complete list of Existing Exploration Permits as of November 30, 2014 , EP-01-06-XI was approved on October 18, 2006 and was to expire on October 18, 2008. However, a Motion of Suspension of Operation Due to Force Majeure was filed in the case. Should the Motion for Suspension be denied, EP-01-06-XI will be deemed expired.

Mkushi Copper Project

A joint venture was entered into with African Eagle Resources ("AFE") for the Mkushi Copper Project in Zambia whereby the Company's wholly owned subsidiary Seringa Mining Limited ("SML") acquired a 51% interest in the project through its 51% shareholding in Mkushi Copper Joint Venture Limited ("MCJVL") which holds the mine tenements, with AFE retaining a 49% interest. SML was responsible for funding a bankable feasibility study, while AFE managed exploration initiatives outside the initial development zones, with funding proportional to the percentage interest held by each party in the project. The joint venture agreement was finalised and executed on May 30, 2007. SML prepared a detailed feasibility study. On December 3, 2012, AFE announced it had sold its 49% interest to Elephant Copper Ltd ("Elephant Copper").

RTG announced on August 29, 2013 that it had sold its interest in the Mkushi Copper Project for US$13.1 million to Elephant Copper. Pursuant to the Share Sale Agreement between Zambian Mining and Elephant Copper, Zambian Mining agreed to sell 100% of the share capital of RTG's wholly owned subsidiary SML, which holds the 51% interest in MCJVL. The purchase price of US$13.1 million was satisfied by:

1. the issue of 20 million fully paid shares at an issue price of US$0.33 per share in Elephant Copper to ZML to the value of US$6.6 million ("Consideration Shares"); and
2. a US$6.5 million unsecured redeemable convertible note ("Convertible Note").

Elephant Copper also agreed to payment of the Deferred Heap Leach payment totalling US$1,399,064 million ("DHL Payment"). The DHL Payment represents amounts paid by Zambian Mining on behalf of Elephant Copper to MCJVL.

On October 22, 2013, the conditions precedent to the Share Sale Agreement with Elephant Copper were satisfied and the sale was completed. Elephant Copper indicated it was in the process of completing a listing on the TSX ("IPO") through a transaction ("Transaction") with International Millennium Mining Corp ("IMMC"), subject to securing funding to allow the planned development activities at the Mkushi Project to proceed. Under the planned transaction, IMMC will complete a consolidation ("Consolidation") of all of its outstanding common shares (the "IMMC Securities") and completion of the Transaction will be subject to the satisfaction of certain conditions prior to closing, including, but not limited to, all requisite regulatory approvals relating to the transaction, including, without limitation, TSXV approval, being obtained.

On November 21, 2014 IMMC announced that Elephant Copper had signed a mandate with Nedbank Capital, a division of Nedbank Limited, to act as Elephant Copper's financial advisor, on a commercially reasonable efforts basis, to raise capital for the Mkushi Copper Project development in Zambia and to act as a debt advisor to raise debt for the Mkushi Copper Project. IMMC noted in the announcement that IMMC and Elephant Copper have agreed to extend the deadline for concluding the Transaction to December 31, 2014. On the March 18, 2015 the Company received correspondence from Elephant Copper stating that they are progressing their listing on the TSX Venture Exchange and that Nedbank Limited remains committed as its coprorate and financial adviser.

The Convertible Note was repayable on or before January 1, 2015, with an exercise price for conversion equal to the lesser of US$0.45 and 1.36 times the IPO price for shares in Elephant Copper. As Elephant Copper is now in breach of their requirements under the Convertible Note, it is now accruing interest daily on the Convertible Note from January 1, 2015 at a prescribed rate of the higher of either 7% or LIBOR plus 4%. The Convertible Note is convertible at the sole election of Zambian Mining. Under the Share Sale Agreement, if:

1. the IPO does not proceed, or proceeds at a price less than US$0.33 per share, Zambian Mining will be entitled to additional Consideration Shares so that the total value of the Consideration Shares is US$6.6 million; and

2. Elephant Copper enters into an alternative transaction;

then, the total consideration payable under the Share Sale Agreement is to be satisfied in cash or alternatively, Elephant Copper will be required to buy all of the Consideration Shares and any shares to be issued under the Convertible Note at a price of US$0.33 per share.

Pursuant to the Share Sale Agreement, Elephant Copper undertook to complete its IPO by December 31, 2013 and repay the DHL Payment by January 1, 2014. On December 30, 2013, RTG received a letter from Elephant Copper requesting consideration of an amendment to the Share Sale Agreement to permit Elephant Copper more time to complete the IPO and repay the DHL Payment. SML issued a demand letter on January 8, 2014 demanding payment of the outstanding DHL Payment. SML has advised Elephant Copper that it fully reserves all of its rights and remedies under the Share Sale Agreement and has not agreed to any amendment.

Segilola Gold Project

In May 2007, Segilola Gold Limited ("SGL"), a wholly owned subsidiary of RTG, entered into a joint venture with Tropical Mines Limited ("TML"), a private company based in Nigeria, to earn a 51% interest in the Segilola Gold Project in Nigeria ("the Joint Venture Agreement").

On March 30, 2012, SGL exercised the third and final option lifting its percentage interest in the mineral tenements from 38% to 51%. TML had refused to accept that SGL validly exercised this option. On May 18, 2012, SGL gave TML a notice of dispute advising of its intention to refer the dispute to arbitration under the Joint Venture Agreement and to seek a declaration that SGL is the holder of a 51% interest in the mineral tenements the subject of the Segilola Gold Project ("Notice of Arbitration").

On June 18, 2012, TML was granted interim orders in the Federal High Court of Nigeria (the "Court") restraining SGL from proceeding further with the arbitration or commencing a new arbitration until the hearing and determination of TML's motion. On June 27, 2012, SGL consented to the Court's orders that SGL not proceed further with the arbitration that was the subject of the Notice of Arbitration. The remaining issue in dispute relates to orders sought by TML that requires SGL to pay TML's legal fees to defend its interest in response to the Notice of Arbitration before SGL may re-commence the arbitration process under the Joint Venture Agreement.

A hearing was due to be held on October 4, 2012 to hear arguments on the point of costs but was adjourned to November 14, 2012 and further adjourned to April 22, 2013 for report of the settlement or hearing of the pending applications. At the hearing on April 22, 2013, counsel informed the Court that settlement discussions were underway and that parties needed time to conclude the same. As a result the matter was adjourned to June 17, 2013, October 16, 2013, June 9, 2014 and November 24, 2014 for report of settlement. No hearing was held on November 24, 2014 and the matter was adjourned by the Court to the June 16, 2015.

RTG has entered into an unconditional Share Sale and Purchase Agreement dated October 10, 2013 for the sale of RTG's 51% interest in the Segilola Gold Project in Nigeria (the "Segilola Sale") for approximately US$14 million to RTG's joint venture partner, Segilola Resources Operating Limited ("SROL"). SROL, the purchaser, is in default of their obligations for completion and have advised they are seeking to remedy the default. The Segilola Sale also provides for the settlement of the related disputes in relation to the Segilola Gold Project between Ratel Group, SGL, TML, SROL, Bakrie Delano Africa Limited, NGM Resources Limited and Mr Oladipo Delano under the terms of an agreed settlement deed ("Settlement Deed"). The disputes concern a purported termination of the Joint Venture Agreement. This includes the settlement of the injunctive proceedings brought by SGL before the Court and the interim injunction issued against SGL by the Court dated June 18, 2012. On the completion date of the Segilola Sale, signed counterparts of the Settlement Deed will be released from escrow and the terms of the Settlement Deed will come into effect. As a result, each of the injunctive proceedings is expected to be discontinued with no order as to costs and each party will bear their own costs.

Obuasi Joint Venture

In 2010 Ratel entered into an acquisition agreement to purchase all the shares in CAML Ghana Limited ("CAML Ghana"). CAML Ghana is an unrelated entity to Ratel. CAML Ghana and Westchester Resources Limited ("Westchester") are participants in a gold exploration project in Ghana pursuant to the Obuasi Prospecting Farm In and Joint Venture Agreement.

The acquisition agreement was conditional upon the approval of the transaction by the relevant Ghanaian Minister. Ministerial approval was not obtained, and on November 3, 2011 Ratel announced that the Obuasi Prospecting Farm In and Joint Venture Agreement had been terminated. Westchester issued proceedings in Ghana against a number of parties, including Ratel in February 2012, which are considered both unsubstantiated and without foundation ("Ghana Proceedings").

CAML Ghana was successful in having the Ghana Proceedings stayed following an order from the London Court of Arbitration in April 2012 in the context of arbitration proceedings launched against Westchester by CAML Ghana. On its application, Ratel was joined as a party to the arbitration. On November 27, 2012, on the application of Westchester, the High Court of Ghana set aside that stay order. CAML Ghana has appealed that decision. This appeal has not been determined.

In July 2013, a hearing took place in the arbitration before the Arbitral Tribunal in London. The Arbitral Tribunal delivered its award on all matters of liability in September 2013, finding in favour of CAML Ghana on all points and ordering Westchester to pay to CAML Ghana approximately US$1 million in damages and costs ("Arbitration Award") while reserving the right for CAML Ghana to seek further damages.

On November 14, 2013, CAML Ghana filed a petition in the United States District Court for the Southern District of New York seeking to confirm the Arbitration Award and to obtain an anti-suit injunction in relation to the Proceedings ("US Proceedings"). Ratel was a co-petitioner. Westchester opposed the petition. On May 21, 2014, the United States District Court issued a stipulated order ("Order"). Pursuant to the Order, Westchester was to commence proceedings in England, the seat of the arbitration, to challenge the Arbitration Award ("English Proceedings"). Both the Ghana Proceedings (including the appeal) and the US Proceedings have been stayed pending the resolution of the English Proceedings; there will be no further litigation other than in accordance with the Order; and the parties have agreed to abide by the final judgment delivered in the English Proceedings.

One of Westchester's obligations under the Order was to provide to CAML Ghana a signed stipulation of discontinuance that is to be held on escrow pending the resolution of the English Proceedings. The stipulation of discontinuance is to have the effect of permanently terminating the Ghana Proceedings in the event the Arbitration Award is upheld in the English Proceedings. Westchester had not provided CAML Ghana with a signed stipulation of discontinuance. CAML Ghana has filed a motion to enforce the Order, and the motion was granted in CAML Ghana's favour. Westchester was required to commence the English Proceedings by March 6, 2015, but it failed to comply with the Order.

Financing

As at December 31, 2014, the Company had cash and cash equivalents of $2,394,974. As at December 31, 2014 the Company had cash and liquid assets of $5.73M which includes cash and cash equivalents, $0.940M relating to costs awarded to CAML Ghana under the Arbitration Award, $1M due from SROL under the Segilola Sale and the $1.396M DHL Payment due from Elephant Copper.

The Company manages liquidity risk through maintaining sufficient cash, or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. The Company's liquidity needs can likely be met through existing cash on hand and debt facilities. These will likely be sufficient to meet our necessary capital requirements, subject to the current forecast operating parameters being met.

Employees

As of December 31, 2014, RTG has 5 full time equivalent employees. Management considers the relationship between RTG and its employees as sound.

Competitive Conditions

The mining industry is intensely competitive in all of its phases and the Company will compete with many companies possessing greater financial and technical resources than the Company. Competition in the minerals and mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for minerals, but conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

Cycles

The Company's business is not significantly affected by seasonal changes, other than seasonal weather.

Environmental Protection

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. To date, applicable environmental legislation has had no material, financial or operational affects upon the operation of the Company. See also "Risk Factors – Environmental Risks".

4. Risk Factors

As a mining company, the Company faces the financial, operational, political and environmental risks inherent in the nature of its activities. These risks may affect the Company's profitability and level of operating cash flow. The Company also faces risks stemming from other factors, such as disputes with joint venture partners, changes in Government policies and representatives, fluctuations in gold prices, oil prices, interest rates, exchange rates, tax or royalty rates or the adoption of new interpretations relating to gold prices, oil prices, interest rates, exchange rates, tax or royalty rates or the adoption of new interpretations relating thereto and financial market conditions in general. As a result, the securities of the Company must be considered speculative and in evaluating the securities of the Company, the following factors, amongst other things, should be considered.

Counterparty risk

There is a general risk, which is higher in the current uncertain economic environment, that contracts and other arrangements to which RTG or any of its subsidiaries are party and obtain a benefit (such as sale, service and supply agreements) will not be performed by the relevant counterparties, including if those counterparties become insolvent or are otherwise unable to perform their obligations.

There are also specific risks in relation to:

i. The Share Sale Agreement for SML dated August 26, 2013 entered into between Zambian Mining Limited (as seller) and Elephant Copper (as buyer) in that Elephant Copper has failed to comply with its post completion obligations under the Share Sale Agreement by failing to repay the DHL Payment by January 1, 2014 or completing an IPO by December 31, 2013. Elephant Copper has now also breached its obligations of repayment on January 1, 2015 under the Convertible Note. There is a risk that Elephant Copper will not perform its post completion obligations under the Share Sale Agreement.

ii. The Share Sale and Purchase Agreement for SGL between Ratel Group (as seller and SROL (as purchaser) in that the Share Sale and Purchase Agreement came into effect on October 10, 2013, but a revised completion date has not yet been agreed between the parties therefore SROL is in breach of the Share Sale and Purchase Agreement by having failed to pay the $US1 million as initial consideration. There is a risk that SROL will not perform its completion and post completion obligations under the Share Sale and Purchase Agreement.

Litigation risks

Legal proceedings may arise from time to time in the course of RTG's activities. There have been cases where the rights and privileges of mining and exploration companies have been the subject of litigation. RTG cannot preclude that such litigation may be brought against a member of RTG in the future from time to time.

There are specific litigation risks in that members of RTG are involved, either directly or indirectly, in the following unresolved litigation, arbitration or disputes. See *Legal Proceedings and Regulatory Actions* for more information:

i. arbitration and litigation proceeding concerning the Obuasi joint venture in Ghana;

ii. arbitration proceedings and litigation between TML and SGL concerning SGL's percentage ownership interest in the Segilola Gold Project joint venture in Nigeria;

iii. a claim by GeoHydro Consulting Services Limited against TML and SGL for alleged damages to equipment and premature termination of a drilling contract.

iv. Deferred Consideration Claim being conditional on receiving approval of the Motion for Reconsideration of a Notice of Denial of the Nalesbitan APSA-V-002;

v. claim for royalty on small scale mining permit production; and

vi. Bunawan Project permit APSA-03-XIII being subject to a number of claims including the cases of Valley Mining and Development Corp. vs. Safariland Resources Co. and PICOP Resources, Inc. vs. Safariland Resources Co.

Political Risks in Africa

RTG currently holds an interest in a gold exploration project in Nigeria, the Segilola Gold Project which is currently the subject to the Share Sale and Purchase Agreement, which may be considered to have high political and sovereign risk. Any material adverse changes in government policies or legislation of Nigeria, or any other country in Africa that RTG has economic interests in that affect mineral exploration activities, may affect the Share Sale and Purchase Agreement and profitability of RTG.

Political risks in the Republic of the Philippines

The 1987 Philippine Constitution restored a Presidential-style republican government to the Philippines. The President heads the executive branch of government and can serve no more than a single 6-year term. While the Presidency commands great prestige and moral authority, executive powers are constrained by constitutional safeguards designed to avoid a repetition of Marcos-era excesses. Personality and patronage form the basis of the Philippines' political system, and the bureaucracy suffers from insufficient transparency. Demonstrations against incumbent governments are a feature of Filipino life and reflect voter disaffection.

From time to time, the New People's Army that is located near RTG's mining tenements impose demands (by way of access fee or contribution) which can increase exploration risk. The Australian Department of Foreign Affairs maintains a travel advisory level of 'high degree of caution' for travel to the Philippines as a whole and a 'reconsider your need to travel' advice warning for Eastern Mindanao.

While RTG will be operating exploration projects in Eastern Mindanao, its properties are not located in high risk areas.

Exchange rate risk

RTG will report its financial results and maintain its accounts in United States dollars. RTG's activities in Australia, Philippines, Africa and Canada, as well as any future foreign countries make it subject to foreign currency fluctuations. RTG does not at present, nor does it plan in the future, to engage in foreign currency transactions to hedge exchange rate risks. There can be no assurance that RTG will not be materially and adversely affected thereby.

Uncertainty of reserve and resource estimates

RTG's figures for reserves and resources presented in its public documents filed by RTG on the SEDAR website are estimates based on limited information acquired through drilling and other sampling methods. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realised. The ore grade actually recovered may differ from the estimated grades of the reserves and resources. Such figures have been determined based upon assumed gold, silver, iron, or copper prices and operating costs. Future production could differ dramatically from reserve estimates for, among others, the following reasons: mineralisation or formations could be different from those interpreted by drilling and sampling; increases in operating mining costs and processing costs could adversely affect reserves; the grade of the reserves may vary significantly from time to time and there is no assurance that any particular level of gold or copper may be recovered from the reserves; and declines in the market price of gold or copper may render the mining of some or all of the current reserves uneconomic. Any of these factors may require RTG to reduce its reserves estimates or increase its costs.

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

Share market conditions

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of RTG's shares. Neither RTG nor its directors warrant the future performance of the Company or any return on an investment in the Company.

Changes to tax environment

As a company incorporated in BVI, should there be any changes in BVI tax law, in particular, if BVI imposes a dividend withholding tax regime, this could have an adverse cash impact on shareholders of RTG.

Exploitation, exploration and mining licences

Exploration and mining activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining licence will be granted with respect to exploration territory. There can also be no assurance that any exploration licence will be renewed or if so, on what terms. These licences place a range of past, current and future obligations on the Company. In some cases there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract.

In addition, there are risks attaching to exploration and mining operations in a developing country which are not necessarily present in a developed country. These include economic, social or political instability or change, hyperinflation, currency instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties as well as government control over mineral properties. Any future material adverse changes in government policies, representatives or legislation that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of Combined Group's or rights to title or tenure.

Nature of mineral exploration and mining

Mineral exploration and development is a speculative business, characterised by a number of significant uncertainties, these include failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

Unprofitable efforts may result not only from the failure to discover mineral deposits but also from finding mineral deposits that are insufficient in quantity and/or quality to return a profit from production. Even deposits that could be sufficient to provide a profit from production are not guaranteed to do so because management of the mining operation may fail to perform adequately. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and metals, and environmental protection, a combination of which may result in the Company not receiving an adequate return on invested capital.

While the discovery of a mineral structure may result in substantial rewards, few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures may be required to establish reserves by drilling, constructing, mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary feasibility studies or full feasibility studies on the Company's projects or the current or proposed exploration programmes on any of the properties in respect of which the Company will have exploration rights will result in a profitable commercial mining operation.

The Company's operations are subject to all of the hazards and risks normally incidental to the exploration, development and production of precious metals and base metals, any of which activities could result in damage to life or property, environmental damage and possible legal liability for any or all such damage caused. The Company's activities may be subject to prolonged disruptions due to adverse weather conditions. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material.

Development and operation of mines and production and processing facilities may also be affected by mechanical difficulties, operational errors, labour disputes, damage to or shortage of equipment, earthquakes, fires or other natural disasters, civil unrest, leaks or pollution. These events are largely beyond the control of the Company.

Whether a precious metal or a base metal deposit will be commercially viable depends on a number of factors, some of which are particular attributes of the deposit (such as its size and grade), proximity to infrastructure, financing costs and governmental regulations (including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of precious metals or base metals and environmental protection). The effect of these factors cannot be accurately predicted.

Operations in countries like the Philippines may involve an exposure to security related issues such as rebel activity which may cause physical damage to property or other damage to the assets of the Company or employees and others. The basis for this activity may be personally motivated, or motivated by ideology or for commercial gain and the Company may have limited control over or warning (if any) of such actions. Such actions could have an adverse effect on the Company or perceptions thereof.

Payment obligations

Under its exploration permits and licences and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become subject to payment and other obligations. In particular, permit holders are required to expend the funds necessary to meet the minimum work commitments attaching to the permits and licences. Failure to meet these work commitments will render the permit liable to be cancelled. Furthermore, failure to comply with any contractual obligations when due, in addition to any other remedies which may be available to other parties, could result in dilution or forfeiture of interests held by the Company.

Commercial risks of mineral exploration and extraction

Even if the Company recovers quantities of minerals, there is a risk the Company will not achieve a commercial return. The Company may not be able to sell the minerals to customers at a price and quantity which would cover its operating and other costs.

The Company may be subject to all of the risks inherent in the establishment of a new mining operation with respect to the Company's mineral assets that in the future move to, the development phase. No assurances can be given to the level of viability that the Company's operations may achieve.

Commodity price volatility

It is anticipated that any revenues derived from mining will primarily be derived from the sale of precious and base metals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements which the Company enters into.

Metal prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for minerals and metals, forward selling by producers, and production cost levels in major mineral-producing regions.

Moreover, metal prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the metal as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Dependence on key personnel

The Company will be reliant on a number of key personnel. The loss of one or more of its key personnel could have an adverse impact on the business of the Company.

Furthermore, it may be particularly difficult for the Company to attract and retain suitably qualified and experienced people, given the current high demand in the industry and relative size of the Company, compared with other industry participants.

Insurance

While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or that certain risks could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting the Company's earnings and competitive position in the future and, potentially, its financial position. In addition, the potential costs that could be associated with compliance with applicable laws and regulations may also cause substantial delays and require significant capital outlays, adversely affecting the Company's earnings and competitive position in the future and, potentially, its financial position.

New projects and acquisitions

The Company proposes to actively seek acquisitions that may add value. The acquisition of new business opportunities (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the board of directors of the Company ("Board") will need to re-assess, at that time, the funding allocated to current projects and new projects and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with mining and exploration activities will remain.

Dilution

The Company may require additional funds to fund its exploration and development programs and potential acquisitions. If the Company raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of RTG shareholders.

Furthermore, future RTG agreements may, and a number of RTG's existing agreements do, provide for additional issuances of RTG Shares that may result in dilution to shareholders. Issuances of substantial amounts of RTG's securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for RTG's securities. A decline in the market prices of RTG's securities could impair RTG's ability to raise additional capital through the sale of securities should it desire to do so.

Environmental risk

The exploration for minerals, development of mines and production of metals can be hazardous to the environment and environmental damage may occur that is costly to remedy. If the Company is responsible for any environmental damage, then it may incur substantial remediation costs or liabilities to third parties.

The Company may be involved in operations that may be subject to environmental and safety regulation (including regular environmental impact assessments and permitting). This may include a wide variety of matters, such as prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The regulations may change in a manner that may require stricter or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from exploration and development activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential clean-up costs and obligations and liability for toxic or hazardous substances for which the Company may become liable as a result of its activities may be impossible to assess against the current legal framework and current enforcement practices. There is no assurance that future changes in environmental regulation will not adversely affect the activities of the Company.

More specifically, the operations of the Company are subject to extensive environmental, health, and safety regulation relating to the safety and health of employees, the protection of air and water quality, hazardous waste management, and mine reclamation in the jurisdictions in which they operate. These regulations establish limits and conditions on the ability of a mining company to conduct its operations. The cost of compliance with these regulations can be significant. The regulatory environment could change in ways that would substantially increase its liability or the costs of compliance and that could have material effect on operations or financial position of the Company.

Exploration in the Republic of the Philippines

The Philippines is a developing country with a democratic system of government, and well established and expanding mining industries.

There are, however, risks attaching to exploration and mining operations in a developing country which are not necessarily present in a developed country. These include economic, social or political instability or change, security concerns, hyperinflation, currency non-convertibility or instability and changes of law effecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties and government control over mineral properties.

Any future material adverse changes in government policies or legislation in the Philippines that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of RTG.

General title risks in the Republic of the Philippines

New mining legislation was introduced in the Philippines in 1995, which involved converting previous mineral tenements to the new title system. There are significant delays in the tenement approval process and some of the properties that RTG will be exploring are still in the application stage. All companies investing in mineral exploration in the Philippines have to operate under similar conditions with the possibility of an application being rejected or challenged.

Moreover, the constitutionality of the fiscal regime between the Philippine government and mining investors in a Mineral Production Sharing Agreement under the Philippine Mining Act of 1995 is being assailed before the Philippine Supreme Court. It is alleged that under the current fiscal regime for Mineral Production Sharing Agreements, the State is not receiving its just share in the development, use and exploitation of natural resources. Should the petitioners in the aforementioned Supreme Court case prevail, it is possible that a new fiscal regime will be adopted, resulting in a greater government share.

Land access in the Republic of the Philippines

Immediate access to mineral tenements in the Philippines cannot in all cases be guaranteed. In the Philippines, RTG may be required to seek consent of land holders or other persons or groups with an interest in real property encompassed by, or adjacent to, RTG's tenements. Compensation may be required to be paid by RTG to land holders and occupiers so that RTG may carry out exploration and/or mining activities. Native title exists in the Philippines and is governed by law. In the Philippines the free prior and informed consent of the affected indigenous groups have to be in place before a mineral tenement can be granted.

Joint Venture Risks

Certain of the properties in which RTG has an interest are operated though joint ventures with other companies. Any failure of such companies to meet their obligations to under the joint venture or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on the joint ventures or their properties. In addition, RTG may be unable to exert control over strategic decisions made in respect of such properties.

Common Risk Factors

Investment in publicly quoted securities

Prospective investors should be aware that the value of RTG Shares or options may go down as well as up and that the market price of RTG Shares or options may not reflect the underlying value of RTG. Investors may therefore realise less than, or lose all of, their investment.

Potentially volatile share price and liquidity

The share price of emerging companies quoted on the TSX and ASX can be highly volatile and shareholdings illiquid. The price at which RTG Shares and options are quoted and the price at which investors may realise their RTG Shares or options may be influenced by a significant number of factors, some specific to RTG and its operations and some which affect quoted companies generally. These factors could include the performance of RTG, large purchases or sales of RTG Shares or options, legislative changes and general, economic, political or regulatory conditions.

Market perception

The market price of RTG Shares and options is subject to significant fluctuations due to a change in sentiment in the market. Any such fluctuations could result from national and global economic and financial conditions, the market's response to changes in metal prices, market perceptions of RTG, regulatory changes affecting RTG's operations, variations in RTG's operating results, business developments of RTG companies or their competitors and liquidity of financial markets. The operating results and prospects of RTG from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of RTG Shares and options.

Economic risk

Changes in the general economic climate in which RTG operates may adversely affect the financial performance of the combined group. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the combined group, industrial disruption, the rate of growth of gross domestic product in Australia and the Philippines or any other country in which the combined group will operate, interest rates and the rate of inflation.

Changes in government policies and legislation

Any material adverse changes in government policies or legislation of Australia and the Philippines or any other country where the combined group may acquire economic interests may affect the viability and profitability of the combined group.

Future capital needs and additional funding

The future capital requirements of the Combined Group will depend on many factors including the results of future exploration and work programs. Should the combined group require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the combined group's business and its financial condition and performance. If the combined group is unable to secure capital through credit facilities or other arrangements, it may have to finance projects using equity financing which will have a dilutive effect on the combined group shares.

Current Material Project

Mabilo Project

CSA Global Pty Ltd ("CSA Global") was retained by RTG to complete a Mineral Resource Estimate for the South and North Zones at the Mabilo Copper-Gold-Iron Property ("Mabilo" or "the Property") and to prepare a Technical Report (the "Report") in accordance with National Instrument 43-101 of the Canadian Securities Administration ("NI 43-101") to support RTG's public disclosure about the Property. The Report was filed on January 7, 2015 and is incorporated by reference into this AIF. The Report is available on under the Company's profile on SEDAR (www.sedar.com). The following is the executive summary of the Report in accordance with disclosure required under NI 51-102F2.

Property and Location

The Property is located in Camarines Norte province of the Republic of the Philippines at approximate longitude 122° 47' 00" E latitude 14° 07' 00" N. The Property comprises a granted exploration licence (EP014-2013-V) covering an area of 497.7212 ha and an exploration licence application (EXPA-000188-V) covering an area of 2,820.4593 ha. EP014-2013-V was granted in July 2013 and has a term of 2 years, with an option to renew for a further 4 years.

Ownership

RTG is an Australian-based mining and exploration company with a principal listing on the main board of the Toronto Stock Exchange (TSX:RTG) and a secondary listing on the Australian Stock Exchange (ASX:RTG) as a result of its merger with Sierra Mining Limited ("Sierra") on June 5, 2014. The Property is held in joint venture by Mt Labo Exploration and Development Corporation ("Mt Labo"), with RTG holding a 40%-direct and indirect economic interest in Mt Labo.

Geology and Mineralisation

The Mabilo Property occurs in the Paracale district of the Pacific Cordillera arc belt of the Philippines archipelago. The Paracale district has a long history of gold and iron mining. The Mabilo copper-gold-silver mineralised magnetite skarn was discovered in 2012 by drill testing magnetic anomalies beneath young Labo Volcanic cover. Recent infill drill testing at the property has defined a substantial mineralised zone which has resulted in the reporting of a maiden Indicated and Inferred Mineral Resource. The Mineral Resource Estimate ("MRE") is the subject of this Technical Report.

Exploration

The Property has been the site of historical exploration for iron-ore and copper-gold. Historical activity was focused on the Venida prospect where Gold Fields Philippines Corporation ("GFPC") drilled ten diamond drill holes in the late 1980's on a magnetite skarn with associated copper and gold mineralisation. Small-scale mining has occurred for magnetite in the 1960's and again in the last two years, for a direct-shipping iron-copper-gold product. No production records are available. This mining has now ceased.

Sierra, through Mt Labo, acquired the Property in November 2011 and commenced a drill programme in 2012. Drilling initially targeted magnetic bodies modelled from a magnetic survey completed by previous owners. Sierra subsequently completed its own ground magnetic surveys and revised the magnetic models. Sierra drilled 12 holes in late 2012, completed a new magnetic survey in early 2013, and commenced a second phase of drilling after the grant of the tenement in July 2013. Initial drilling encountered broad intersections of magnetite skarn with significant copper-gold-silver mineralisation. As of the end of November 2014, 12,850.10 m of drilling had been completed in 81 diamond drill holes. Significant drill-hole intersections have been encountered in 63 drill holes using a cut-off of 0.5% Cu or 0.5 ppm Au. Mineralisation has been confirmed in the North and South Zone anomalies. Drilling of the Northeast and Southeast magnetic anomalies is inadequate to determine whether they represent significant magnetite mineralisation.

Dr Neal Reynolds, of CSA Global, visited the Property between December 18 to December 20 2013, February 12 to February 14 2014 and May 13 to May 19 2014. Drilling and drill sampling was underway during these visits which included examination of the drilling area, drill collars, drill core, and core handling and storage facilities. CSA Global considers that the drilling and sampling process has followed appropriate procedures and protocols. CSA Global has not undertaken any check sampling or analysis, but has observed visible mineralisation in drill core that corresponds well with reported grades.

Mineral Resource Estimate ("MRE")

The MRE is based on data obtained from 81 diamond drill holes with assay data available as of end November 2014. Of the assayed drill holes used in the modelling, 61 holes intersected the interpreted mineralisation zones with a combined down hole distance of 3,192.65 m. Holes are drilled on a nominal 40 m by 40 m drill pattern along strike, with infill to a nominal 20 m by 20 m in parts. About 30% of the holes have been drilled vertically. Roughly 40% of the holes have been drilled at 60^0 and the remainder drilled at angles between 45^0 and 80^0. The direction of these holes is broadly perpendicular to the mineralisation, with a number of holes drilled in directions intended to help with the understanding and interpretation of structures which appear to be offsetting the mineralisation.
A geological model was provided by RTG, based on implicit modelling of the logged lithology using LeapFrog® software and understanding of deposit geometry developed over time. The model includes interpreted structures, the boundary contact surface of the overlying Labo volcanic sequence and an oxide weathering boundary surface. This model formed the basis for the interpretation of 30 separate 3-D mineralised lithological envelopes that were constructed using CAE Studio 3 ('Datamine') software.

Modelled magnetite skarn envelopes were interpreted based on drill hole lithological logging, since this unit is high in magnetite content. The unit was limited against interpreted structures. Other lithological units modelled in the system are not necessarily mineralised to potentially economic levels of Au, Cu and Fe throughout their full extent. These envelopes were modelled using lithological logging and nominal lower cut-off grades of 0.3 g/t Au and 0.3% Cu. The 3-D envelopes representing the mineralised zones were grouped into 15 domains based on lithology type, oxidation and deposit location for estimation and reporting.

A block model constrained by the interpreted mineralised envelopes and boundary surfaces provided by RTG was constructed using Datamine. A parent cell size of 20 m E by 20 m N by 4 m RL was adopted. 1 m composited samples were used to interpolate Cu, Au, Ag and Fe grades into the block model. Block grades were validated by means of swath plots, overlapping histograms of sample and block model data and comparison of mean sample and block model grades for each domain. Cross sections showing the block model and drill hole data were also reviewed.
Density was assigned to the model based on linear regression formulas determined for the weathered and unweathered zones. The regression formulas are based on the correlation between specific gravity and Fe which followed statistical analysis. The overall average density of the mineralised weathered zones is 3.09 t/m^3 compared to 3.86 t/m^3 for the unweathered zones. The average density from measured samples taken outside the interpreted mineralised zones was assigned to waste blocks; 2.2 t/m^3 was assigned in the weathered zone and 2.8 t/m^3 was assigned in the unweathered zone.

The results of the MRE are presented in Table 2 and are reported above a lower cut-off grade of 0.3 g/t Au. Classification of the MRE considered geological understanding of the deposit and confidence in geological and grade continuity based on drill hole logging, sample quality, density data and drill hole spacing.

Table 2 Mineral Resource Estimate as at November 2014 for the Mabilo Project

Classification	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Cu Metal (Kt)	Au Oz ('000s)	Fe Metal (Kt)
Indicated	5.87	2.1	2.2	8.4	49.0	121.1	414.0	2,875.7
Inferred	5.50	1.5	1.7	12.9	39.0	84.3	302.0	2,145.6

5. Events Subsequent to December 31, 2014

Private Placement

On February 10, 2015, the Company announced it had resolved to raise approximately A$15 million in a placement to Australian and international institutional and sophisticated investors (“Placement”).

Net proceeds of the Placement will be used:
- to fund permitting and development of the Mabilo Project;
- to fund exploration at the Bunawan Project; and
- for general working capital purposes.

The Placement consists of 22.3 million new shares and subscription receipts of RTG (“Securities”) to be issued at a price of A$0.68 cents per Security to raise total funds of circa $15.1 million. The Securities will be issued in two tranches as below:

- *Tranche 1* - Comprising 16.79 million Securities at A$0.68 cents per Security to raise circa $11.4 million, was issued, on 18 February 2015, pursuant to ASX Listing Rules 7.1 and section 607 of the TSX Listing Rules; and

- *Tranche 2* - Comprising circa 5.5 million Securities at A$0.68 cents per Security to raise a further circa $3.7 million, (a) a portion of which was issued on February 18, 2015 to Canadian investors as subscription receipts to acquire shares (the “Subscription Receipts”), and (b) the remainder of which is to be issued to Australian and other international investors after receipt of shareholder approval at an Extraordinary General Meeting of Shareholders to be held on April 10, 2015 (As announced on March 4, 2015 in the Company’s Notice of Meeting).

That portion of the Placement to be subscribed for by Canadian investors has been done through a Placement of units, with each unit comprised of approximately 0.75 shares and 0.25 Subscription Receipts. Each Subscription Receipt will be automatically exercisable and entitle the holder to receive, without payment of additional consideration, one share of RTG upon the satisfaction of certain escrow release conditions, and the portion of the gross proceeds attributable to the Subscription Receipts will be held in escrow pending satisfaction of the escrow release conditions.

The escrow release conditions, among other things, include the receipt of all required shareholder and regulatory approvals (including approval of Tranche 2 by RTG's shareholders and approval of the Placement by the Toronto Stock Exchange (the "TSX") and the Australian Securities Exchange Limited (the "ASX")). If the escrow release conditions have not been satisfied on or prior to the release deadline (such deadline to be determined by the agents and RTG), the Subscription Receipts will be cancelled and an amount equal to the subscription price attributable to the Subscription Receipts shall be returned to the holders of the Subscription Receipts.

Convertible Note

The Convertible Note with Elephant Copper was repayable on or before January 1, 2015, and the Company under the terms of the Sale Agreement has commenced charging interest on the outstanding amount at an amount of greater of 7% or LIBOR plus 4%.

6. Dividends

The Company does not anticipate that it will pay dividends in the foreseeable future. The declaration of dividends on the share capital of the Company is within the discretion of the Company's board of directors and will depend on their assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company. At the present time, the Company is not in operating phase, hence has not currently declared a profit from which to distribute dividends from.

7. Description of the Capital Structure

The Company is authorised to issue an unlimited number of shares, of which 128,763,233 are issued and outstanding as at the date of this AIF. Each share entitles the holder to one vote. All shares held in the Company rank equally as to dividends, voting powers and equal participation in assets upon liquidation. The Company also has Chess Depositary Nominee (CDI) Holders. A CDI represents a beneficial interest in an underlying share. CDIs rank equally in all respects with existing shares in RTG Mining Inc.; however, there are certain differences between CDIs and shares (in particular in relation to voting and how other rights are exercised). The Company also has in place a Loan Funded Share Plan ("Plan") which allows the Company to issue shares of up to 10% of the Company's issued and outstanding Shares from time to time on a non-diluted basis, to eligible directors and employees. There are currently 14,000,000 shares on issue under this Plan.

As of the date of this AIF, there are 128,763,233 RTG Shares issued and outstanding and 8,784,687 options over RTG Shares with an exercise price of $CAD 1.50 and expiry of June 4, 2017.

We refer readers to the "Events Subsequent to December 31, 2014" section for details of the recent capital raising.

8. Market for Securities

The shares of the Company are listed for trading on the Australian Securities Exchange ("ASX") and Toronto Stock Exchange ("TSX") under the trading symbol "RTG".

Trading Price and Volume

The following table outlines the volume, high and low prices of the shares of RTG Mining on the TSX on a monthly basis from January 1, 2014 through to December 31, 2014.

Year	Month	High (C$)	Low (C$)	Volume (No. of RTG Shares)
2014	December	0.75	0.52	2,044,100
2014	November	0.95	0.79	421,100
2014	October	1.00	0.83	629,500
2014	September	1.31	1.00	221,600
2014	August	1.38	1.07	445,100
2014	July	1.16	1.05	768,400
2014	June	1.20	1.05	1,320,400
2014	May	1.30	0.11	656,700
2014	April	0.13	0.09	451,800
2014	March	0.14	0.08	121,300
2014	February	0.11	0.08	18,500
2014	January	0.11	0.08	375,700

The following table outlines the volume, high and low prices of the shares of RTG Mining on the ASX on a monthly basis from January 1, 2014 through to December 31, 2014.

Year	Month	High (A$)	Low (A$)	Volume (No. of RTG Shares)
2014	December	0.79	0.57	4,487,300
2014	November	1.04	0.80	3,619,200
2014	October	1.05	0.86	2,824,500
2014	September	1.36	0.99	4,225,400
2014	August	1.37	1.05	5,481,900
2014	July	1.12	1.01	4,373,500
2014[1]	June	1.23	1.07	2,306,500

[1] The Company was admitted to the ASX in June 2014

Prior Sales

The following table summarizes the issuance by the Company of Shares or Options convertible into Shares in the most recent financial year to December 31, 2014.

shares	Number	Price Per Share ($C)
Opening balance at January 1, 2014	326,538,643	N/A
Share consolidation 1:10 (June 4, 2014)	(293,884,779)	N/A
Shares issued under Schemes (June 4, 2014)	79,063,206	1.10
Shares issued as part Haywoods fee (July 25, 2014)*	256,000	1.10

Shares issued on exercise of 167 options (July 25, 2014)	167	1.50
Total shares on issue at December 31, 2014	**111,973,237**	

*Shares issued as part of Haywoods fee as disclosed in the April 4, 2014 circular.

Options	**Number**	**Price Per Options ($C)**
Opening balance at January 1, 2014	-	
Options issued under Schemes*	8,784,854	$0.554
Exercise of options	(167)	N/A
Total shares on issue at June 30, 2014	**8,784,687**	

*Exercisable at C$1.50 on or before June 4, 2017.

9. Escrowed Securities

There are currently no securities under escrow arrangements.

10. Directors and Officers

The following table indicates the names of the current directors and officers of the Company, place of residence, position within the Company, principal occupations within the 5 preceding years, periods which each has served as a director or officer and the number of shares or options beneficially owned, or controlled and directed, directly or indirectly, by the directors and executive officers as at March, 31 2015. The term of office of each of the directors of the Company expires at the Company's next annual general meeting of shareholders.

Nominee Name, Position and Place of Residence	Principal Occupation	Period as a Director or Officer	RTG Shares Beneficially Owned Directly or Indirectly(1)
Mr. Michael Carrick(2) Director and Chairman Perth, Western Australia	Director and Chairman of RTG Mining Inc. Currently also serving as a Director B2Gold Limited (since January 2013 to November 2014). Previously Director and CEO of CGA Mining Limited, Director of RTG Limited, Director of RTG Mining Limited, AGR Limited, and Chief Executive Officer of Resolute Limited.	March 28, 2013 to present	527,734 shares
Miss Justine Magee Director and Chief Executive Officer Perth, Western Australia	Director and CEO of RTG Mining Inc. Previously Director and CFO of CGA Mining Limited.	March 28, 2013 to present	345,404 shares
Mr. Robert Scott(1) (2) (3) Independent Director and Audit Committee Chair Perth, Western Australia	Non-Executive Director (RTG), former Non-Executive Director of CGA Mining Limited. Currently holds directorships on Sandfire Resources NL, Lonestar Resources Limited, Homeloans Limited. Mr Scott was previously a director of Manas Resources Limited and Neptune Marine Services.	March 28, 2013 to present	80,770 shares
Mr. David	Non-Executive Director (RTG), former Non-	March 28, 2013	894,280 shares

Cruse(1) (2) (3) Independent Director Perth, Western Australia	Executive Director of CGA Mining Limited, current director of Odyssey Energy Limited	to present	
Mr. Phillip Lockyer(1) (3) Independent Director Perth, Western Australia	Non-Executive Director (RTG), former Non-Executive Director of CGA Mining Limited, Focus Minerals Limited, Perilya Limited and St Barbara Limited and currently holds directorships on Swick Mining Services Limited and Western Desert Resources Limited.	March 28, 2013 to present	65,385 shares
Mathew G Syme Independent Director Perth, Western Australia	Mr Syme was appointed a Director of the Company in a transitionary role, following the completion of the Scheme of Arrangement with Sierra Mining Limited in June 2014 Mr Syme was previously a director of Berkeley Resources Limited and a director of Sierra Mining Limited. Mr Syme retired as a director of the Company on September 9, 2014.	June 4, 2014 to September 9, 2014	5,007,403 shares
Mr. Nick Day Company Secretary and Chief Financial Officer Perth, Western Australia	CFO and Company Secretary. Previously Mr Day was Director, CFO and Company Secretary of Coventry Resources Inc. He has also held Company Secretary and Financial Consultancy positions with Paringa Resources Limited; Black Range Minerals; Birimiam Gold; Ebooks.com; and was CFO and Company Secretary of Antaria and AIM & ASX listed mining company Albidon Ltd.	January 21, 2015 to present	N/A
Mr. Ryan Gurner Company Secretary and Chief Financial Officer Perth, Western Australia	CFO and Company Secretary Mr Gurner is a Chartered Accountant with over 10 years' experience in financial management and governance having previously held senior finance positions in both Australian and international resources companies. He was formerly a manager at a Big 4 accounting firm. Mr. Guerner resigned on January 21, 2015.	September 9, 2014 to January 21, 2015	N/A
Ms. Hannah Hudson Company Secretary and Chief Financial Officer Perth, Western Australia	CFO and Company Secretary Ms Hudson previously worked with CGA Mining Limited as Financial Controller/Company Secertary. Ms. Hudson resigned September 9, 2014.	March 28, 2013 to September 9, 2014	154,166 shares

(1) Member of Audit Committee
(2) Member of Remuneration Committee
(3) Member of Disclosure Committee

As of the date of this AIF, approximately 1,913,573 shares of the Company were beneficially owned, or controlled or directed, directly or indirectly, by the current directors and officers of the Company as a group, representing approximately, 1.7% of the issued and outstanding shares of the Company on a non-diluted basis.

To the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or has been in the last 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) While that person was acting in that capacity, was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, that was in effect for a period of more than 30 consecutive days; or

(b) was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, no director or executive officer or shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company:

(a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that while that person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this AIF become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or has been in the last 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

11. Legal Proceedings and Regulatory Actions

Segilola Gold Project Disputes

The Segilola Sale and legal proceedings as summarised in Section 3 provides for the settlement of the related disputes in relation to the Segilola Gold Project between Ratel Group, SGL, TML, SROL, Bakrie Delano Africa Limited, NGM Resources Limited and Mr Oladipo Delano under the terms of an agreed settlement deed ("Settlement Deed"). On the completion date of the Segilola Sale, signed counterparts of the Settlement Deed will be released from escrow and the terms of the Settlement Deed will come into effect. As a result, each of the injunctive proceedings is expected to be discontinued with no order as to costs and each party will bear their own costs. A summary of the background and status of the dispute is set out in section 3 and 4.

Ghanaian Dispute

As summarized in Section 3 in 2010 Ratel entered into an acquisition agreement to purchase all the shares in CAML Ghana Limited ("CAML Ghana"). CAML Ghana and Westchester Resources Limited ("Westchester") are participants in a gold exploration project in Ghana pursuant to the Obuasi Prospecting Farm In and Joint Venture Agreement. Westchester issued proceedings in Ghana against a number of parties, including Ratel in February 2012, which are considered both unsubstantiated and without foundation ("Ghana Proceedings"). A summary of the background and status of the dispute is set out in section 3 and 4.

Deferred Consideration Claim

The Mabilo Project is held through Mt. Labo Exploration and Development Corporation. On November 2, 2011, Sierra, in conjunction with its Philippine associate, entered a Heads of Agreement with Mining Consultants, Ltd. ("MC") to acquire Mt Labo, which holds the Nalesbitan and Mabilo Projects. Consideration for the acquisition included deferred consideration of 1.75M new ordinary Sierra Shares plus cash consideration of A$125,000 ("Deferred Consideration"). The Deferred Consideration was conditional on receiving approval of the Motion for Reconsideration of a Notice of Denial of the Nalesbitan APSA-V-002 within two years from the date of execution of the agreement. The two year period expired on 2 November 2013 and the Motion for Reconsideration had not been approved.

On October 29, 2013, one of the parties to the Heads of Agreement filed a Petition for Declaratory Relief in the Philippines seeking to extend the date for receiving the decision on the Motion for Reconsideration. The resolution of the applicable court, Regional Trial court of Makati, denying the motion to dismiss filed by Mt Labo and Sierra is currently subject of a motion for partial reconsideration. Should the Regional Trial court of Makati uphold the Petition, the period within which to receive approval of the Motion for Reconsideration may be extended by up to 600 days and the Deferred Consideration may still become payable. The value of the current Deferred Consideration, if the action is successful, is currently estimated to be A$562,500.00.

Claim for Royalty on Small Scale Mining Permit Production

Pursuant to the Mabilo Royalty Agreement dated November 2, 2011, a royalty is payable in favour of MC in the amount of 1% of the Net Mining Revenue (defined as Gross Output for a Quarter less Deductible Expenses) over EP-014-2013-V.

In 2012, Mt Labo granted consent to a Small Scale Mining Permit ("SSMP") holder within the boundaries of EP-014-2013-V. The SSMP entitles the holder to extract a maximum of 50,000 tonne ore per annum. Pursuant to the granting of the consent, the SSMP holder is required to pay to Mt Labo an amount equal to 1% of gross sales. Despite repeated requests, the SSMP holder is yet to pay any amount to Mt Labo and has not provided any production information. The SSMP and Mt Labo's consent has subsequently expired, and RTG understands that production has ceased.C-20 Whilst RTG has been unable to quantify the production from the SSMP, there remains a risk that it may be liable to pay a royalty to MC and that legal action may be taken.

APSA-03-XIII – Claims

Bunawan Project permit APSA-03-XIII is subject to a number of claims including the cases of Valley Mining and Development Corp. vs. Safariland Resources Co. and PICOP Resources, Inc. vs. Safariland Resources Co. APSA- 03-XIII is held by Safariland Resources Co. on behalf of Bunawan by way of an assignment agreement. The Valley Mining and Development Corp. and PICOP Resources, Inc. claims date back to 1998 and have not been progressed since then. Legal counsel for Bunawan (on behalf of Safariland Resources Co.) has entered appearance in Safariland Resources Co.'s case against PICOP Resources, Inc. to have the same dismissed. Records of the case initiated by Valley Mining and Development Corp. have recently been transmitted to counsel for review. The outcome of Mines Special Cases No. POA-XIII-29 and POA-XIII-30 may affect the rights covered by APSA-03-XIII.

Watershed Forest Reserve – Mabilo EP-014-2013-V

Presidential Proclamation No. 318 established the Abasig-Matogdon-Mananap Watershed Forest Reserve as a protected area in the Province of Camarines Norte. Further, a Labo Municipal Ordinance No. 214 prohibits mining activities within a five (5)- kilometre radius from the designated watershed areas at various barangays of Labo, Camarines Norte, effectively increasing the area off-limits to mining activities. EP-014-2013-V is outside the area declared under Presidential Proclamation No. 318, however, part of the permit is within the five kilometre zone established by Municipal Ordinance No. 214.

In September 2013, Mt Labo was denied the opportunity to present its work program to the local authority on the basis that EP-014-2013-V falls partially within the protected area established by Municipal Ordinance No. 214. Sierra received legal advice that the Municipal Ordinance prohibiting mining activities within a five kilometre radius is without authority.

RTG has continued its exploration activities in the area and is monitoring the legal position.

12. Conflicts of Interest

Certain of the directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

13. Interest of Management and Others in Material Transactions

No director or executive officer of the Company, no person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of the Company's shares, and no associate or affiliate of the foregoing persons, has or had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company. (JAMS version had reference to hains and B2? Is it to be in or out?

14. Transfer Agents and Registrars

The transfer agent and registrar for the Company are:

Computershare Trust Company of Canada
100 University Avenue
8th Floor
Toronto ON M5J 2Y1
Telephone: +1 (416) 263 9482
Facsimile: +1 (416) 981 9800

15. Material Contracts

RTG or its subsidiaries have entered into and are currently party to the following contracts which may reasonably be regarded as material:

(i) Scheme Implementation Deed

The Company entered into the Merger Agreement with Sierra Mining Limited dated February 24, 2014 to combine the two companies at an agreed exchange ratio of:

- 3 RTG Shares for each Sierra share held; plus

- 1 RTG option for every 3 Sierra shares held.

The RTG options will be exercisable for a period of three years at an exercise price of C$0.15.

This consideration represents:

- approximately A$0.301 (C$0.30) per Sierra share (based on the closing share price for RTG on TSX on February 21, 2014, and the Black-Scholes option pricing model based on Sierra's 12 month volatility, and the exchange rate on February 21, 2014 of CAD:AUD 1.005);
- a premium of 27.4% to the 30 day VWAP of the Sierra share price based on the 30 day VWAP of the RTG share price; and
- a premium of 15.9% to the closing price of Sierra shares of A$0.26 on February 21, 2014 (being the date prior to the announcement).

The merger was approved by Sierra shareholders, RTG shareholders and the Australian Court as well as receiving all necessary regulatory approvals and other customary conditions (see Merger Agreement for more details). A copy of the Merger Agreement has been filed on sedar.com.

The merger was implemented by way of Scheme of Arrangement between Sierra and its shareholders under the Australian Corporations Act 2001. RTG also sought a listing on the ASX (in addition to its current TSX listing) as part of the transaction. This was finalised on June 5, 2014 following all other approvals.

(ii) Share Sale and Purchase Agreement

Ratel Group and SROL have entered into an unconditional Share Sale and Purchase Agreement for the sale of RTG's 51% interest in the Segilola Gold Project in Nigeria for approximately US$14 million and as part of the sale process, settle all outstanding disputes between the parties. Under the unconditional Share Sale and Purchase Agreement the total consideration to be received by RTG for the sale of its 51% interest in the Segilola Gold Project is US$14 million payable by SROL as follows:

i. A cash amount of US$1 million which is receivable through the assignment of a shareholder debt (the "Initial Consideration"). The Initial Consideration is payable to RTG on the completion date (described below);

ii. A cash amount of US$5 million. This amount is payable to RTG 18 months after the completion date; and

iii. SROL shall pay RTG a royalty equal to 3% of the Net Smelter Return up to a maximum of US$8 million in respect of all products that are mined on, produced from or otherwise originate from the Segilola Gold Project following the commencement of commercial operations.

The Share Sale and Purchase Agreement and Royalty Agreement between SROL and Ratel Group have been executed by the relevant parties and became enforceable in accordance with their terms on October 10, 2013.

Executed completion documents are currently being held in escrow pursuant to an Escrow Agreement. Completion of the Share Sale and Purchase Agreement can occur once the escrow agent is notified of the completion date by Ratel Group and SROL. Whilst completion was originally expected to occur on October 10, 2013 the purchaser is now in default and had advised that they are seeking to remedy the breach.

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The parties executed an amendment deed to the Escrow Agreement on March 5, 2014 deleting the current end date under the Escrow Agreement of March 31, 2014 to permit the parties additional time to agree a new completion date.

(iii) Joint Venture with Galeo

The Company is party to an agreement dated May 10, 2013 with Philippines mining contractor and supplier, Galeo, to explore and develop the Mabilo and Nalesbitan Gold-Copper Projects.

Pursuant to the terms of the unincorporated joint venture, Galeo can earn up to a 36% interest in the Projects, down to 200 metres below surface, by contributing approximately US$4,250,000 of exploration drilling and management services for the Projects over the 2 years.

The "drilling for equity" component of the Agreement represents approximately 9,000m of diamond core drilling. Galeo will also provide management services for the security, community relations and administration functions for the Joint Venture in the 2 year period.

A memorandum of understanding has also been entered into detailing proposed changes to the joint venture agreement to remove the depth limit of 200m from the agreement and provide for drilling of 5,000m below 200m, in addition to the existing 9,000m of drilling above 200m. The memorandum of understanding also provides for Galeo to be granted its 36% interest up front with the ability for RTG to claw-back any interest deemed not earned at the end of the claw- back period. The revisions to the agreement remain subject to conditions, including signing a formal amendatory agreement and Sierra shareholder approval.

RTG has entered a second memorandum of understanding with Galeo whereby Galeo can earn an additional 6% interest in the joint venture to take the total interest Galeo can hold and retain up to 42%. The memorandum of understanding, which is subject to a number of conditions precedent, including shareholder approval (if applicable), requires Galeo to mine the first 1.5Mt of waste ore to earn the additional interest.

(iv) Nalesbitan Royalty Agreement

Mt Labo, entered into a royalty agreement in respect of the Nalesbitan gold mine tenements (Mining Lease MRD-459 and APSA No-V-0002) with Mining Consultants Ltd (MC) on November 2, 2011. The agreement was part of the transaction in November 2011 whereby Sierra acquired an interest in Mt Labo and the existing royalty Sierra Mining Limited agreements were terminated. Pursuant to the new royalty agreement Sierra agreed to pay MC a royalty of 1% of the net mining revenue from the applicable tenements. There has been no production to date at the Nalesbitan project and hence no payments have been made under this agreement by Mt Labo.

(v) Mabilo Royalty Agreement

Mt Labo, entered into a royalty agreement in respect of the Mabilo gold prospect tenements (EP-014-2013-V) with MC on November 2, 2011. The agreement was part of the transaction in November 2011 whereby Sierra acquired an interest in Mt Labo and the existing royalty agreements were terminated. Pursuant to the new royalty agreement Sierra agreed to pay MC a royalty of 1% of the net mining revenue from the applicable tenements. Other than as discussed below, there has been no production to date at the Mabilo project and hence no payments have been made under this agreement by Mt Labo.

In 2012, Mt Labo granted consent to a SSMP within the boundaries of EP-014-2013-V. The SSMP entitles the holder to extract a maximum of 50,000 tonne ore per annum. Pursuant to the granting of the consent, the SSMP holder is required to pay to Mt Labo an amount equal to 1% of gross sales. Despite repeated requests, the SSMP holder is yet to pay any amount to Mt Labo and has not provided any production information. The SSMP and Mt Labo's consent has subsequently expired, and RTG understands that production has ceased.

Whilst RTG has been unable to quantify the production from the SSMP, there remains a risk that it may be liable to pay a royalty to MC and that legal action may be taken.

(vi) Max Sara loan agreement

Sierra entered into a facility agreement with Max Sara, a director of the Company's Associates, on December 23, 2010 whereby Sierra advanced A$283,650 to Max Sara to enable Max Sara to exercise 1,525,000 options with an exercise price of $0.186 and an expiry date of December 31, 2010. The loan was due for repayment on December 23, 2013; however, RTG has to offered Mr Sara a 12 month extension to the repayment date.

16. Interests of Experts

BDO Audit (WA) Pty Ltd. is the auditor of the Company. The aforementioned firm held either less than one percent or no securities of the Company or of any associate or affiliate of the Company.

Information of a scientific or technical nature regarding the Mabilo Project included in this AIF or incorporated by reference herein is based on the Mabilo Project Technical Report prepared by Aaron Green, Neal Reynolds and Grant Louw of CSA Global Pty Ltd and approved by Aaron Green, who is a Qualified Person within the meaning of NI 43-101. Mr. Green is a Member of the Australian Institute of Geoscientists and is employed by CSA Global Pty Ltd, an independent consulting company. Mr. Green has verified the data disclosed in this AIF, including sampling, analytical and test data underlying the information contained in the AIF. Data verification was based on the review of samples as well as site observation by CSA Global staff. None of the aforementioned persons has an interest in the Company or the Mabilo Project.

Information of a scientific or technical nature regarding the Segilola Project included in this AIF or incorporated by reference herein is based on the Segilola Project Technical Report prepared by Alfred Gillman, FAusIMM, CP, who is a Qualified Person within the meaning of NI 43-101. Mr. Gillman is the managing director of Odessa Resources Pty Ltd. and is independent of the Company. Mr. Gillman has verified the data disclosed in this AIF, including sampling, analytical and test data underlying the information contained in the AIF. Data verification was based on numerous site visits. The aforementioned person does not have an interest in the Company nor the Segilola Project.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

17. Audit Committee

Audit Committee

The purpose of the audit committee of the Company is to provide assistance to the board of directors of the Company in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company and its subsidiaries. It is the objective of the audit committee to maintain a free and open means of communication among the board of directors of the Company, the independent auditors and senior management of the Company.

The full text of the Charter of the Audit Committee is included as Schedule A to this AIF.

Composition of the Audit Committee

The Audit Committee is comprised of Robert Scott, Phil Lockyer and David Cruse. All members are independent within the meaning of NI 52-110. Each of the members is financially literate under Section 1.5 of NI 52-110.

Relevant Education and Experience

Robert N Scott – Non –Executive Director and Chair of the Audit Committee

Mr Scott is a Fellow of the Institute of Chartered Accountants in Australia with over 35 years experience as a corporate advisor. Mr Scott is a former senior partner of the international accounting firms of KPMG and Arthur Andersen. Mr Scott currently holds directorships on Sandfire Resources NL, Lonestar Resources Limited, and Homeloans Limited.

Mr Scott was appointed a director of the Company on March 28, 2013.

Phil C Lockyer – Non - Executive Director

Mr Lockyer is a Mining Engineer and Metallurgist with more than 40 years experience in the mining industry, with an emphasis on gold and nickel, in both underground and open pit mining operations.

Mr Lockyer was employed by WMC Resources for 20 years reaching the position of General Manager of Western Australia responsible for that company's gold and nickel divisions. Mr Lockyer holds directorships on Swick Mining Services Limited, , and Western Desert Resources.

Mr Lockyer was appointed a director of the Company on March 28, 2013.

Mr David A Cruse – Non-Executive Director

Mr Cruse has had a long career in commerce and finance. He was a stockbroker for over 20 years, where he held senior management positions and directorships in the stockbroking industry, with particular focus on capital markets. Mr Cruse has been involved in the identification and commercialization of a number of resource (including oil and gas) projects.

Mr Cruse has held a directorship position on the board of Odyssey Energy Limited since 2008. Mr Cruse was appointed a director of the Company on March 28, 2013.

Pre-Approval Policies and Procedures

The Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee preapproval of permitted audit and audit-related services.

External Auditor Services Fees

Audit Fees

The auditor of the Company is BDO Audit (WA) Pty Ltd. Throughout the year, the auditors performed the following services:

	December 31, 2014 US$	December 31, 2013 US$	June 30, 2013 US$
• Audit related services	85,809	30,000	87,211
• Taxation services			
- Tax compliance	46,191	-	-
- Other assurance services	23,874	-	-
	155,874	30,000	87,211

Audit Related Fees

No other fees, other than those disclosed above, were paid to the Company's external auditor in the previous two fiscal years for fees reasonably related to the performance of the audit or review of the Company's financial statements.

ADDITIONAL INFORMATION

Copies of all materials incorporated by reference herein and additional information relating to the Company may be obtained on SEDAR, under the Company's profile, at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorised for issuance under equity compensation plans is contained in the Company's information circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Company's financial statements and Management and Discussion Analysis ("MD&A") for the year ended 31 December, 2014.

Schedule A

Audit Committee Charter

By appropriate resolution of the Board of Directors of RTG Mining Inc. ("the Board"), the Audit Committee (the "Committee") has been established as a standing committee of the Board with the terms of reference set forth below. Unless the context requires otherwise, the term "Company" refers to RTG Mining Inc. and its subsidiaries.

1. PURPOSE

1.1 The Committee is appointed by the Board of the "Company to assist the Board in fulfilling its financial management oversight responsibilities. The Committee's primary duties and responsibilities are to:

(a) monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

(b) identify and monitor the management of the principal risks that could impact the financial reporting of the Company;

(c) monitor the independence and performance of the Company's external auditor; and

(d) provide an avenue of communication among the external auditor, management and the Board.

2. AUTHORITY

The Committee has the authority to:

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the Committee; and

(c) communicate directly with the internal and external auditors.

3. COMPOSITION

3.1 Committee members shall meet the requirements of the applicable securities regulatory rules and regulations. The Committee shall be comprised of at least three directors, as determined by the Board, each of whom shall be an "independent" director within the meaning of National Instrument 52-110 ("NI 52-110") promulgated by the Canadian Securities Administrators and shall be free from any relationship that would interfere with the exercise of the director's independent judgment, provided that, the exemption in Section 3.9 of 52-110 is available for a period of up to one year commencing on the date of the receipt of the prospectus qualifying a distribution of securities that is the initial public offering of the Company. All members of the Committee shall be "financially literate" within the meaning of NI 52-110 and at least one member of the Committee shall have accounting or related financial management expertise.

3.2 The members of the Committee shall be appointed by the Board and shall serve until their successors are appointed. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it, subject to the Committee continuing to satisfy the composition requirements mentioned above. The Board shall designate one member of the Committee as its Chair. If a Chair of the Committee is not designated or present at a meeting, the members of the Committee may designate a Chair for the meeting by majority vote of the Committee membership.

4. MEETINGS

4.1 Except as expressly provided in this Charter or the Articles of the Company, the Committee shall fix its own rules of procedure.

4.2 The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the external auditor, and as a Committee to discuss any matter that the Committee or each of these groups believes should be discussed. In addition, the Committee should communicate with management quarterly as part of their review of the Company's interim financial statements and management's discussion and analysis.

4.3 At all meetings of the Committee, the presence of a majority of the members will constitute a quorum for the transaction of the business and the vote of a majority of the members present shall be the act of the Committee.

4.4 The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

4.5 Members of the Committee may participate in a meeting of the Committee by conference telephone or similar communications equipment by means of which all people participating in the meeting can hear each other and participation in such a meeting will constitute presence in person at such a meeting.

4.6 Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if all of its members consent in writing to the action and such writing is filed with the records of proceedings of the Committee.

4.7 The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

4.8 Directors not on the Committee may attend meetings at their discretion. At the invitation of the Chair of the Committee, members of management and outside consultants may attend Committee meetings.

5. RESPONSIBILITIES

Review Procedures

5.1 The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").

5.2 Review and update, if applicable or necessary, this Audit Committee Charter annually and submit any amended Audit Committee Charter to the Board for approval.

5.3 Review the Company's annual audited financial statements, related management's discussion and analysis ("MD&A") and related documents prior to filing or distribution. This review should include discussion with management and the external auditor of significant issues regarding accounting principles, practices, and significant management estimates and judgments.

5.4 Review with financial management the Company's quarterly financial results and related documents prior to the release of earnings and/or the Company's quarterly financial statements, the auditor's review report thereon, related MD&A and related documents prior to filing or distribution. As part of this review, the Committee should discuss any significant changes to the Company's accounting principles.

5.5 Review all filings with government agencies in Canada and assess the compliance of the Company in relation to governmental and stock exchange regulations as they apply to the Company respecting processes and controls.

5.6 Review all annual and interim earnings press releases before the Company publicly discloses the information.

5.7 Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

5.8 Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment.

5.9 Discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements.

5.10 Ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures.

External Auditor

5.11 The external auditor is ultimately accountable to the Committee and the Board, as representative of the shareholders. The Committee shall review the independence and performance of the auditor and annually recommend to the Board the appointment of the external auditor or approve any discharge of the external auditor when circumstances warrant.

5.12 Approve the fees and other significant compensation to be paid to the external auditor.

5.13 At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

5.14 Obtain annually, a formal written statement from the external auditor setting forth all relationships between the external auditor and the Company.

5.15 On an annual basis, the Committee should review and discuss with the external auditor all significant relationships the auditor has with the Company that could impair the auditor's independence.

5.16 Take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting.

5.17 Review the external auditor's audit plan, discuss and approve audit scope, staffing, locations, reliance upon management and general audit approach.

5.18 Prior to releasing the year-end financial report, the Committee will discuss the results of the audit with the external auditor. The auditor will review with the Committee any matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.

5.19 At each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

5.20 Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and, if applicable, former external auditor of the Company.

5.21 Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The authority to pre-approve non-audit services may be delegated by the Committee to one or more independent members of the Committee, provided that such pre-approval must be presented to the Committee's first scheduled meeting following such pre-approval. Pre-approval of non-audit services is satisfied if:

a. the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company and subsidiaries to the Company's external auditor during the fiscal year in which the services are provided;

b. the Company or a subsidiary did not recognize the services as non-audit services at the time of the engagement; and

c. the services are promptly brought to the attention of the Committee and approved, prior to completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

Financial Reporting Processes

5.22 The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

(a) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company’s internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management’s conclusions;

(b) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company’s periodic regulatory filings;

(c) any material issues raised by any inquiry or investigation by the Company’s regulators;

(d) the Company’s fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

(e) any related significant issues and recommendations of the auditors together with management’s responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

The Committee should discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. The review will include a consideration of any significant findings prepared by the external auditor together with management's responses.

5.23 Review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the Committee's views to the Board.

5.24 Review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

5.25 Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management.

5.26 Review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments.

5.27 Following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

5.28 Review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements.

5.29 Review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.

5.30 Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

5.31 Review the financial disclosures certification process.

5.32 Establish procedure for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters or any material violation of securities laws or other laws, rules or regulations applicable to the Company and the operation of its business. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

Other Committee Responsibilities

5.33 Annually assess the effectiveness of the Committee against this Audit Committee Charter and report the results of the assessment to the Board.

5.34 The Audit Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

5.35 As required under Securities Rules, prepare and disclose a summary of the Audit Committee Charter in applicable continuous disclosure documents.

5.36 Perform any other activities consistent with this Audit Committee Charter, the Company's articles, and governing law, as the Committee or the Board deems necessary or appropriate.

5.37 Maintain minutes of meetings and report to the Board on significant matters arising at Committee meetings at the next scheduled meeting of the Board.

Other Duties

5.38 Periodically conduct a self-assessment of Committee performance.

5.39 Review financial and accounting personnel succession planning within the Company.

5.40 Annually review a summary of director and officers' related party transactions and potential conflicts of interest.

6. NO RIGHTS CREATED

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

7. CHARTER REVIEW

This Charter was adopted by the Board on November 15, 2010 and the Committee shall review and update this Charter annually and present it to the Board for approval.