FINANCIAL STATEMENTS

II

Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2018

CONTENTS

RTG MINING INC.
CORPORATE DIRECTORY

Directors	Michael J Carrick Justine A Magee Robert N Scott Phillip C Lockyer David A T Cruse	Chairman President and Chief Executive Officer Non-Executive Lead Director Non-Executive Director Non-Executive Director
Company secretary	Ryan R Eadie	
Office	Registered Sea Meadow House Blackburne Highway PO Box 116 Road Town Tortola VG1110 British Virgin Islands	Principal Level 2 338 Barker Road Subiaco, Western Australia, 6008 Australia Telephone: +61 8 6489 2900 Facsimile: +61 8 6489 2920
Bankers	Westpac Banking Corporation 130 Rokeby Road Subiaco, Western Australia, 6008 Australia	
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco, Western Australia, 6008 Australia	
Share registry	Australian Register Computershare Investor Services Pty Limited Level 11 172 St Georges Terrace Perth, Western Australia, 6000 Australia Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033	Canadian Register Computershare Investor Services Inc. 8th Floor 100 University Avenue Toronto, Ontario, M5J2Y1 Canada Telephone: +1 416 263 9200 Facsimile: +1 888 453 0330
Stock Exchange	Australia Australian Securities Exchange Limited Exchange Code: RTG – Chess Depositary Interests (CDI's)	Canada Toronto Stock Exchange Inc. Exchange Code: RTG – Fully paid shares
Lawyers	Corrs Chambers Westgarth Level 15 240 St Georges Terrace Perth, Western Australia, 6000 Australia Gilbert and Tobin Level 16, Brookfield Place Tower 2 123 St Georges Terrace Perth, Western Australia, 6000 Australia	Blakes Cassels & Graydon Suite 2600, 3 Bentall Centre 59 Burrard Street Vancouver, BC, V7X 1L3 Canada K&L Gates Level 32 44 St Georges Terrace Perth, Western Australia, 6000 Australia
Website	www.rtgmining.com	

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 period ended June 30, 2018 (the "Consolidated Entity" or "the Group"). The Company's functional and presentation currency is USD ($).

DIRECTORS

The names of the Directors in office during the period and until the date of this report are as follows:

Name	Position	Appointment date
Michael J Carrick	Chairman	March 28, 2013
Justine A Magee	President and Chief Executive Officer	March 28, 2013
Robert N Scott	Non-Executive Lead Director	March 28, 2013
Phillip C Lockyer	Non-Executive Director	March 28, 2013
David A Cruse	Non-Executive Director	March 28, 2013

REVIEW AND RESULTS OF OPERATIONS

Operating Results

The Consolidated Entity recorded a net loss of $17,331,029 (2017 loss: $5,964,414) for the period ended June 30, 2018. The Group's activities during the period to June 30, 2018 included:

RTG's Bougainville Interests

RTG is the nominated development partner with the joint venture company established by the Special Mining Lease Osikaiyang Landowners Association ("SMLOLA") and Central Exploration Pty Ltd ("Central") in their proposal with respect to the redevelopment of the Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, Papua New Guinea ("PNG"). The proposal is an initiative of the old Panguna mine's customary landowners (who are represented by SMLOLA) and is conditional upon the support of the Autonomous Bougainville Government ("ABG") and others.

The SMLOLA members have made significant progress delivering unity amongst members requested by the ABG President Honourable Chief Dr John Momis, with the most recent petition demonstrating around 90% of the available titleholders (as prepared by Bougainville Copper Limited ("BCL"), which will be reviewed under an extensive social mapping program if the landowner consortium is successful in securing an exploration licence) supporting both the leadership of the SMLOLA and the Landowner led redevelopment proposal with RTG.

Subsequent to the reporting period the Company increased its interest in and secured control of Central. Through further direct and indirect investment and conversion of loans, the Company increased its interest to just under 70% of Central.

RTG's Philippines Interests

Mt. Labo Exploration and Development Corporation ("Mt. Labo") is continuing with the arbitration proceedings against Galeo Equipment Corporation ("Galeo") in the Singapore International Arbitration Centre seeking a number of reliefs, including a declaration that the Joint Venture Agreement ("JVA") was validly terminated and the compromise agreement was validly rescinded.

During the period, Mt. Labo lodged the Memorial, setting out the legal arguments in support of its position in the arbitration proceedings, together with a number of affidavits providing supporting evidence for the legal arguments.

Mt. Labo continues to work with the Department of Environment and Natural Resources ("DENR") and Mines and Geosciences Bureau to progress and perfect the permitting process for the Mabilo Project.

Mt. Labo completed an IP survey design to identify extensions of the known skarn mineralisation and to better target potential porphyry sources. Analysis of the survey results will be completed in the next quarter.

Other Interests

The Company continues to investigate a number of new business development opportunities diversifying its Philippine interests including the abovementioned opportunity in Bougainville, should the landowners be successful in their current efforts.

Corporate

On 27 February 2018, the Company announced that it had received commitments of approximately US$34 million in a Private Placement to Australian and international institutional and sophisticated investors. The Private Placement resulted in the issue of approximately 311 million Chess Depository Instruments ("Securities") to be listed on the ASX at an issue price of A$0.14 per Security.

The Private Placement was completed on May 3, 2018 and raised just over US$30 million after costs. Additionally, 12,715,201 unlisted advisor options were issued to the US Placement Agent on 3 May 2018.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 27, which forms part of the Directors' Report.

This report is made in accordance with a resolution of the Directors on August 14, 2018.

Justine Alexandria Magee
President and Chief Executive Officer
Perth
August 14, 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		UNAUDITED 3 MONTH PERIOD ENDED		*REVIEWED 6 MONTH PERIOD ENDED*	
		June 30 2018	**June 30 2017**	**June 30 2018**	**June 30 2017**
	Note	**US$**	**US$**	**US$**	**US$**
Continuing operations					
Other income	**4**	67,206	9,342	68,384	34,771
Business development expenses	**5**	(644,261)	(312,141)	(1,805,957)	(809,844)
Share of Philippines Associates loss	**5**	(259,845)	(344,233)	(374,892)	(917,959)
Fair value loss on financial asset at fair value through profit or loss	**5**	(2,113,149)	-	(3,839,205)	-
Impairment expense	**5**	(9,735,581)	(3,095,890)	(9,735,581)	(3,095,890)
Foreign exchange gain / (loss)		(398,901)	(8,752)	(408,046)	173,153
Administrative expenses	**5**	(471,649)	(589,957)	(1,235,732)	(1,348,645)
Loss before income tax from continuing operations		**(13,556,180)**	**(4,341,631)**	**(17,331,029)**	**(5,964,414)**
Income tax benefit		-	-	-	-
Loss for the period from continuing operations		**(13,556,180)**	**(4,341,631)**	**(17,331,029)**	**(5,964,414)**
Other comprehensive income / (loss)					
Items that may be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of foreign operations		128,793	(4,746)	376,441	138,603
Net (loss) / gain on financial assets at fair value through other comprehensive income		(45,161)	961,980	692,835	1,354,223
Total comprehensive loss for the period		**(13,472,548)**	**(3,384,397)**	**(16,261,753)**	**(4,471,588)**
Loss attributable to:					
Equity holders of the Company		**(13,556,180)**	**(4,341,631)**	**(17,331,029)**	**(5,964,414)**
Total comprehensive loss attributable to:					
Equity holders of the Company		**(13,472,548)**	**(3,384,397)**	**(16,261,753)**	**(4,471,588)**
Loss per share from continuing operations					
Basic loss per share (cents)		(3.61)	(2.59)	(6.30)	(3.56)
Diluted loss per share (cents)		(3.61)	(2.59)	(6.30)	(3.56)
Loss per share attributable to ordinary shareholders					
Basic loss per share (cents)		(3.61)	(2.02)	(6.30)	(2.67)
Diluted loss per share (cents)		(3.61)	(2.02)	(6.30)	(2.67)

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

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2018

CONSOLDIATED STATEMENT OF FINANCIAL POSITION

	Note	*REVIEWED* **June 30 2018 US$**	*AUDITED* **December 31 2017 US$**
Current assets			
Cash and cash equivalents	**6**	10,820,084	4,123,973
Trade and other receivables	**7**	15,277,381	2,251,553
Financial asset at amortised cost	**8**	1,600,000	-
Other current asset		36,119	81,833
Total current assets		**27,733,584**	**6,457,359**
Non-current assets			
Property, plant and equipment		150,735	163,036
Financial assets at fair value through other comprehensive income	**9**	2,442,319	-
Available-for-sale financial asset	**10**	-	1,749,484
Investment in associates	**11**	-	9,477,934
Total non-current assets		**2,593,054**	**11,390,454**
Total assets		**30,326,638**	**17,847,813**
Current liabilities			
Trade and other payables	**13**	413,860	565,816
Provisions	**14**	227,466	206,989
Loans and borrowings		-	1,590,387
Total current liabilities		**641,326**	**2,363,192**
Total liabilities		**641,326**	**2,363,192**
Net assets		**29,685,312**	**15,484,621**
Shareholder's equity			
Issued capital	**15**	167,944,273	138,376,685
Reserves		10,548,319	8,384,187
Accumulated losses		(148,807,280)	(131,276,251)
Total shareholder's equity		**29,685,312**	**15,484,621**

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

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months to June 30, 2018	***Issued capital***	***Asset revaluation reserve***	***Share based payment reserve***	***Foreign currency translation reserve***	***Accumulated losses***	***Total***
	US$	***US$***	***US$***	***US$***	***US$***	***US$***
Balance at January 1, 2018	**138,376,685**	**249,485**	**7,601,285**	**533,417**	**(131,276,251)**	**15,484,621**
Change in accounting policy *	-	-	-	-	(200,000)	**(200,000)**
Restated total equity at January 1, 2018	**138,376,685**	**249,485**	**7,601,285**	**533,417**	**(131,476,251)**	**15,284,621**
Loss for the period	-	-	-	-	(17,331,029)	**(17,331,029)**
Currency translation differences	-	-	-	376,441	-	**376,441**
Net gain on financial assets at FVOCI	-	692,834	-	-	-	**692,834**
Total comprehensive income / (loss) for the period	**-**	**692,834**	**-**	**376,441**	**(17,331,029)**	**(16,261,754)**
Shares issued during the period	32,903,440	-	-	-	-	**32,903,440**
Share issue expenses	(3,335,852)	-	1,094,857	-	-	**(2,240,995)**
Balance at June 30, 2018	**167,944,273**	**942,319**	**8,696,142**	**909,858**	**(148,807,280)**	**29,685,312**

Six months to June 30, 2017	***Issued capital***	***Asset revaluation reserve***	***Share based payment reserve***	***Foreign currency translation reserve***	***Accumulated losses***	***Total***
	US$	***US$***	***US$***	***US$***	***US$***	***US$***
Balance at January 1, 2017	**138,376,685**	**8,755**	**7,601,285**	**462,661**	**(119,914,523)**	**26,534,863**
Loss for the period	-	-	-	-	(5,964,414)	**(5,964,414)**
Currency translation differences	-	-	-	138,603	-	**138,603**
Net gain on available-for-sale financial assets	-	1,354,223	-	-	-	**1,354,223**
Total comprehensive income / (loss) for the period	**-**	**1,354,223**	**-**	**138,603**	**(5,964,414)**	**(4,471,588)**
Shares issued during the period	-	-	-	-	-	**-**
Share issue expenses	-	-	-	-	-	**-**
Balance at June 30, 2017	**138,376,685**	**1,362,978**	**7,601,285**	**601,264**	**(125,878,937)**	**22,063,275**

** See Note 3 for details regarding the restatement as a result of a change in accounting policy*

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

CONSOLIDATED STATEMENT OF CASH FLOWS

		UNAUDITED 3 MONTH PERIOD ENDED		*REVIEWED 6 MONTH PERIOD ENDED*	
	Note	**June 30 2018 US$**	**June 30 2017 US$**	**June 30 2018 US$**	**June 30 2017 US$**
Operating activities					
Payments to suppliers and employees		(1,641,307)	(954,923)	(3,273,609)	(2,130,077)
Interest received		933	2,178	2,133	34,256
Net cash flows used in operating activities		**(1,640,374)**	**(952,745)**	**(3,271,476)**	**(2,095,821)**
Investing activities					
Payments for property, plant and equipment		-	-	-	(538)
Payments for deposits		(14,822,000)	-	(14,822,000)	-
Advances to associate entities		(2,113,149)	(772,434)	(3,839,205)	(2,207,491)
Investment in non-related entities		-	-	-	(50,000)
Net cash flows used in investing activities		**(16,935,149)**	**(772,434)**	**(18,661,205)**	**(2,258,029)**
Financing activities					
Proceeds from shares issued		30,155,360	-	32,903,440	-
Share issue expenses		(2,073,241)	-	(2,240,995)	-
Repayment of borrowings		(1,584,045)	-	(1,584,045)	-
Net cash flows from financing activities		**26,498,074**	-	**29,078,400**	-
Net decrease in cash and cash equivalents		7,922,551	(1,725,179)	7,145,719	(4,353,850)
Cash and cash equivalents at the beginning of the period		**3,377,339**	**8,812,483**	**4,123,973**	**11,207,422**
Net foreign exchange difference		(479,806)	(3,709)	(449,608)	230,023
Cash and cash equivalents at end of the period	**6**	**10,820,084**	**7,083,595**	**10,820,084**	**7,083,595**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated interim financial report of RTG is presented as at June 30, 2018 for the period January 1, 2018 to June 30, 2018.

RTG was incorporated on December 27, 2012, and is domiciled in the British Virgin Islands. The Company's registered address is Sea Meadow House, Blackburne Highway (PO Box 116) Road Town, Tortola, British Virgin Islands. Its shares are publicly traded on both the Australian Stock Exchange ("ASX") and the Toronto Stock Exchange ("TSX").

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

The disclosures for the three month periods ending June 30, 2017 and June 30, 2018 included in this consolidated interim financial statements have not been reviewed.

Significant accounting policies

The consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the annual audited financial statements. It is recommended that these consolidated interim financial statements be read in conjunction with the annual financial report for the year ended December 31, 2017, and any public announcements made by the Company during the period.

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.

Carrying value of the investment in Philippines Associates

The Group assesses whether there is objective evidence that the investment in Philippines Associates is impaired by reference to the underlying mining projects held by the Philippines Associates. These mining projects include the Mabilo project, held by Mt. Labo, which entered into the development phase in a prior year, therefore requiring an impairment assessment in accordance with IAS 28 Investments in Associates and Joint Ventures. This assessment requires judgement in analysing possible impacts caused by factors such as the price of gold and copper, operating and capital estimates, ownership relationships and the political risk in which the project operates.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies - continued

Expected credit losses of financial asset at amortised cost

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used disclosed in note 3.

3. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 Financial Instruments on the Company's financial statements and discloses the new accounting policies that have been applied from January 1, 2018, where they are different to those applied in prior periods.

Impact on the financial statements

As a result of the changes in the Company's accounting policies, IFRS 9 was adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the balance sheet as at 31 December 2017, but are recognised in the opening balance sheet on January 1, 2018.

IFRS 9 Financial Instruments – Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from January 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out below. Comparative figures have not been restated in accordance with transitional provisions.

On January 1, 2018, the Company assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories.

Reclassification from available-for-sale to fair value through other comprehensive income ("FVOCI")

The investment in an equity instrument held was reclassified from available-for-sale to FVOCI as the Company elected to present subsequent changes in fair value in other comprehensive income, in accordance with IFRS 9. Refer to note 9 for further information.

3. CHANGES IN ACCOUNTING POLICIES – continued

Impairment of other financial asset at amortised cost

The loan receivable from Thor was reclassified to other financial asset at amortised cost. The Company intends to hold the financial asset to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest of the principal amount outstanding. An increase of $200,000 in the provision for impairment of the asset was recognised in opening accumulated losses at January 1, 2018:

	Effect on accumulated losses US$
Opening balance – IAS 39	2,000,000
Provision for impairment recognised at January 1, 2018	(200,000)
Opening balance – IFRS 9	**1,800,000**

The Company notes the following financial assets are subject to the new expected credit loss model under IFRS 9: During the period ended June 30, 2018, an increase of $200,000 in the allowance for expected loss was recognised based on a probability of default rate of 10% at transition date. Refer to note 8 for further information.

Reclassification of loans receivable from associates at amortised cost to financial assets at fair value through profit and loss ("FVPL")

The Company funds its share of costs associates with its Philippines Associates and other Associates (Central) through loan arrangements which are interest free and repayable on demand. At transition date January 1, 2018, as the associates are still in pre-development stage, the repayment of the loans is not solely interest and principle and is linked to the relevant projects achieving commercial production. The loans do not meet the IFRS 9 criteria for classification at amortised cost as it fails the contractual cashflow characteristics of sole payments of principle and interest. As a result, the loans will be carried at fair value through profit or loss from January 1, 2018.

The Group determines the fair value of the advances in consideration of the investments in associates (refer to note 11). Considering the investments were held at nil valuation as at June 30, 2018, and the status of the relevant opportunities and credit risk, there was no recognised fair value of the advances to associates.

IFRS 9 Financial Instruments – Accounting policies applied from January 1, 2018

Investments and other financial assets

Classification
From January 1, 2018, the Group classifies its financial assets in the following measurement categories:

- those measured subsequently at fair value (either through OCI, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

3. CHANGES IN ACCOUNTING POLICIES – continued

Debt instruments: Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments: The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment
From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

4. OTHER INCOME

	UNAUDITED 3 MONTH PERIOD ENDED		*REVIEWED 6 MONTH PERIOD ENDED*	
	June 30 2018 US$	**June 30 2017 US$**	**June 30 2018 US$**	**June 30 2017 US$**
Interest income	67,206	9,342	68,384	34,771
	67,206	**9,342**	**68,384**	**34,771**

5. EXPENSES

		UNAUDITED 3 MONTH PERIOD ENDED		REVIEWED 6 MONTH PERIOD ENDED	
		June 30 2018	**June 30 2017**	**June 30 2018**	**June 30 2017**
		US$	**US$**	**US$**	**US$**
Business development expenses					
Conferences		4,991	4,865	31,314	22,373
Employee and director fees		104,915	105,671	217,671	210,392
Project analysis		11,313	15,725	32,590	43,426
Travel expenses		105,169	79,368	368,296	271,639
Legal fees		372,355	57,316	1,102,001	178,968
Other expenses		45,518	49,196	54,085	83,046
		644,261	**312,141**	**1,805,957**	**809,844**
Administrative expenses					
Accounting, tax services and audit fees		14,855	28,536	47,020	54,767
Computer support fees		4,967	9,125	9,202	13,199
Consultants fees		61,921	32,221	138,461	101,236
Depreciation expenses		6,065	6,071	12,301	12,121
Employee and directors' fees		312,546	387,586	637,042	768,224
Insurance		15,563	17,218	31,127	30,894
Legal fees		(87,331)	(57,771)	44,663	16,929
Listing and shareholder reporting costs		72,815	32,503	108,926	78,245
Occupancy expenses		25,927	47,897	72,635	72,434
Travel expenses		10,588	64,921	53,344	151,243
Other expenses		33,733	21,650	81,011	49,353
		471,649	**589,957**	**1,235,732**	**1,348,645**
Share of Philippines Associate loss					
Share of net losses of Philippines Associates		259,845	344,233	374,892	917,959
		259,845	**344,233**	**374,892**	**917,959**
Fair value loss on financial asset at fair value through profit or loss					
Fair value loss on advances to Philippines Associates	(i)	1,136,460	-	2,151,890	-
Fair value loss on advances to Associates (Central)	(ii)	976,689	-	1,687,315	
		2,113,149	**-**	**3,839,205**	**-**

(i) Upon adoption of IFRS 9, advances to Philippines Associates have been classified as a financial asset at fair value through profit or loss. The fair value loss is calculated using the expected cashflow to be received from the underlying project of the associate, discounted using a risk adjusted discount rate relating to the loan. Refer to note 12 for further information.

(ii) Upon adoption of IFRS 9, advances to Associates (Central) have been classified as a financial asset at fair value through profit or loss. The fair value loss was assessed in consideration of the high credit risk resulting in the loans having a nil valuation. Refer to note 12 for further information.

5. EXPENSES – continued

		UNAUDITED *3 MONTH PERIOD ENDED*		*REVIEWED* *6 MONTH PERIOD ENDED*	
		June 30 2018 US$	**June 30 2017 US$**	**June 30 2018 US$**	**June 30 2017 US$**
Impairment expense					
Impairment of investment in Associates (Central)		9,535,581	800,000	9,535,581	800,000
Impairment of loans in Associates (Central)		-	88,399	-	88,399
Impairment of loans to Philippines Associates		-	2,207,491	-	2,207,491
Expected credit loss provision	(i)	200,000	-	200,000	-
		9,735,581	**3,095,890**	**9,735,581**	**3,095,890**

(i) Expected credit losses recognised for the Company's financial asset held at amortised cost. Refer to note 8 for further information.

6. CASH AND CASH EQUIVALENTS

		REVIEWED **June 30 2018 US$**	*AUDITED* **December 31 2017 US$**
Cash on hand		86	64
Cash at bank	(i)	3,293,433	4,123,909
Short-term deposits	(ii)	7,526,565	-
		10,820,084	**4,123,973**

(i) Cash at bank earns interest at floating rates based on daily bank deposit rates.
(ii) Short-term deposits are made for a period of three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

7. TRADE AND OTHER RECEIVABLES

		REVIEWED **June 30 2018 US$**	*AUDITED* **December 31 2017 US$**
GST receivable		140,683	28,658
Other receivables		314,698	222,895
Thor receivable		-	2,000,000
Deposits	(i)	14,822,000	-
		15,277,381	**2,251,553**

(i) A six month term deposit was set up, as funds were not immediately required by the Company and interest was earned at the bank's standard six month interest rate.

8. FINANCIAL ASSET AT AMORTISED COST

		REVIEWED **June 30 2018 US$**	*AUDITED* **December 31 2017 US$**
Financial asset at amortised cost	(i)	1,600,000	-
		1,600,000	-
Reconciliation of movements in financial asset at amortised cost:			
Opening balance		2,000,000	-
Reclassification from held-to-maturity to amortised cost	(i)	(200,000)	-
Opening balance – IFRS 9		1,800,000	-
Expected credit loss provision		(200,000)	-
Closing balance		**1,600,000**	-

(i) As part of the settlement for the sale of the Company's interest in the Segilola Gold Project to Thor Explorations Ltd ("Thor") that occurred in 2016, Thor has agreed to pay the Company $2,000,000. To date, the company has recognised expected credit losses of $400,000 using a 20% probability of default rate.

(ii) Reclassification as a result in change of accounting policy. Refer to note 3 for further information.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	REVIEWED **June 30 2018 US$**	*AUDITED* **December 31 2017 US$**
Non-current		
Financial assets at fair value through other comprehensive income	2,442,319	-
	2,442,319	**-**
Reconciliation of movements in financial assets at fair value through other comprehensive income:		
Opening balance	1,749,484	-
Additions	-	-
Gain on fair value measurement	692,835	-
Closing balance	**2,442,319**	**-**

During the period, the available-for-sale financial asset was reclassified to a financial asset at FVOCI as a result of a change of accounting policy. Refer to note 3 for further information.

10. AVAILABLE-FOR-SALE FINANCIAL ASSET

Non-current		
Available-for-sale financial asset	-	1,749,484
	-	**1,749,484**
Reconciliation of movement in available-for-sale financial asset:		
Opening balance	-	1,508,755
Additions	-	-
Gain on fair value measurement	-	240,729
Closing balance	**-**	**1,749,484**

During the period, the available-for-sale financial asset was reclassified to a financial asset at FVOCI as a result of a change of accounting policy. Refer to note 3 for further information.

11. INVESTMENT IN ASSOCIATES

(a) The Philippines Associates

The Group has a direct 40% interest in each of Mt. Labo, St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation and Oz Metals Exploration and Development Corporation ("Philippines Associates"). All of these companies are incorporated in the Philippines. The Group's interest in the Philippines Associates is accounted for using the equity method. The following table illustrates summarised financial information relating to the Group's Philippines Associates:

	REVIEWED **June 30 2018 US$**	*AUDITED* **December 31 2017 US$**
Investment in Philippines Associates		
Opening balance	9,477,934	10,988,032
Share of Philippines Associates net loss	(374,892)	(1,494,102)
Share of foreign currency translation reserve	432,539	(15,996)
Impairment	(9,535,581)	-
	-	**9,477,934**
Advances to Philippines Associates		
Opening balance	-	-
Accounting policy change (note 3)	-	-
Loans to Philippines Associates	-	4,387,785
Impairment	-	(4,387,785)
	-	**-**
Closing balance	**-**	**9,477,934**

The Associates have a December 31 reporting date.

Investment in Philippines Associates

The Group assesses recoverability of its investment in Philippines Associates at each reporting date. During the period ended June 30, 2018, an impairment of $9,535,581(December 31, 2017: nil). The Company assessed future economic benefits from the investment in Philippines Associates in consideration of the material uncertainties from the current political risks associated with the granting of mining licences relating to the mining projects held by the Philippines Associates as well as the current litigation between Mt. Labo and its former Joint Venture partner. As a result, the recoverable amount of the asset assessed to be nil and the asset was fully impaired as at June 30, 2018.

The former Secretary of the DENR in the Philippines previously rescinded a number of mining licences previously awarded, not related to the projects of the Group's Associates and imposed a moratorium on all new mines and a ban on open-pit mining. This creates uncertainty as to whether the government may further rescind mining licenses in the area in the future and if the Mabilo project will be able to be developed; however, this has been mitigated by a change in the Secretary of the DENR in 2017 and, subsequent to June 30, 2018, the DENR lifted the moratorium on the acceptance, processing and/or approval of applications for exploration permits for metallic and non-metallic minerals.

11. INVESTMENT IN ASSOCIATES – continued

In 2016, Mt. Labo rescinded the previous settlement agreement with its Joint Venture partner, Galeo due to non-performance by Galeo and served a notice of termination of the Joint Venture Agreement and referred the matter to arbitration. The Joint Venture was terminated on January 31, 2017. As such, Galeo is no longer a shareholder of Mt. Labo nor a Joint Venture partner of Mt. Labo. In 2017, Mt. Labo commenced arbitration proceedings against Galeo in the Singapore International Arbitration Centre in accordance with the provisions of the JVA and the compromise agreement which has been rescinded. In those arbitration proceedings, Mt. Labo seeks a number of reliefs, including a declaration that the JVA was validly terminated and the compromise agreement was validly rescinded. Under the JVA, on termination the innocent party is then given the right to buy out the guilty party at a 10% discount to book value, which for the Joint Venture is nominal given it was still in the exploration phase of the project.

Mt. Labo and Galeo have estimated contingent liabilities relating to the legal proceedings for both the civil case in the Philippines and arbitration through the Singapore International Arbitration Centre. Mt. Labo's claims under the civil case are for PHP7,000,000 against Galeo and USD183,199,563 through arbitration. Galeo's claims to date under the civil case are for PHP1,500,000 and USD3,500,000 under arbitration together with legal fees. The Associates had no other contingent liabilities or capital commitments as at June 30, 2018 (nil: December 31, 2017).

(b) Central Exploration Pty Ltd

The Group also had a direct 24% interest in Central Exploration Pty Ltd ("Central") as at June 30, 2018, an unlisted Australian proprietary company. The Group's interest in Central is accounted for using the equity method.

The following table illustrates summarised financial information relating to the investment in Central:

	REVIEWED	*AUDITED*
	June 30 2018	**December 31 2017**
	US$	**US$**
Investment in Associate (Central)		
Opening balance	-	-
Reclassification	-	750,000
Additions	-	722,368
Impairment	-	(1,472,368)
	-	**-**

12. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	REVIEWED **June 30 2018 US$**	*AUDITED* **December 31 2017 US$**
Advances to Philippines Associates		
Opening balance	-	-
Advances to Philippines Associates	2,151,890	-
Fair value loss	(2,151,890)	-
	-	**-**
Advances to Associate (Central)		
Opening balance	-	-
Advances to Associate (Central)	1,687,315	
Fair value loss	(1,687,315)	
	-	**-**

The Group determines the fair value of the advances in consideration of the investments in associates (refer to note 11). Considering the investments were held at nil valuation as at June 30, 2018, and the status of the relevant opportunities and credit risk, there was no recognised fair value of the advances to associates.

13. TRADE AND OTHER PAYABLES

	REVIEWED **June 30 2018 US$**	*AUDITED* **December 31 2017 US$**
Trade creditors – third parties	243,836	393,412
Accrued expenses	170,024	172,404
	413,860	**565,816**

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.

14. PROVISIONS

Employee entitlements	227,466	206,989
	227,466	**206,989**

15. ISSUED CAPITAL AND RESERVES

Issued and paid up share capital

	June 30 2018 Number	December 31 2017 Number	**June 30 2018 US$**	December 31 2017 US$
Issued and paid up capital	**478,940,889**	167,585,577	**167,944,273**	138,376,685

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:

	Number	**US$**
Opening balance at January 1, 2018	167,585,577	138,376,685
Shares issues	311,355,312	32,903,440
Shares issue costs	-	(3,335,852)
Total shares on issue at June 30, 2018	**478,940,889**	**167,944,273**
Opening balance at 1 January 2017	167,585,577	138,376,685
Shares issues	-	-
Shares issue costs	-	-
Total shares on issue at June 30, 2017	**167,585,577**	**138,376,685**

Reserves

	REVIEWED **June 30 2018 US$**	*AUDITED* **December 31 2017 US$**
Asset revaluation reserve	942,319	249,485
Share based payment reserve	8,696,142	7,601,285
Foreign currency translation reserve	909,858	533,417
	10,548,319	**8,384,187**

15. ISSUED CAPITAL AND RESERVES – continued

Movements in options during the period were as follows:

	Number
Opening balance at January 1, 2018	-
Granted during the period	12,715,201
Total options on issue at June 30, 2018	**12,715,201**

During the period, 12,715,201 unlisted advisor options were issued in as part of the Private Placement. The options were valued using the Black and Scholes method with the following assumptions:

Number of options	12,715,201
Grant date share price	A$0.14
Exercise price	A$0.14
Expected volatility	120%
Option life	5 years
Dividend yield	0.00%
Interest rate	2.36%
Expiry date	May 3, 2023

The fair value of the unlisted advisor options were valued using the methodology above at $1,094,857 ($0.09 per option). As the value of services could not be determined, the valuation used for the options was used to calculate the value of the services received.

16. DIVIDENDS

No dividends have been paid or provided for during the period.

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value

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 Company's accounting policies. All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, is described as follows:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Recognised fair value measurements
The following table presents the Group's assets measured at fair value at June 30, 2018 and December 31, 2017:

At June 30, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
	US$	**US$**	**US$**	**US$**
Financial asset at FVOCI	2,442,319	-	-	2,442,319
Total	**2,442,319**	**-**	**-**	**2,442,319**

At December 31, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
	US$	**US$**	**US$**	**US$**
Available-for-sale financial asset	1,749,484	-	-	1,749,484
Total	**1,749,484**	**-**	**-**	**1,749,484**

Fair value of other financial instruments not measured at fair value
The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

18. 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 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 11).

June 30, 2018

Operating segment	**Philippines**	**Australia**	**Other**	**Consolidated total**
	2018	**2018**	**2018**	**2018**
Revenue	**US$**	**US$**	**US$**	**US$**
Revenue from external customers	-	-	-	-
Interest income	-	68,384	-	68,384
Other	-	-	-	-
Total revenue				**68,384**
Results				
Segment profit / (loss) before tax	(12,062,362)	(5,200,244)	(68,423)	(17,331,029)
Revenue	-	68,384	-	68,384
Administrative expenses	-	(1,168,994)	(66,738)	(1,235,732)
Foreign exchange	-	(406,361)	(1,685)	(408,046)
Share of associate loss	(374,892)	-	-	(374,892)
Impairment expense	(9,535,581)	(200,000)	-	(9,735,581)
Fair value loss	(2,151,890)	(1,687,315)	-	(3,839,205)
Other expenses	-	(1,805,957)	-	(1,805,957)
Segment loss before income tax from continuing operations				**(17,331,029)**

Operating segment	**Philippines**	**Australia**	**Other**	**Consolidated total**
	2018	**2018**	**2018**	**2018**
	US$	**US$**	**US$**	**US$**
Segment assets				
Corporate assets	-	30,323,152	3,486	30,326,638
Total assets				**30,326,637**
Segment liabilities				
Corporate liabilities	-	(641,326)	-	**(641,326)**

18. SEGMENT REPORTING NOTE – continued

June 30, 2017

Operating segment	**Philippines**	**Australia**	**Other**	**Consolidated total**
	2017	**2017**	**2017**	**2017**
Revenue	**US$**	**US$**	**US$**	**US$**
Revenue from external customers	-	-	-	-
Interest income	-	34,771	-	34,771
Other	-	-	-	-
Total revenue				**34,771**
Results				
Segment profit / (loss) before tax	(3,125,450)	(2,781,005)	(57,959)	(5,964,414)
Revenue	-	34,771	-	34,771
Administrative expenses	-	(1,290,847)	(57,799)	(1,348,645)
Foreign exchange	-	173,314	(161)	173,153
Share of associate loss	(917,959)	-	-	(917,959)
Impairment expense	(2,207,491)	(888,399)	-	(3,095,890)
Other expenses	-	(809,844)	-	(809,844)
Segment loss before income tax from continuing operations				**(5,964,414)**

Operating segment	**Philippines**	**Australia**	**Other**	**Consolidated total**
	2017	**2017**	**2017**	**2017**
	US$	**US$**	**US$**	**US$**
Segment assets				
Corporate assets	10,139,155	12,362,643	16,663	22,518,461
Total assets				**22,518,461**
Segment liabilities				
Corporate liabilities	-	(455,186)	-	**(455,186)**

19. COMMITMENT AND CONTINGENCIES

Commitments

June 30, 2018		**Payments due by period**		
Contractual obligations	**Total**	**Within one year**	**One year and not later than five years**	**More than 5 years**
Lease obligations [1]	153,553	153,553	-	-
Total contractual obligations	**153,553**	**153,553**	**-**	**-**

December 31, 2017		**Payments due by period**		
Contractual obligations	**Total**	**Within one year**	**One year and not later than five years**	**More than 5 years**
Lease obligations [1]	239,781	158,816	80,965	-
Total contractual obligations	**239,781**	**158,816**	**80,965**	**-**

[1] Corporate office lease payments due.

Contingent liabilities

Contingent liabilities relating to the Group's investment in Philippines Associates are outlined in note 11.

20. RELATED PARTY DISCLOSURE

Controlling entity

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

Other transactions with related parties

Transactions with related parties consist of companies with Directors and officers in common and companies owned in whole or in part by executive officers and Directors as follows for the three and six months ended June 30, 2018 and 2017:

Name	**Nature of transactions**
Coverley Management Services Pty Ltd	Consulting as Director

The company paid the following fees in the normal course of operation in connection with companies owned by Directors:

	UNAUDITED 3 MONTH PERIOD ENDED		*REVIEWED 6 MONTH PERIOD ENDED*	
	June 30 2018 US$	**June 30 2017 US$**	**June 30 2018 US$**	**June 30 2017 US$**
Directors fees	10,111	12,519	20,631	22,128
Total	**10,111**	**12,519**	**20,631**	**22,128**

20. RELATED PARTY DISCLOSURE – continued

During the period ended June 30, 2018 the Group entered into transactions with related parties:

- Loans of $91,639 were advanced on short term inter-company accounts, and
- Loans of $3,839,205 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.

21. EVENTS AFTER REPORTING PERIOD

Subsequent to the period end, the Company increased its interest in and secured control of Central. Through further direct and indirect investment and conversion of loans, the Company increased its interest to just under 70% of Central. The financial effects of the above transaction have not been brought to account at June 30, 2018.

Other than the above, no other significant events have occurred subsequent to the reporting period that would have a material impact on the consolidated interim financial statements.

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 June 30, 2018 and of its performance for the six month period ended June 30, 2018; 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.

Justine Alexandria Magee
President and Chief Executive Officer
Perth
August 14, 2018

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

As lead auditor for the review of RTG Mining Inc. for the half-year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of any applicable code of professional conduct in relation to the review.

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

Jarrad Prue

Partner

BDO Audit (WA) Pty Ltd

Perth, 14 August 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RTG Mining Inc.

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of RTG Mining Inc. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, 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 half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the International Accounting Standard 34 ("IAS 34"), including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the half-year ended on that date; and

(ii) Complying with International Accounting Standard 34 ("IAS 34").

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with International Accounting Standards 34 ("IAS 34") as issued by the International Accounting Standards Board and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2018 and its financial performance for the half-year ended on that date and complying with International Accounting Standard 34 ("IAS 34"). As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Partner

Perth, 14 August 2018