



## **Annual Financial Report**

**For the year ended December 31, 2020**

**RTG MINING INC.  
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**RTG MINING INC.  
CORPORATE DIRECTORY**

<b>Directors</b>	Michael J Carrick Justine A Magee Robert N Scott Phillip C Lockyer David A Cruse Sean M Fieler	Chairman President and Chief Executive Officer Non-Executive Lead Director Non-Executive Director Non-Executive Director Non-Executive Director
<b>Company secretary</b>	Ryan R Eadie	
<b>Office</b>	<u>Registered</u> Sea Meadow House Blackburne Highway PO Box 116 Road Town Tortola VG1110 British Virgin Islands	<u>Principal</u> Level 2 338 Barker Road Subiaco, Western Australia, 6008 Australia  Telephone: +61 8 6489 2900 Facsimile: +61 8 6489 2920
<b>Bankers</b>	Westpac Banking Corporation 130 Rokeby Road Subiaco, Western Australia, 6008 Australia	
<b>Auditors</b>	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco, Western Australia, 6008 Australia	
<b>Share registry</b>	<u>Australian Register</u> Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth, Western Australia, 6000  Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033	<u>Canadian Register</u> Computershare Investor Services Inc. 8 <sup>th</sup> Floor, 100 University Avenue Toronto, Ontario, M5J2Y1, Canada  Telephone: +1 416 263 9200 Facsimile: +1 888 453 0330
<b>Stock Exchange</b>	<u>Australia</u> Australian Securities Exchange Limited Exchange Code: RTG – Chess Depository Interests (CDI's)	<u>Canada</u> Toronto Stock Exchange Inc. Exchange Code: RTG – Fully paid shares
<b>Lawyers</b>	Gilbert and Tobin Level 16, Brookfield Place Tower 2 123 St Georges Terrace Perth, Western Australia, 6000 Australia  Corrs Chambers Westgarth Level 2, MRDC Haus National Capital, District 111 Papua New Guinea	Blake, Cassels & Graydon LLP 595 Burrard Street Suite 2600, 3 Bentall Centre Vancouver, BC, V7X 1L3, Canada
<b>Website</b>	<a href="http://www.rtgmining.com">www.rtgmining.com</a>	

**RTG MINING INC.  
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, 2020 (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 7.

**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:

<b>Name</b>	<b>Position</b>	<b>Appointment date</b>
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
Sean M Fieler	Non-Executive Director	October 12, 2020
Ryan R Eadie	Company Secretary	October 2, 2017

The names, qualifications, experience and special responsibilities of the Directors are as follows:

**Michael J Carrick (B.Comm B.Acc ACA)  
Chairman**

Mr. Carrick joined RTG's Board of Directors in March 2013. Mr. Carrick served as Chief Executive Officer ("CEO") of CGA Mining Limited ("CGA"), 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 CEO of Resolute Mining Limited.

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

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

Ms. Magee was appointed the CEO 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 ("CFO") of CGA (January 2004 to January 2013).

She has extensive experience in the resource sector also having headed the corporate and finance areas for Resolute Mining Limited for 6 years and CGA for 9 years.

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.

**RTG MINING INC.  
DIRECTORS' REPORT**

**DIRECTORS AND COMPANY SECRETARY – continued**

**Robert N Scott  
Non-Executive Lead 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 is the Chair of the RTG Risk and Audit, Disclosure and Remuneration and Nomination Committees, and was appointed Non-Executive Lead Director on October 30, 2015.

Other current directorships:

Castillo Copper Limited	appointed December 2018
Twenty Seven Co Ltd	appointed April 2019

Former directorships in the last 3 years:

Sandfire Resources Ltd	appointed 2010 and resigned December 2020
Resimac Group Ltd (formerly Homeloans Limited)	appointed 2000 and resigned November 2018

**Phillip 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 is a member of the Risk and Audit, Disclosure and Remuneration and Nomination Committees.

Other current directorships:

GR Engineering Services Limited	appointed December 2016
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Former directorships in the last 3 years:

Swick Mining Services Limited	appointed February 2008 and resigned November 2019
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**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.

Mr. Cruse is a member of the Risk and Audit, Disclosure and Remuneration and Nomination Committees.

Former directorships in the last 3 years:

Odyssey Energy Limited	appointed October 2008 and resigned March 2021
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**Sean M Fieler  
Non-Executive Director**

Mr. Fieler was appointed as a Non-Executive Director of the Company on October 12, 2020. He is the CIO and president of Equinox Partners Investment Management, a Connecticut-based money manager. He joined Equinox Partners in 1995 after graduating from Williams College. For the past twenty years, he has built a track record as an investor in precious metals mining and emerging markets equities.

**RTG MINING INC.  
DIRECTORS' REPORT**

**DIRECTORS AND COMPANY SECRETARY – continued**

**Ryan R Eadie (B.Comm CA AGIA ACIS)  
Company Secretary and Interim Chief Financial Officer**

Mr. Eadie is a qualified Chartered Accountant (CA ANZ) with a Bachelor of Commerce from the University of Western Australia and has over 10 years of experience in a range of financial roles with Australian and international companies. Mr. Eadie also holds a Graduate Diploma of Applied Corporate Governance issued by, and is an Associate of, the Governance Institute of Australia.

Mr. Eadie is the Interim Chief Financial Officer of RTG and was appointed Company Secretary in 2017.

**DIRECTORS' INTERESTS**

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

<b>Director</b>	<b>Interest in Securities at the date of this report</b>	
	<b>Shares <sup>1</sup></b>	
Michael J Carrick	8,024,024	
Justine A Magee	7,481,089	
Robert N Scott	1,580,770	
Phillip C Lockyer	565,385	
David A Cruse	1,894,280	
Sean M Fieler	116,430,032	

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

**CORPORATE INFORMATION**

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 the ASX and the Toronto Stock Exchange ("TSX").

**CORPORATE GOVERNANCE STATEMENT**

RTG's Corporate Governance Statement has been released as a separate document and is located on the Company's website at the following link: [www.rtgmining.com](http://www.rtgmining.com)

**RTG MINING INC.  
DIRECTORS' REPORT**

**MEETINGS OF DIRECTORS**

The following table sets out the number of meetings of the Company's Directors held during the financial year ended December 31, 2020 and the number of meetings attended by each Director. There were three committees of Directors in existence during the financial year, these being, the Risk and Audit Committee, Remuneration and Nomination Committee and the Disclosure Committee. We refer you to our Corporate Governance Statement for more information.

<b>Committee Meetings</b>	<b>Directors' Meetings</b>	<b>Risk and Audit</b>	<b>Remuneration and Nomination</b>	<b>Disclosure</b>
Number of meetings held	6	4	2	1
<u>Number of meetings attended</u>				
Michael J Carrick	5	N/A	N/A	N/A
Justine A Magee	4	N/A	N/A	N/A
Robert N Scott	6	4	2	1
Phillip C Lockyer	6	4	2	1
David A Cruse	6	4	2	1
Sean M Fieler <sup>1</sup>	1	N/A	N/A	N/A

1 Mr Fieler was only eligible to attend one meeting during the year subsequent to his appointment to the Board of Directors on October 12, 2020.

**PRINCIPAL ACTIVITIES**

The principal activity of the Consolidated Entity during the course of the year included the Company's focus on mineral exploration and development through its investment in its Philippines Associates, a proposal with a landowner led consortium to secure an exploration licence at the high tonnage copper-gold Panguna Project within the Autonomous Region of Bougainville, Papua New Guinea ("PNG"), exploration and development activities of the Company's 90% interest in the Chanach Project in the Kyrgyz Republic, as well as investigating a number of new business development opportunities. At the date of this report the Company's main project is the Mabilo Project in the Philippines. 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.

**EMPLOYEES**

The number of full-time equivalent people employed by the Consolidated Entity (including consultants).

	<b>2020</b>	<b>2019</b>
	5	6

**REVIEW OF OPERATIONS AND RESULTS**

**Philippines Interests**

RTG holds a 40% interest in Mt. Labo Exploration and Development Corporation ("Mt. Labo") which holds the high-grade Copper and Gold Mabilo Project in the Philippines. During the year, Mt. Labo received written confirmation that the Mines and Geosciences Bureau ("MGB") had approved the expansion of the current Mineral Production Sharing Agreement ("MPSA") No. MLC-MRD-459 for the Nalesbitan Project to include the Mabilo Project, which has already secured an approved Declared Mine Feasibility Study and Environmental Clearance certificate.

On August 21, 2020, the Tribunal handed down a favourable Final Award to Mt. Labo in the international arbitration against Galeo Equipment Corporation ("Galeo") in the Singapore International Arbitration Centre ("SIAC"). Mt. Labo prevailed on all matters considered important including a determination that the Joint Venture Agreement ("JVA") with Galeo was validly terminated, the compromise agreement was validly rescinded, Galeo is not entitled to any shares in Mt. Labo, Galeo was not a co-permittee of the Mt. Labo Exploration Permit and Galeo is not the operator of the project. The Tribunal ordered Galeo to pay damages of approximately US\$18.6m (plus interest at 6% from various dates, currently in the order of US\$4.6 million) and legal costs, including the Tribunal's fees of approximately S\$7.45m. That represents a total monetary award in favour of Mt. Labo of approximately A\$31.4 million plus interest of approximately A\$5.9 million, as at December 31, 2020.

**REVIEW OF OPERATIONS AND RESULTS – continued**

**Philippines Interests - continued**

On December 10, 2020, the Company announced that the Regional Trial Court of Quezon City in the Philippines had dismissed the Petition for Refusal of Recognition and Enforcement of a Foreign Arbitral Award (“Refusal Petition”) with prayer for issuance of a Writ for Preliminary Injunction (“Application for Injunction”) filed by Galeo against Mt. Labo, with respect to the enforcement of the SIAC Final Award in the Philippines. The Order recognised that the requisites at law for the issuance of a writ of injunction were absent, and that the Refusal Petition, and consequentially the Application for Injunction, failed on jurisdictional grounds. Galeo continues to pursue legal avenues in the Philippines and Singapore to set aside the SIAC Final Award or avoid enforceability in the Philippines however Mt. Labo’s counsel advise that in their opinion there is not a valid legal basis for the applications.

Having secured the Mining Permit and successful Final Award in the SIAC matter, Mt. Labo has received a number of debt finance and offtake term sheets that will 100% finance the start-up capital costs for Stage 1 of the Mabilo Project, the Direct Shipping Operation. Progress on the ground in preparation for a commitment to development is proceeding well with Mines and Geosciences Bureau being very supportive of the efforts to fast-track start-up of the project.

**Kyrgyz Republic Interests**

RTG completed the acquisition of the majority (90%) stake in the high grade Chanach Gold and Copper Project (“Chanach Project”) in the Kyrgyz Republic in the prior year. RTG is the manager and operator of the Chanach Project Joint Venture company (Chanach LLC) and will solely fund operating expenditures until completion of a Bankable Feasibility Study, at which time, funding will then be contributed on a pro-rata basis in accordance with Chanach Project interests.

The Chanach Project Prospecting Licence was successfully converted to an Exploration Licence that was finalised and granted during the December 31, 2020 quarter. The Exploration Licence was issued by the State Committee of Industry, Energy and Subsoil Use of the Kyrgyz Republic.

**Bougainville Interests**

RTG is the nominated development partner with the joint venture company established by the Special Mining Lease Osikayang Landowners Association (“SMLOLA”) and Central Exploration Pty Ltd (“Central”), in the Landowner 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 (“ABG”), PNG.

On September 23, 2020, the Office of the Bougainville Electoral Commission declared a new President of Bougainville, the Honourable Mr Ishmael Toroama. Mr Toroama was a Commander of the Bougainville Revolutionary Army and has a strong record of promoting Peace and Independence for Bougainville, with a stated focus on stamping out any corruption in the ABG and its public service.

The President has appointed a new Mining Minister, the Honourable Mr Rodney Osioco, who was also the head of the Legislative Review Committee that rejected the Caballus Mining sponsored attempt to change to the Bougainville Mining Act and strip Landowners of their rights to the minerals and lands.

The Landowners have been engaging with the new Mining Minister, who represents Central Bougainville where Panguna is located, to progress discussions on the reopening of the mine. The Landowners have worked closely with the Mining Minister over the last few years and welcomed and appreciated his appointment by the President. The Landowners recently had a productive and lengthy meeting with the Mining Minister and his team where they were advised that the Department is committed to working co-operatively with the Customary Landowners to find a redevelopment solution for Panguna that meets all the needs of Bougainville.



**RTG MINING INC.  
DIRECTORS' REPORT**

**REVIEW OF OPERATIONS AND RESULTS – continued**

**Response to the COVID-19 Pandemic**

The Company continues to assess the wide-reaching impacts of COVID-19, responding decisively on several fronts. During the year, the Perth and Manila offices returned to normal working arrangements in compliance with country-specific recommendations. The head office and project teams are operating at full capacity with reduced staff and working remotely where available, which has to date been both efficient and effective. Additionally, the Company undertook a review of costs and made significant adjustments, reducing overheads across the board.

Net loss after tax for the year ended December 31, 2020 was \$6,282,546 (December 31, 2019 - Net loss after tax of \$14,026,980).

**DIVIDENDS**

No dividends have been declared, provided for or paid in respect of the financial year ended December 31, 2020 (2019: \$nil).

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the Company during the year not otherwise disclosed in this report of the financial statements.

**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.

**ANNUAL GENERAL MEETING**

In accordance with ASX Listing Rule 3.13.1, the Company advises that it is intending to hold its 2021 Annual General Meeting on Friday, May 28, 2021. The closing date for receipt of nominations from persons wishing to be considered for election as director is April 9, 2021.

**SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

No significant events have occurred subsequent to reporting date that would have a material impact on the consolidated financial statements.

**RTG MINING INC.  
DIRECTORS' REPORT**

**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**

**Executive Directors**

Michael Carrick	Chairman
Justine Magee	President and Chief Executive Officer

**Non-Executive Directors**

Robert Scott	Non-Executive Lead Director
Phillip Lockyer	Non-Executive Director
David Cruse	Non-Executive Director
Sean Fieler	Non-Executive Director

**Executives**

Mark Turner	Chief Operating Officer
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**Remuneration Governance**

The Remuneration and 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 Executives (the Executive team), including key performance indicators;
- 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 the 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.

**Remuneration Consultants**

The Remuneration and Nomination Committee reviews information from external sources in relation to its existing remuneration structure. The process of evaluation has remained in-house and informal during the year, with two reviews of the Board, employees and Directors undertaken during the year.

**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 generally 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. The aggregate Non-Executive Director's remuneration including 9.5% superannuation guarantee is currently A\$300,000 ratified at a general meeting on April 10, 2015.

**RTG MINING INC.  
DIRECTORS' REPORT**

**REMUNERATION REPORT – continued**

**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 of Directors to monitor the performance of the Consolidated Entity's Executives includes annual performance appraisals 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 and Nomination Committee on an individual contribution basis. 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 and Nomination Committee. Amounts are determined in line with the extent to which a key business objective has been met and the individual's 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 December 31, 2020 Financial Period and for December 31, 2019 Financial Year*

For December 31, 2020 and December 31, 2019 financial periods there were no STI payments made to Executives. No STI bonus amounts have been forfeited during the December 31, 2020 and December 31, 2019 financial years. STI payments are made at the discretion of the Board and Remuneration and Nomination Committee.

*Variable Remuneration – Loan Funded Share Plan (“LFSP” or “the Plan”)*

*Objective*

The objective of the Plan is to provide a mechanism for the Company to invite Executives (including Directors of the Company) to subscribe for shares in the Company, using financial assistance provided by the Company. Shareholders approved the LFSP on May 23, 2018.

*Structure*

An invitation to subscribe for shares is provided to Executives with shares delivered in the form of loan funded shares under the 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 LFSP shares granted and the value of shares granted, sold and lapsed during the year are set out in the tables following.

The Company does take into account overall share price performance in determining Executive compensation amounts, however, share price performance is just one of the many factors, as discussed above, that the Company takes into consideration.

**RTG MINING INC.  
DIRECTORS' REPORT**

**REMUNERATION REPORT – continued**

**Overview of Company performance**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Net loss after tax US\$'000	9.2	85.5	11.4	27.6	14.0	6.2
Share price at year end (ASX) A\$	0.34	0.22	0.25	0.12	0.09	0.21

**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 prorated up to and including the date of termination. The Executive Directors have a reciprocal twelve month notice of termination clause and these contracts are for 3 years to February 1, 2022. Mr. Turner has a 3-year contract to November 15, 2022 with a 6-month termination clause. 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 Executives of the Company and the Consolidated Entity receiving the highest emolument for the financial year are as follows:

*Contractual provisions for Executive Directors and Executives*

<b>Name and job title</b>	<b>Contract term</b>	<b>Notice period</b>	<b>Base salary</b>
<b>Mr Michael Carrick</b> <i>Chairman</i>	Fixed term – expiry 1 February 2022 subject to extension	12 months	US\$126,872
<b>Ms Justine Magee</b> <i>President and Chief Executive Officer</i>	Fixed term – expiry 1 February 2022 subject to extension	12 months	US\$244,967
<b>Mr Mark Turner</b> <i>Chief Operating Officer</i>	Fixed term – expiry 15 November 2022 subject to extension	6 months	US\$246,836

**RTG MINING INC.  
DIRECTORS' REPORT**

**REMUNERATION REPORT – continued**

**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 year.

	Short-term			Post-employment benefits	Share based payments	Long term benefits		
	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation benefits	Loan funded share plan <sup>1</sup>	Total	Total performance related	Annual leave movement *
	US\$	US\$	US\$	US\$	US\$	US\$	%	US\$
<b>Directors</b>								
Mr Michael Carrick	126,872	-	38,833	15,225	270,815	451,745	-	-
Ms Justine Magee	244,967	-	15,055	23,272	270,815	554,109	-	37,283
Mr Robert Scott	45,988	-	-	-	-	45,988	-	-
Mr Phil Lockyer	37,843	-	-	3,595	-	41,438	-	-
Mr David Cruse	37,843	-	-	3,595	-	41,438	-	-
Mr Sean Fieler	-	-	-	-	-	-	-	-
<b>Executives</b>								
Mr Mark Turner	246,836	-	25,706	23,449	162,489	458,480	-	23,243
<b>Total</b>	<b>740,349</b>	<b>-</b>	<b>79,594</b>	<b>69,136</b>	<b>704,119</b>	<b>1,593,198</b>	<b>-</b>	<b>60,526</b>

	Short-term			Post-employment benefits	Share based payments	Long term benefits		
	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation benefits	Loan funded share plan	Total	Total performance related	Annual leave movement *
	US\$	US\$	US\$	US\$	US\$	US\$	%	US\$
<b>Directors</b>								
Mr Michael Carrick	139,241	-	43,629	16,709	-	199,579	-	-
Ms Justine Magee	257,597	-	19,713	24,471	-	301,781	-	19,281
Mr Robert Scott	52,998	-	-	-	-	52,998	-	-
Mr Phil Lockyer	45,058	-	-	4,280	-	49,338	-	-
Mr David Cruse	45,058	-	-	4,280	-	49,338	-	-
<b>Executives</b>								
Mr Mark Turner <sup>2</sup>	45,572	-	3,229	4,329	-	53,130	-	2,468
Mr Jason Greive <sup>3</sup>	162,704	-	-	14,799	-	177,503	-	(6,924)
<b>Total</b>	<b>748,228</b>	<b>-</b>	<b>66,571</b>	<b>68,868</b>	<b>-</b>	<b>883,667</b>	<b>-</b>	<b>14,825</b>

\* Provision for annual leave movements and does not reflect cash payments.

<sup>1</sup> The loan funded share plan share based payments reflect accounting costs determined using a Black & Scholes pricing model (notwithstanding it is an issue of shares and not options) and does not reflect loan balances repayable, which currently exceed the value of the shares. The plan shares are currently "out-of-the-money" as at the date of this report and accordingly do not have any current value.

<sup>2</sup> Mr Turner resigned from the role of Chief Operating Officer on December 31, 2018 and was re-appointed on November 15, 2019.

<sup>3</sup> Mr Greive was appointed to the role of Chief Operating Officer on November 5, 2018 and resigned on December 13, 2019.

**RTG MINING INC.  
DIRECTORS' REPORT**

**REMUNERATION REPORT – continued**

**Equity instruments held by Key Management Personnel**

**(i) Shares issued to Directors and Executives**

The details of the allocation of Loan Funded Shares to Key Management Personnel are as follows:

On March 28, 2013, shares were issued to Key Management Personnel of the Company under the Plan, approved by Shareholders at the March 21, 2013 special shareholders meeting of Ratel Group Limited. The shares were issued to employees under the following terms:

- Shares were issued on March 28, 2013 at 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.
- 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.

On November 12, 2020, CHESS Depository Interests (“CDIs”) (representing fully paid ordinary shares in the share capital of the Company) were issued to Key Management Personnel of the Company under the Plan. Shareholders ratified and approved the Plan on May 23, 2018, and Shareholders approved the issue of 10,000,000 shares to Directors of the Company at the Company’s AGM on July 7, 2020. The shares were issued to employees under the following terms:

- CDIs were issued on November 12, 2020 at A\$0.25.
- 21,000,000 CDIs were issued which vested immediately.
- CDIs issued under this plan have been paid for by employees who have been provided with an interest free non-recourse loan by the Company.

<b>December 31, 2020</b>	<b>Opening balance January 1, 2020</b>	<b>Acquired</b>	<b>Movement</b>	<b>Closing balance December 31, 2020</b>
<b>Directors</b>				
Mr Michael Carrick	300,000	5,000,000	-	5,300,000
Ms Justine Magee	300,000	5,000,000	-	5,300,000
Mr Robert Scott	50,000	-	-	50,000
Mr Philip Lockyer	50,000	-	-	50,000
Mr David Cruse	50,000	-	-	50,000
<b>Executives</b>				
Mr Mark Turner	250,000	3,000,000	-	3,250,000

Details of the non-recourse loans granted to employees can be found at note 27.

**RTG MINING INC.  
DIRECTORS' REPORT**

**REMUNERATION REPORT – continued**

**Loan funded share plan (“the Plan”)**

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 LFSP shares to a Director or 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.

**(ii) Options or warrants granted to Directors and Executives**

There were no options or warrants granted to Executives of the Company during the period ended December 31, 2020 (December 31, 2019: nil).

**(iii) Share holdings**

<b>December 31, 2020</b>	<b>Opening balance January 1, 2020</b>	<b>Acquired</b>	<b>Movements</b>	<b>Closing balance December 31, 2020</b>
<b>Directors</b>				
Mr Michael Carrick	1,277,734	6,746,290	-	8,024,024
Ms Justine Magee	1,165,299	6,315,790	-	7,481,089
Mr Robert Scott	830,770	750,000	-	1,580,770
Mr Philip Lockyer	265,385	300,000	-	565,385
Mr David Cruse	1,894,280	-	-	1,894,280
Mr Sean Fieler*	116,430,032	-	-	116,430,032
<b>Executives</b>				
Mr Mark Turner	535,000	3,000,000	-	3,535,000

\* The opening balance for Mr. Fieler is from the date of appointment to the Board of Directors, on October 12, 2020.

**RTG MINING INC.  
DIRECTORS' REPORT**

**REMUNERATION REPORT – continued**

**Other transactions with Key Management Personnel**

Transactions with related parties consist of companies with Key Management Personnel in common and companies owned in whole or in part by Key Management Personnel as follows for the twelve months ended December 31, 2020 and 2019:

<b>Name</b>	<b>Nature of transactions</b>
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.

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
Director fees	45,988	52,998
	<b>45,988</b>	<b>52,998</b>

**End of Remuneration Report**



**RTG MINING INC.  
DIRECTORS' REPORT**

**INSURANCE OF DIRECTORS AND OFFICERS**

During the financial year, the Company has paid insurance premiums of \$69,915 (2019: \$73,089) in respect of Directors' and Officers' liability contracts, for current and former Directors and Officers, including Directors, Executives and Secretaries of its Company and 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 wilful breach of duty or improper use of information or position to gain a personal advantage.

**INDEMNIFICATION OF AUDITORS**

To the extent permitted by law, the Company has agreed to indemnify its Auditors, BDO Audit (WA) Pty Ltd ("BDO" or "Auditors"), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO during or since the financial year.

**INDEMNIFICATION OF DIRECTORS**

The Company has agreed to indemnify the Directors, Executives and Secretary for any breach by the Company for which they may be held personally liable.

**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 December 31, 2020 or up to the date of this report.

**AUDITOR'S 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 \$301 (December 31, 2019: \$24,116) was paid for these services (refer to note 21 for further details).

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
<i>Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:</i>		
• An audit or review of the financial report of the entity and any other entity in the consolidated group.	38,212	45,946
• Other services in relation to the entity and any other entity in the consolidated group		
- Tax compliance	301	18,939
- Other assurance services	-	5,177
	<b>38,513</b>	<b>70,062</b>

**RTG MINING INC.  
DIRECTORS' REPORT**

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors. 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 is included at page 61 of the financial report and forms part of this report.

This report is made in accordance with a resolution of the Directors on March 24, 2021.

A handwritten signature in black ink, appearing to read 'Justine A Magee', with a large loop at the beginning and a long horizontal stroke extending to the right.

**JUSTINE A MAGEE**  
**President and Chief Executive Officer**

Perth, March 29, 2021

**RTG MINING INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		December 31 2020 US\$	December 31 2019 US\$
	<b>Note</b>		
<b>Continuing operations</b>			
Other income	4	684,784	49,900
Exploration and evaluation expenditure	5	(93,650)	(239,529)
Business development expenses	5	(1,181,505)	(2,594,937)
Fair value loss on financial asset at fair value through profit or loss	5	(1,917,182)	(6,645,657)
Project expenditure expense	5	(482,095)	(1,695,398)
Foreign exchange gain / (loss)		114,103	(233,994)
Share based payment expense	27	(1,137,422)	-
Administrative expenses	5	(2,269,579)	(2,667,365)
<b>Loss before income tax from continuing operations</b>		<b>(6,282,546)</b>	<b>(14,026,980)</b>
Income tax benefit	6	-	-
<b>Loss for the year from continuing operations</b>		<b>(6,282,546)</b>	<b>(14,026,980)</b>
<b>Other comprehensive income / (loss)</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of foreign operations		62,123	7,282
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net gain on financial assets at fair value through other comprehensive income	12	(141,994)	(36,526)
<b>Total comprehensive loss for the year</b>		<b>(6,362,417)</b>	<b>(14,056,224)</b>
<b>Loss attributable to:</b>			
Equity holders of the Company		(5,976,266)	(13,420,666)
Non-controlling interest		(306,280)	(606,314)
		<b>(6,282,546)</b>	<b>(14,026,980)</b>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		(6,056,137)	(13,449,910)
Non-controlling interest		(306,280)	(606,314)
		<b>(6,362,417)</b>	<b>(14,056,224)</b>
<b>Loss per share attributable to ordinary shareholders</b>			
Basic loss per share (cents)	22	(1.03)	(2.79)

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

**RTG MINING INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		December 31 2020 US\$	December 31 2019 US\$
	<b>Note</b>		
<b>Current assets</b>			
Cash and cash equivalents	7	5,764,938	3,927,667
Receivables	8	27,477	33,247
Prepayments	10	154,865	113,392
<b>Total current assets</b>		<b>5,947,280</b>	<b>4,074,306</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	199,848	236,663
Financial assets at fair value through other comprehensive income	12	-	1,946,619
Exploration and evaluation assets	13	2,454,192	2,929,501
Right-of-use asset	14	174,634	298,468
<b>Total non-current assets</b>		<b>2,828,674</b>	<b>5,411,251</b>
<b>Total assets</b>		<b>8,775,954</b>	<b>9,485,557</b>
<b>Current liabilities</b>			
Trade and other payables	16	329,524	663,865
Provisions	17	299,845	220,376
Lease liability	14	131,890	105,510
Loan	18	1,500,000	2,650,000
<b>Total current liabilities</b>		<b>2,261,259</b>	<b>3,639,751</b>
<b>Non-current liabilities</b>			
Lease liability	14	50,857	194,328
<b>Total non-current liabilities</b>		<b>50,857</b>	<b>194,328</b>
<b>Total liabilities</b>		<b>2,312,116</b>	<b>3,834,079</b>
<b>Net assets</b>		<b>6,463,838</b>	<b>5,651,478</b>
<b>Shareholder's equity</b>			
Issued capital	19	174,278,834	168,412,908
Reserves	19	10,958,677	10,034,322
Accumulated losses	19	(177,621,104)	(171,949,463)
<b>Parent shareholder's equity</b>		<b>7,616,407</b>	<b>6,497,767</b>
Non-controlling interest	20	(1,152,569)	(846,289)
<b>Total shareholder's equity</b>		<b>6,463,838</b>	<b>5,651,478</b>

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

**RTG MINING INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<i>Issued capital</i>	<i>Asset revaluation reserve</i>	<i>Share based payment reserve</i>	<i>Other capital reserve</i>	<i>Foreign currency translation reserve</i>	<i>Accumulated losses</i>	<i>Non-controlling interest</i>	<i>Total</i>
<i>Twelve months to December 31, 2020</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
<b>Balance at January 1, 2020</b>	<b>168,412,908</b>	<b>446,619</b>	<b>8,696,142</b>	<b>30,662</b>	<b>860,899</b>	<b>(171,949,463)</b>	<b>(846,289)</b>	<b>5,651,478</b>
Loss for the year	-	-	-	-	-	(5,976,266)	(306,280)	(6,282,546)
Currency translation differences	-	-	-	-	62,123	-	-	62,123
Net gain on financial assets at FVOCI	-	(446,619)	-	-	-	304,625	-	(141,994)
<b>Total comprehensive income / (loss) for the year</b>	<b>-</b>	<b>(446,619)</b>	<b>-</b>	<b>-</b>	<b>62,123</b>	<b>(5,671,641)</b>	<b>(306,280)</b>	<b>(6,362,417)</b>
Discontinued operations	(39,960)	-	-	-	-	-	-	(39,960)
Shares issued during the year	6,538,327	-	1,137,422	-	-	-	-	7,675,749
Share issue expenses	(632,441)	-	171,429	-	-	-	-	(461,012)
<b>Balance at December 31, 2020</b>	<b>174,278,834</b>	<b>-</b>	<b>10,004,993</b>	<b>30,662</b>	<b>923,022</b>	<b>(177,621,104)</b>	<b>(1,152,569)</b>	<b>6,463,838</b>
	<i>Issued capital</i>	<i>Asset revaluation reserve</i>	<i>Share based payment reserve</i>	<i>Other capital reserve</i>	<i>Foreign currency translation reserve</i>	<i>Accumulated losses</i>	<i>Non-controlling interest</i>	<i>Total</i>
<i>Twelve months to December 31, 2019</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
<b>Balance at January 1, 2019</b>	<b>167,858,807</b>	<b>483,145</b>	<b>8,696,142</b>	<b>30,662</b>	<b>853,617</b>	<b>(158,528,797)</b>	<b>(534,419)</b>	<b>18,859,157</b>
Loss for the year	-	-	-	-	-	(13,420,666)	(606,314)	(14,026,980)
Currency translation differences	-	-	-	-	7,282	-	-	7,282
Net gain on financial assets at FVOCI	-	(36,526)	-	-	-	-	-	(36,526)
<b>Total comprehensive income / (loss) for the year</b>	<b>-</b>	<b>(36,526)</b>	<b>-</b>	<b>-</b>	<b>7,282</b>	<b>(13,420,666)</b>	<b>(606,314)</b>	<b>(14,056,224)</b>
Shares issued during the year	569,150	-	-	-	-	-	-	569,150
Share issue expenses	(15,049)	-	-	-	-	-	-	(15,049)
Acquisition of non-controlling interest	-	-	-	-	-	-	294,444	294,444
<b>Balance at December 31, 2019</b>	<b>168,412,908</b>	<b>446,619</b>	<b>8,696,142</b>	<b>30,662</b>	<b>860,899</b>	<b>(171,949,463)</b>	<b>(846,289)</b>	<b>5,651,478</b>

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

**RTG MINING INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

		December 31 2020 US\$	December 31 2019 US\$
	<b>Note</b>		
<b>Operating activities</b>			
Payments to suppliers and employees		(3,994,025)	(6,314,746)
Interest received		1,236	51,714
Exploration and evaluation expenditure		(93,650)	(305,504)
<b>Net cash flows used in operating activities</b>	<b>7</b>	<b>(4,086,439)</b>	<b>(6,568,536)</b>
<b>Investing activities</b>			
Payments for property, plant and equipment		(6,659)	(4,595)
Proceeds from sale of investments	<b>9</b>	2,488,354	650,000
Advances to associate entities		(2,104,268)	(6,458,599)
Acquisition of subsidiary		-	(2,150,000)
<b>Net cash flows used in investing activities</b>		<b>377,427</b>	<b>(7,963,194)</b>
<b>Financing activities</b>			
Proceeds from borrowings	<b>18</b>	-	2,500,000
Repayment of borrowings	<b>18</b>	(1,000,000)	-
Proceeds from shares issued		6,538,327	-
Share issue expenses		(461,012)	(15,050)
Lease liability payments		(117,091)	(117,844)
<b>Net cash flows from financing activities</b>		<b>4,960,224</b>	<b>2,367,106</b>
Net increase / (decrease) in cash and cash equivalents		1,251,212	(12,164,624)
Cash and cash equivalents at the beginning of the year		3,927,667	16,469,474
Net foreign exchange difference		586,059	(377,183)
<b>Cash and cash equivalents at end of the financial year</b>	<b>7</b>	<b>5,764,938</b>	<b>3,927,667</b>

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

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Statement of compliance**

The consolidated financial report has been prepared as a general purpose financial report which has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements were authorised for issue by the directors at a meeting held on March 24, 2021.

***Basis of preparation***

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. Historical costs are generally based on the fair values of the consideration given in exchange for goods and services.

The financial report is presented in United States Dollars (US\$) unless otherwise noted.

The Company is a for profit entity.

***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” or “the Group”, as at December 31, 2020. Transactions between companies within the Consolidated Entity have been eliminated on consolidation. For a description of the Company’s subsidiaries, refer to note 23.

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.

*(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:

*Non-consolidation of entities*

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

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

***Significant accounting estimates and assumptions – continued***

Under IFRS 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 Philippines Associates, RTG has determined that there is an absence of control over the Philippines Associates and that they will be equity accounted in line with IAS 28.

**Board control:**

The Boards of each of the Philippine's Associates are comprised of five members, with each company Board sharing a maximum of two common Board members with RTG. It follows that the common RTG Board members cannot directly control the Boards of the Philippines Associates.

**Voting rights:**

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

Based on the above assessment of Board Control and Voting Rights, and in the absence of contractual obligations between RTG and the Philippines Associates, RTG is satisfied that it does not have power over the Philippines Associates and hence does not control the Philippines 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 and advisors 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 taking into account the terms and conditions upon which the instruments were granted, as discussed in note 27. The term of the loan provided by the Company to purchase the loan funded shares (3.45 years for the loan issued in 2020) was determined by taking into consideration the status of the Company at the time and the expected start date of development and the timing of the recipient's ability to repay loan.

***Impairment of non-financial assets***

Non-financial assets are reviewed at each reporting date to determine whether there are any indicators that the carrying amount may not be recoverable.

***Impairment of capitalised exploration***

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively sale, of the underlying mineral exploration properties. The consolidated Group undertakes at least on an annual basis, a comprehensive review for indicators of impairment of those assets. Should an indicator of impairment exist, there is significant estimation and judgement in determining the inputs and assumptions use in determining the recoverable amounts.



**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

***Significant accounting estimates and assumptions – continued***

*Carrying value of the investment in the Philippines Associates*

The Group assesses whether there is objective evidence that the investment in the 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 is in the development phase, therefore requiring an impairment assessment in accordance with IAS 28 Investment 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. The fair value in the current period was assessed to be nil due to the ongoing legal uncertainty and stage of development of the project where management are not yet in a position to determine expected future cash flows from the investment.

*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.

*Impairment of investment in Joint Venture*

Where there is objective evidence that the investment in a joint venture should be impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly. Impairment charges are included in profit or loss.

*IFRS 16 Leases*

IFRS 16 Leases was adopted from January 1, 2019 and relates to the recognition, classification and measurement of leases. The Company currently has one lease, for the principal office based in Subiaco. The Company assessed which business model applied to the lease and classified its lease into the appropriate IFRS 16 category. On recognition the Company recognises a lease liability and a right of use asset in its balance sheet.

The subsequent recognition comprises of the Company recognising a lease liability based on the discounted payments required under the lease. The lease liability is measured with reference to an estimate of the lease term, including optional lease periods if RTG is reasonably certain to exercise an option to extend the lease. RTG uses the cost model to recognise the ROU asset and amortise it over the remaining years of its term. Refer to note 14 for more details.

*COVID-19*

Based on the information available the impact of COVID-19 on the Group has been considered. After considering the operations of the Group including the staffing, geographical areas, local government regulations there does not appear to be any significant impact on the Company's financials from the pandemic other than the necessary cost reductions that were made during the period before the Private Placement was confirmed and due to the uncertainty of available funding.

**b) Cash and cash equivalents**

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

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

**c) 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 13 years.

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**c) Plant and equipment – continued**

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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of profit or loss and other comprehensive income in the period the item is derecognised.

**d) 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 consolidated 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.

**e) 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.

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**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
- 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 consolidated 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.

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**g) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (“GST”), except where the amount of GST incurred is not recoverable from the relevant taxation authorities, in which case the GST 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 included.

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

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST 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 recoverable from, or payable to, the taxation authority.

**h) 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 consolidated 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 Philippines Associates 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 the consolidated statement of profit or loss and other comprehensive income.

**i) Share based payment transactions**

The Company provides benefits to Directors, consultants 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’).

The cost 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 model, further details of which are given in note 27.

The Group has in the current year provided limited recourse loans to eligible employees (including some directors), to acquire ordinary shares in RTG (“loan shares”). The loan shares are in substance accounted for as share-based payments with a corresponding increase in equity. The fair value is measured at grant date. The fair value of the loan shares was measured using a Black-Scholes valuation model, taking into account the terms and conditions on which the options were granted.

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’).

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**i) Share based payment transactions - continued**

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.

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

**j) Exploration and evaluation**

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 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.

**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.

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**l) 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.

**m) 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 consolidated 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.

**n) Trade and other receivables**

Trade receivables generally have 30 day terms. They are recognised at either fair value (either through other comprehensive income or profit or loss), or at amortised cost (with any expected credit losses taken into account).

A loss allowance 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.

**o) 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.

**p) Revenue recognition**

Revenue will be recognised to depict the transfer of promised goods to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. 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.

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**q) 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.

**r) Earnings per share**

*(i) Basic earnings/(loss) per share:*

Basic earnings per share is calculated by dividing the profit or 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.

**s) Parent entity financial information**

The financial information for the parent entity, RTG Mining Inc., disclosed in note 24, 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.

**t) Financial Assets**

Financial assets are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

*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.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The loan receivable from the Philippines Associates is classified as a financial asset at fair value through profit and loss, with a fair value loss being recognised.

**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**t) Financial Assets - continued**

*Investments*

The investments in equity instruments are classified as fair value through other comprehensive income (“FVOCI”) and are non-derivatives that are either designated in this category or not classified in any of the other categories. Investments are designated as FVOCI if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Equity instruments at FVOCI do not recycle gains or losses to profit or loss on derecognition. This category only includes equity instruments which are not held-for-trading and which the Group has irrevocably elected to so classify upon initial recognition or transition. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. For this category 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 payment is established. The Group has irrevocably elected to classify all of its quoted equity instruments as equity instruments at FVOCI.

When securities classified as FVOCI are sold, the accumulated fair value adjustments recognised in other comprehensive income are not reclassified to profit or loss as gains and losses on sale of available-for-sale financial assets. FVOCI financial assets are subsequently carried at fair value. Changes in value of non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details of how the fair value of financial instruments is determined are disclosed in note 26.

**u) Investment in Philippines Associates**

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

Under the equity method, the investment in the Philippines Associates is carried in the consolidated statement of financial performance at cost plus post-acquisition changes in the Group’s share of net assets of the Philippines Associates. Cost includes equity contributions and loan advances (interest free with no set term of repayment). Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group’s net investment in the Philippines Associates. Impairment exists when the carrying value of the investment in Associates exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Any impairment loss is recognised as an impairment expense in the profit or loss.

The Group’s share of its Philippines Associates’ post-acquisition profits or losses is recognised in the consolidated 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 Philippines Associates is recognised 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 entity’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 the Philippines Associates equals or exceeds its interest in the Philippines Associates, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the Philippines Associate.



**RTG MINING INC.**  
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**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**v) Fair value**

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

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.

For assets and liabilities for which fair value is measured or disclosed in the financial statements, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

- 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

For the purposes of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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, regardless of whether that price is directly observable or estimated using another valuation technique in estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing an asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 117 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IFRS 2 or value in use in IFRS 136.

**w) Current versus non-current classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**w) Current versus non-current classification – continued**

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purposes of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**x) Accounting policy choice for non-controlling entities**

The Group recognises non-controlling interest in an acquired entity either at a fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The decision is made on an acquisition-by-acquisition basis.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

**y) Going concern**

The Directors have prepared the financial report on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended December 31, 2020, the Group recorded a loss of \$6,282,546 and had net cash outflows from operating activities of \$4,086,439. As at December 31, 2020, the Group had a working capital surplus of \$3,686,021.

In context of the Company's operating environment, the ability to continue as a going concern is dependent on securing additional funding through debt or equity to continue to fund its operational and exploration activities.

This condition indicates a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors believe that there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities; and
- The Group has the ability to reduce its expenditure to conserve cash.

Should the Group not be able to achieve any of the above, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

**z) Leases**

The Group assesses at the start of a contract whether or not it contains a lease, by deciding if the contract provides the right to control the use of an identified asset for a period of time in exchange for consideration.

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**z) Leases - continued**

The Group currently uses a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use underlying assets.

*i) Right-of-use assets*

The Group recognises right-of-use assets at the start of the lease and are measured at costs, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

*ii) Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

*iii) Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**2. CHANGES IN ACCOUNTING POLICIES**

There were no changes in accounting policies during the year.

**3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

**New, revised or amending Accounting Standards and Interpretations adopted**

There were no new, revised or amending accounting standards adopted by the Group during the year.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

There were no Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, that were early adopted by the Group for the annual reporting period ended December 31, 2020. In the prior year, IFRS 3 Business Combinations, effective from January 1, 2020 was adopted early in the annual report for the period ending December 31, 2019. See note 1 for further details.

**RTG MINING INC.**  
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**4. OTHER INCOME**

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
Interest income	1,054	49,900
Gain on sale – Thor royalty	(i) 683,730	-
	<b>684,784</b>	<b>49,900</b>

(i) On July 10, 2020, the Company finalised agreements to sell its remaining interests in Thor Explorations Ltd (“Thor”) relating to the sale of the Segilola Gold Project. The Company completed the sale of its royalty interest for cash consideration of C\$0.9 million.

**5. EXPENSES**

**Exploration and evaluation expenditure**

Exploration and evaluation expenditure	93,650	239,529
	<b>93,650</b>	<b>239,529</b>

**Business development expenses**

Conferences	26,435	35,215
Employee and director fees	437,747	396,431
Project analysis	10,257	104,331
Travel expenses	243,694	434,729
Legal fees	164,969	716,543
Consultants fees	295,271	857,559
Other expenses	3,132	50,129
	<b>1,181,505</b>	<b>2,594,937</b>

**Administrative expenses**

Accounting, tax services and audit fees	96,679	70,062
Computer support fees	17,041	18,713
Consultants fees	344,657	398,284
Depreciation expenses	49,580	39,147
Employee and directors’ fees	1,116,029	1,099,641
Insurance expenses	98,000	85,458
Legal expenses	48,009	83,976
Listing and shareholder reporting costs	113,239	66,577
Occupancy expenses	145,225	128,227
Travel expenses	14,627	279,321
Finance costs	114,589	181,233
Other expenses	111,904	216,726
	<b>2,269,579</b>	<b>2,667,365</b>

**RTG MINING INC.**  
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**5. EXPENSES – continued**

	<b>December 31</b>	<b>December 31</b>
	<b>2020</b>	<b>2019</b>
	<b>US\$</b>	<b>US\$</b>
<b>Fair value loss on financial asset at fair value through profit or loss</b>		
Fair value loss on advances to Philippines Associates	(i) 1,917,182	6,645,657
	<b>1,917,182</b>	<b>6,645,657</b>

- (i) Advances to Philippines Associates have been classified as a financial asset at fair value through profit or loss. Refer to note 15 for further information.

**Project expenditure expenses**

Project expenditure in joint venture	(482,095)	(1,825,398)
Expected credit loss provision	(i) -	130,000
	<b>(482,095)</b>	<b>(1,695,398)</b>

- (i) Expected credit losses recognised for the Company's financial asset held at amortised cost. Refer to note 9 for further information.

**RTG MINING INC.**  
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**6. INCOME TAX**

The Company is incorporated and holds its registered office in the British Virgin Islands, but 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:

	December 31 2020 US\$	December 31 2019 US\$
<b>(a) Income tax expense</b>		
Current Income tax expense / (benefit)		-
Adjustments in respect of current income tax of previous years		-
<i>Deferred Income tax</i>		
Relating to the origination and reversal of temporary differences	(357,094)	(881,220)
Adjustments in respect of deferred income tax of previous years	407,552	
Gain not recognised for income tax purposes		-
Deferred tax assets not brought to account	(50,458)	881,220
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-

**(b) Reconciliation of tax expense and accounting loss before income tax**

Accounting loss before income tax	(5,977,921)	(14,026,980)
At the domestic income tax rate of 27.5% (Australia) (2016: 30%)	(1,643,928)	(3,857,420)
Expenditure not allowable for income tax purposes	1,707,515	3,191,149
Other non-assessable income	(13,129)	(35,500)
Adjustments in respect of current income tax of previous years		-
Deferred tax liabilities not brought to account		-
Deferred tax assets not brought to account	(50,458)	701,770
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-

	December 31 2020 US\$	December 31 2019 US\$
--	-----------------------------	-----------------------------

**(c) Deferred income tax**

Deferred income tax relates to the following:

<i>Deferred tax assets</i>		
Accruals	35,280	71,656
Provision for doubtful debts	20,639	20,616
Tax losses available to offset against future taxable income	4,486,961	4,332,783
Lease liabilities	50,255	82,455
Black hole expenditure	236,929	-
Foreign exchange losses	-	-
Deferred tax assets not brought to account	(4,782,041)	(4,424,947)
Unrecognised deferred tax liabilities	48,024	82,564

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.

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**7. CASH AND CASH EQUIVALENTS**

	<b>December 31</b>	<b>December 31</b>
	<b>2020</b>	<b>2019</b>
	<b>US\$</b>	<b>US\$</b>
	<hr/>	<hr/>
Cash on hand	166	38
Cash at bank	(i) 5,764,772	3,927,629
	<b>5,764,938</b>	<b>3,927,667</b>
	<hr/>	<hr/>

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

For further information on financial risk management refer to note 26.

**Cash flows from operating activities reconciliation**

**Reconciliation of net loss after tax to net cash flows from operations**

Net loss after related income tax	(6,282,546)	(14,026,980)
<i>Adjustment for non-cash income and expense items:</i>		
Depreciation	49,580	39,147
Amortisation	123,833	119,214
Gain on disposal	304,624	-
Project expenditure expense	482,095	2,257,937
Fair value loss on financial asset at FVTPL	1,917,182	6,645,657
Share based payment expense	987,422	-
Unrealised foreign exchange gains / (losses)	(54,732)	(47,568)
Acquisition accounting	155,416	(170,834)
<i>Changes in assets and liabilities:</i>		
(Increase) / decrease in receivables	(1,587,586)	(1,940,348)
(Increase) / decrease in prepayments	41,473	(3,095)
Increase / (decrease) in payables	(223,200)	558,334
Net cash outflow from operating activities	<b>(4,086,439)</b>	<b>(6,568,536)</b>
	<hr/>	<hr/>

**8. RECEIVABLES**

	<b>December 31</b>	<b>December 31</b>
	<b>2020</b>	<b>2019</b>
	<b>US\$</b>	<b>US\$</b>
	<hr/>	<hr/>
<b>Current assets</b>		
GST receivable	21,441	30,114
Other receivables	6,036	3,133
	<b>27,477</b>	<b>33,247</b>
	<hr/>	<hr/>

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**9. FINANCIAL ASSET AT AMORTISED COST**

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
Financial asset at amortised cost	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>
<b>Reconciliation of movements in financial asset at amortised cost:</b>		
Opening balance	-	524,646
Reclassification from held-to-maturity to amortised cost	-	-
Opening balance – IFRS 9	-	524,646
Additions	-	44,760
Repayments	-	(650,000)
Interest received	-	(49,406)
Expected credit loss provision	-	130,000
Closing balance	<hr/>	<hr/>
	<hr/>	<hr/>
<b>Reconciliation of movement in expected credit loss provision</b>		
Opening balance	-	-
Reclassification from held-to-maturity to amortised cost	-	-
Opening balance – IFRS 9	-	(130,000)
Expected credit loss provision	<hr/>	<hr/>
Closing balance	<hr/>	<hr/>
	<hr/>	<hr/>



**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**10. PREPAYMENTS**

	December 31 2020 US\$	December 31 2019 US\$
Other	154,865	113,392
	<b>154,865</b>	<b>113,392</b>

**11. PROPERTY, PLANT AND EQUIPMENT**

**Office equipment**

Opening balance	236,663	238,897
Additions	-	3,092
Disposals	(8,882)	-
Acquisition	-	33,821
Depreciation expense	(27,933)	(39,147)
Closing balance	<b>199,848</b>	<b>236,663</b>

**12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

**Non-current**

Financial assets at fair value through other comprehensive income	-	1,946,619
	<b>-</b>	<b>1,946,619</b>

**Reconciliation of movements in financial assets at fair value through other comprehensive income:**

Opening balance	1,946,619	1,983,145
Disposal	(1,500,000)	-
Gain on fair value measurement	(141,994)	(36,526)
Gain on disposal	(304,625)	-
Closing balance	<b>-</b>	<b>1,946,619</b>

*Risk exposure and fair value measurements*

Information about the Company's methods and assumptions used in determining fair value is provided in note 26.

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**13. EXPLORATION AND EVALUATION ASSETS**

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
Opening balance	2,929,501	-
Acquisition of exploration and evaluation assets (i)	-	2,913,588
Foreign exchange (loss)/gain	(475,309)	15,913
	<b>2,454,192</b>	<b>2,929,501</b>

- (i) During the prior year, the Group acquired PB Partners (Malaysia) Pte Ltd ("PB"), a non-listed company with a 90% direct interest in Chanach LLC ("Chanach"). The Group recognised \$2,913,588 of exploration and evaluation assets on acquisition. Refer to note 20 for further details.
- (ii) Exploration and evaluation expenditure since acquisition has been expensed to the statement of profit or loss and other comprehensive income (2020: \$93,650 and 2019: \$239,529). Refer to note 5 for further details.

**14. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

*Amounts recognised in the consolidated statement of financial position*

**Right-of-use asset**

*Property – head office lease*

At January 1, 2020	298,468	417,682
Amortisation	(123,834)	(119,214)
At December 31, 2020	<b>174,634</b>	<b>298,468</b>

**Lease liability**

At January 1, 2020	299,838	417,682
Lease payments	(117,091)	(117,844)
At December 31, 2020	<b>182,747</b>	<b>299,838</b>

Current Lease liability	131,890	105,510
Non-current Lease liability	50,857	194,328
Total Lease liability	<b>182,747</b>	<b>299,838</b>

*Amounts recognised in the consolidated statement of profit or loss*

**Amortisation of right-of-use asset**

<i>Property – head office lease amortisation</i>	123,833	119,214
	<b>123,833</b>	<b>119,214</b>

The total cash outflow for the lease in the twelve months to December 31, 2020 was \$117,091.

On January 1, 2020, the Company held one lease, for the head office based in Subiaco.

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**15. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
<b>Advances to Philippines Associates</b>		
Opening balance	-	-
Advances to Philippines Associates	1,917,182	6,645,657
Fair value loss	(1,917,182)	(6,645,657)
	<u>-</u>	<u>-</u>

The Group determines the fair value of the advances in consideration of the investments in associates. Considering the investments were held at nil valuation as at December 31, 2020, and the status of the project development and ongoing legal uncertainty, there was no recognised fair value of the advances to the Philippines Associates. Refer to note 1 for further information.

**16. TRADE AND OTHER PAYABLES**

**Current liabilities**

Trade creditors	(i)	295,201	428,176
Accrued expenses		34,323	235,689
		<u>329,524</u>	<u>663,865</u>

(i) 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 26 for further information on trade and other payables.

**17. PROVISIONS**

Employee entitlements	299,845	220,376
	<u>299,845</u>	<u>220,376</u>

*Employee entitlements*

Refer note 1(e) for the relevant accounting policy applied in the measurement of this provision.

**18. LOANS AND BORROWINGS**

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
Opening balance	2,650,000	-
Facility fee settled	(150,000)	150,000
Interest-bearing loan facility granted	-	2,500,000
Loan repayment	(1,000,000)	
Closing balance	<u>1,500,000</u>	<u>2,650,000</u>

The loan is an interest-bearing unsecured facility with repayment extended to June 30, 2021. During the year, the proceeds of the placement were used in part to repay US\$1 million of the facility, with fees and interest to April 16, 2020, satisfied by an issue of shares, as approved by shareholders at the Annual General Meeting. Refer to note 26 for further information on loans and borrowings.

**RTG MINING INC.**  
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**19. ISSUED CAPITAL AND RESERVES**

**(a) Issued and paid up share capital**

	<b>December 31 2020 Number</b>	December 31 2019 Number	<b>December 31 2020 US\$</b>	December 31 2019 US\$
<b>Issued and paid up capital</b>	<b>680,277,010</b>	490,653,466	<b>174,278,834</b>	168,412,908

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 year were as follows:**

	<b>Number</b>	<b>US\$</b>
Opening balance at January 1, 2020	490,653,466	168,412,908
Shares issued <sup>1</sup>	189,623,544	6,538,327
Shares issue costs	-	(632,441)
Discontinued operations		(39,960)
Total shares on issue at December 31, 2020	<b>680,277,010</b>	<b>174,278,834</b>
Opening balance at January 1, 2019	478,940,889	167,858,807
Shares issues	11,712,577	569,150
Shares issue costs	-	(15,049)
Total shares on issue at December 31, 2019	<b>490,653,466</b>	<b>168,412,908</b>

<sup>1</sup> During the year, the Company issued 21,000,000 shares to employees under the Company's Loan Funded Share Plan. The Company takes security over the Shares acquired until the loan provided for the subscription price for those shares is fully repaid. Refer to note 27 for further information.

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.

**(b) Reserves**

**Movements in reserves during the year were as follows:**

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
Asset revaluation reserve	-	446,619
Share based payment reserve	10,004,993	8,696,142
Foreign currency translation reserve	923,022	860,899
Other reserves	30,662	30,662
	<b>10,958,677</b>	<b>10,034,322</b>

**Movements in options during the year were as follows:**

	<b>Number</b>
Opening balance at January 1, 2020	12,715,201
Granted during the period	6,806,612
Total options on issue at December 31, 2020	<b>19,521,813</b>

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**19. ISSUED CAPITAL AND RESERVES – continued**

During 2018, 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 was 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.

During the current year, 6,806,612 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	6,806,612
Grant date share price	A\$0.057
Exercise price	A\$0.057
Expected volatility	84.4%
Option life	5 years
Dividend yield	0.00%
Interest rate	0.40%
Expiry date	July 15, 2025

The fair value of the unlisted advisor options was valued using the methodology above at \$171,429 (\$0.02 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.

**Nature and purpose of reserves**

*Asset revaluation reserve*

The asset revaluation reserve was used to record the revaluation of the investment in Thor Explorations Ltd (sold during the year), to market value as the investment was designated as a financial asset through other comprehensive income.

*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 27).

*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 15 and accumulated in a reserve within equity. The cumulative amount is reclassified to profit of loss when the net investment is disposed of.

**RTG MINING INC.**  
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**19. ISSUED CAPITAL AND RESERVES – continued**

**(c) Accumulated losses**

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
Balance at the beginning of the financial year	(171,949,463)	(158,528,797)
Loss attributable to equity holders of the Company	(5,976,266)	(13,420,666)
Reclassification of gain on disposal	(i) 304,625	-
Balance at the end of the financial year	<b><u>(177,621,104)</u></b>	<b><u>(171,949,463)</u></b>

(i) Gain on disposal on financial assets at fair value through other comprehensive income. Refer to note 12 for further information.

**(d) Dividends**

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

Refer to note 26 for information on capital risk management.

**RTG MINING INC.**  
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**20. NON-CONTROLLING INTEREST**

The effect on the equity attributable to the Company during the year is as follows:

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
Opening non-controlling interests	(846,289)	(534,419)
Loss attributable to non-controlling interests	(306,280)	(606,314)
Acquisition of non-controlling interest	-	294,444
	<b>(1,152,569)</b>	<b>(846,289)</b>

On October 23, 2019 the Group acquired PB Partners (Malaysia) Pte Ltd ("PB"), a non-listed company with a 90% direct interest in Chanach LLC ("Chanach"). The deemed consideration consisted of: (i) cash consideration of US\$2.15m; and (ii) US\$0.5m in new RTG shares issued at a price equal to the 5-day VWAP of the RTG shares on the ASX for the 5 trading days leading up to completion of the transaction (10,312,577). The new RTG shares were issued at a deemed price of A\$0.071 per share.

On July 18, 2018 the Group acquired A2V Mining Inc. ("A2V"), a non-listed company with a direct interest in Central Exploration Pty Ltd ("Central"). Additionally, through the conversion of US\$2.5M in further loan funding into shares in Central, the Group's total interest in Central increased to 69%.

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Consolidated Entity. The amounts disclosed for each subsidiary are before inter-company eliminations.

<b>Statement of financial position</b>	<b>Chanach LLC</b>		<b>Central Exploration Pty Ltd</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Current assets	99,693	128,967	15,441	20,829
Current liabilities	(50,807)	(79,953)	(3,997,730)	(3,205,534)
Current net assets	48,886	49,014	(3,982,289)	(3,184,705)
Non-current assets	2,046,366	2,984,830	82,111	76,025
Non-current liabilities	(1,030,312)	(414,744)	-	-
Non-current net assets	1,016,054	2,570,086	82,111	76,025
Net assets	1,064,940	2,619,100	(3,900,178)	(3,108,680)
Accumulated NCI	106,494	261,910	(1,259,063)	(1,108,199)
<b>Statement of financial performance</b>	<b>Chanach LLC</b>		<b>Central Exploration Pty Ltd</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Revenue	-	-	1	2,551
Loss for the period	(1,554,162)	(325,339)	(482,095)	(1,825,358)
Total comprehensive income	(1,554,162)	(325,339)	(482,096)	(1,825,398)
Loss allocated to NCI	(155,416)	(32,534)	(150,864)	(573,780)

**RTG MINING INC.**  
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**20. NON-CONTROLLING INTEREST – continued**

Statement of cash flows	Chanach LLC		Central Exploration Pty Ltd	
	2020	2019	2020	2019
	US\$	US\$	US\$	US\$
Cash flow from operating activities	(374,512)	(289,479)	(790,651)	(1,822,847)
Cash flow from investing activities	-	-	-	-
Cash flow from financing activities	268,092	206,659	482,094	1,830,293
Net increase/(decrease) in cash and cash equivalents	(106,420)	(82,820)	(308,556)	7,446

**21. AUDITOR'S REMUNERATION**

	December 31 2020 US\$	December 31 2019 US\$
<i>The Auditor of the Company is BDO Audit (WA) Pty Ltd.</i>		
<i>Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:</i>		
An audit or review of the financial report of the entity and any other entity in the consolidated group.	38,212	45,946
Other services in relation to the entity and any other entity in the consolidated group		
Tax compliance	301	18,939
Other assurance services	-	5,177
	<b>38,513</b>	<b>70,062</b>

**22. LOSS PER SHARE**

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	December 31 2020 US\$	December 31 2019 US\$
Loss attributable to ordinary equity holders of the parent		
- Continuing operations	(5,976,266)	(13,420,666)
<b>Loss attributable to ordinary equity holders of the parent</b>	<b>(5,976,266)</b>	<b>(13,420,666)</b>
(b) Weighted average number of shares	Number of shares	Number of shares
Weighted average number of shares used in calculating basic loss per share	579,239,135	480,949,329
Effect of dilutive options	-	-
<b>Weighted average number of shares used in calculating diluted loss per share</b>	<b>579,239,135</b>	<b>480,949,329</b>



**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**23. 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 (%)	Equity Interest (%)
		December 31 2020	December 31 2019
<b>Controlled Entities</b>			
Sierra Mining Pty Ltd	Australia	100	100
SRM Gold Limited	British Virgin Islands	100	100
Sierra Philippines Pty Ltd	Australia	100	100
Ratel Group Limited	British Virgin Islands	100	100
CGX Limited	British Virgin Islands	100	100
Ilesha Mining Holdings Limited	British Virgin Islands	100	100
Ilesha Mining Cooperatief U.A.	The Netherlands	-	100
Ilesha Mining Limited B.V.	The Netherlands	-	100
Zambian Mining Limited	British Virgin Islands	100	100
A2V Mining Inc.	British Virgin Islands	100	100
Central Exploration Pty Ltd	Australia	69	69
Origold Mining Limited	British Virgin Islands	100	100
Origold PNG Limited	Papua New Guinea	100	100
Areca Mining Limited	British Virgin Islands	100	100
PB Partners (Malaysia) Pte Ltd	Malaysia	100	100
Chanach LLC	Kyrgyz Republic	90	90

**(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**

Transactions with related parties consist of companies with Directors and Officers in common and companies owned in whole or in part by Executives and Directors as follows for the twelve months ended December 31, 2020 and 2019:

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

**RTG MINING INC.**  
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**23. RELATED PARTY DISCLOSURE – continued**

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

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
Director fees	45,988	52,998
	<b>45,988</b>	<b>52,998</b>

During the year ended December 31, 2020 the Group entered into transactions with related parties:

- Loans of \$2,707,064 were advanced to subsidiaries from short term inter-company accounts, and
- Loans of \$1,917,182 were advanced on to the 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.

**(c) Key Management Personnel compensation**

Short term employee benefits	819,944	814,799
Post-employment benefits - super	69,136	68,868
Long term benefits - AL	60,526	14,825
Long term benefits – share based payments	704,118	-
	<b>1,653,724</b>	<b>898,892</b>

Detailed remuneration disclosures are provided in the remuneration report on pages 10 to 16.

**24. PARENT ENTITY INFORMATION**

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
Information relating to RTG:		
Current assets	5,832,146	3,905,167
Total assets	6,095,693	5,352,367
Current liabilities	(1,353,615)	(1,514,320)
Total liabilities	(2,853,615)	(4,132,216)
Issued capital	174,278,834	168,412,908
Share option reserve	10,004,992	8,696,142
Asset revaluation reserve	-	446,619
Accumulated losses	(181,041,748)	(176,335,518)
<b>Total shareholders' equity</b>	<b>3,242,078</b>	<b>1,220,151</b>
Loss of the parent entity	(2,287,137)	(11,258,383)
<b>Total comprehensive loss of the parent entity</b>	<b>(2,287,137)</b>	<b>(11,258,383)</b>

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**25. COMMITMENTS AND CONTINGENCIES**

**(a) Commitments**

As at December 31, 2020, the Group recognised the following commitments:

*Chanach Licence Costs*

As at December 31, 2020, there was US\$6,778 remaining licence fees to be paid to maintain the licence that expires in October 2021.

**(b) Contingencies**

As at December 31, 2020, the Group recognised the following contingent liabilities:

**Associate**

*Investment in Philippines Associates*

On August 21, 2020, the Tribunal handed down a favourable Final Award to Mt. Labo in the international arbitration against Galeo in the Singapore International Arbitration Centre ("SIAC"). Mt. Labo prevailed on all matters considered important including a determination that the Joint Venture Agreement ("JVA") with Galeo was validly terminated, the compromise agreement was validly rescinded, Galeo is not entitled to any shares in Mt. Labo, Galeo was not a co-permittee of the Mt. Labo Exploration Permit and Galeo is not the operator of the project. The Tribunal ordered Galeo to pay damages of approximately US\$18.6m (plus interest at 6% from various dates) and legal costs, including the Tribunal's fees of approximately S\$7.45m. Interest payable is currently in excess of US\$4m on top of the damages and costs awards, which have given rise to a contingent asset. Galeo continues to pursue legal avenues in the Philippines and Singapore to set aside the SIAC Final Award or avoid enforceability in the Philippines, however, Mt. Labo's counsel advise that in their opinion there is not a valid legal basis for the applications.

The Associates had no other contingent assets or capital commitments as at December 31, 2020 (nil: December 31, 2019).

**Subsidiary**

*Central Exploration Pty Ltd*

In 2018, the Group acquired A2V Mining Inc. ("A2V"), a non-listed company with a direct interest in Central Exploration Pty Ltd ("Central"). Through the conversion of loan funding into shares in Central, the Group's total interest in Central increased to 69%. The acquisition gave rise to a contingent liability of \$1,333,257 relating to Duncan Mining Pty Ltd's (a related entity of Central) acquisition of URM (South Pacific) Pty Ltd. Repayment of the liability is dependent on the development of Central's Bougainville interests. Given the current status of the project, repayment of the liability is not considered probable. At balance date, the value of the liability increased to \$2,005,892 (December 31, 2019: \$1,661,545), however repayment is still not considered probable. This is not a liability of the Company but Central and is not guaranteed by RTG.

## **26. FINANCIAL RISK MANAGEMENT**

The Group's principal financial instruments comprise cash and cash equivalents, receivables, borrowings and payables. 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.

Financial 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 1 to the 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 financial asset is the carrying amounts of those assets as indicated in the consolidated 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. The credit quality of financial assets that are neither past due nor impaired are assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

The Group monitors cash and cash equivalents credit risk through holding its cash through banks and financial institutions with a minimum 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. The Group does not have any receivables past due or impaired.

### **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.

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**26. FINANCIAL RISK MANAGEMENT – continued**

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

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
<b>Due within one month or on demand</b>		
Trade and other payables	329,524	663,863
Borrowings	1,500,000	2,650,000
	<b>1,829,524</b>	<b>3,313,863</b>

The Group's liquidity needs can likely be met through existing cash on hand, subject to the current forecast operating parameters being met.

**Market rate risk**

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates to the interest accruing on the \$1,500,000 loan (6% p.a. fixed interest rate).

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. 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.

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

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
<b>Interest-bearing financial assets</b>		
Cash at bank	5,764,938	3,927,667
Financial asset at amortised cost	-	-
	<b>5,764,938</b>	<b>3,927,667</b>

The Group's cash at bank and financial assets at amortised cost had a weighted average floating interest rate at December 31, 2020 of 0.002% (December 31, 2019: 0.04%)

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**26. FINANCIAL RISK MANAGEMENT – continued**

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
<b>Interest-bearing financial liabilities</b>		
Borrowings	1,500,000	2,500,000
	<b>1,500,000</b>	<b>2,500,000</b>

The Group's borrowings had a set interest rate at December 31, 2019 and 2020 of 6%.

*Interest rate risk sensitivity*

If interest rates were to move up by 1% with all other variables held constant, the pre-tax impact on the Group's profit as well as total equity would be a movement of \$1,466 (December 31, 2019: \$4,906), a 1% decrease would be a movement of \$161 (December, 31 2019: \$581).

*Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign currency risk throughout the year primarily exists as the functional currency of the Company is US Dollars and net assets of the Controlled Entity are held predominantly in Australian Dollars, with negligible exposure to the Kyrgyzstani Som and Canadian Dollars.

The Group reduces its risk of exposure to the currencies listed above by holding financial instruments, principally cash and cash equivalents, creating a natural hedge.

At the reporting date, the Groups exposure to financial instruments in foreign currencies was:

	<b>December 31 2020 US\$</b>	<b>December 31 2019 US\$</b>
<b>Financial Assets</b>		
Cash and cash equivalents	5,307,012	3,633,358
Trade and other receivables	182,342	134,952
	<b>5,489,354</b>	<b>3,768,310</b>
<b>Financial Liabilities</b>		
Trade and other payables	299,539	462,619
Lease liability	182,747	299,838
	<b>482,286</b>	<b>762,457</b>
<b>Net exposure</b>	<b>5,971,640</b>	<b>3,005,853</b>

*Foreign currency risk sensitivity*

The following table summarises the sensitivity of financial instruments held at balance date to movement in the exchange rate of the USD to the AUD with all other variables held constant. The impact on the Group's profit or loss before tax is due to changes in the fair value of monetary assets and liabilities.

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**26. FINANCIAL RISK MANAGEMENT – continued**

	Change in AUD rate	Impact on profit or loss before tax and equity US\$
2020	+10%	478,712
	-10%	(585,092)
2019	+10%	324,664
	-10%	(396,811)

**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 accounting policies disclosed in note 1. 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:

<b>At December 31, 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Financial assets at fair value through other comprehensive income	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At December 31, 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Financial assets at fair value through other comprehensive income	1,946,619	-	-	1,946,619
<b>Total</b>	<b>1,946,619</b>	-	-	<b>1,946,619</b>

*Fair value of other financial instruments not measured at fair value*

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

**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 \$686,041,948 at December 31, 2020 (December 31, 2019: \$494,581,133).

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.

**RTG MINING INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**27. SHARE BASED PAYMENTS**

**Loan funded share plan**

Shares issued pursuant to the Plan are for services rendered to date by eligible employees and Directors and, going forward, for services rendered by existing and any new eligible employees and Directors. The purpose of the Plan is 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.

**Loan Funded Share Plan Shares issued at December 31, 2020**

December 31, 2020	Opening balance January 1, 2020	Acquired	Movement	Closing balance December 31, 2020
<b>Directors</b>				
Mr Michael Carrick	300,000	5,000,000	-	5,300,000
Ms Justine Magee	300,000	5,000,000	-	5,300,000
Mr Robert Scott	50,000	-	-	50,000
Mr Philip Lockyer	50,000	-	-	50,000
Mr David Cruse	50,000	-	-	50,000
<b>Executives</b>				
Mr Mark Turner	250,000	3,000,000	-	3,250,000
Other employees	250,000	8,000,000	-	8,250,000

The Loan Funded Share Plan shares were valued using the Black and Scholes method with the following assumptions:

Number of Plan shares	21,000,000
Grant date share price	A\$0.17
Exercise price	A\$0.25
Expected volatility	84%
Option life	3.5 years
Dividend yield	0.00%
Interest rate	0.40%

The accounting cost of the Plan shares were valued using the methodology above at \$1,137,422.

**Loan Funded Share Plan Shares issued at 31 December 2019**

December 31, 2019	Opening balance January 1, 2019	Acquired	Movement	Closing balance December 31, 2019
<b>Directors</b>				
Mr Michael Carrick	300,000	-	-	300,000
Ms Justine Magee	300,000	-	-	300,000
Mr Robert Scott	50,000	-	-	50,000
Mr Philip Lockyer	50,000	-	-	50,000
Mr David Cruse	50,000	-	-	50,000
<b>Executives</b>				
Mr Mark Turner	250,000	-	-	250,000
Other employees	250,000	-	-	250,000



**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**28. 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.

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

**December 31, 2020**

Operating segment	Philippines	Australia	Kyrgyz	Other	Consolidated total
	2020	2020	2020	2020	2020
Revenue	US\$	US\$	US\$	US\$	US\$
Revenue from external customers	-	-	-	-	-
Interest income	-	-	-	-	-
Other	-	684,784	-	-	684,784
<b>Total revenue</b>					<b>684,784</b>
<b>Results</b>					
Segment profit / (loss) before tax	(1,500,173)	(3,151,647)	(1,555,469)	(75,257)	(6,282,546)
Revenue	-	684,784	-	-	684,784
Share based payments	-	(1,137,422)	-	-	(1,137,422)
Administrative expenses	-	(1,906,314)	(282,168)	(81,097)	(2,269,579)
Foreign exchange	-	870,904	(762,641)	5,840	114,103
Share of associate loss	-	-	-	-	-
Impairment expense	-	(482,095)	-	-	(482,095)
Fair value loss on financial assets through profit or loss	(1,917,182)	-	-	-	(1,917,182)
Other expenses	-	(1,181,505)	(93,650)	-	(1,275,155)
<b>Segment loss before income tax from continuing operations</b>					<b>(6,282,546)</b>

RTG MINING INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020

28. SEGMENT REPORTING NOTE – continued

December 31, 2020

Operating segment	Philippines	Australia	Kyrgyz	Other	Consolidated total
	2020	2020	2020	2020	2020
	US\$	US\$	US\$	US\$	US\$
<b>Segment assets</b>					
Total assets	-	6,212,320	2,563,635	-	8,775,954
<b>Segment liabilities</b>					
Total liabilities	-	(2,144,793)	(162,323)	-	(2,312,116)

December 31, 2019

Operating segment	Philippines	Australia	Kyrgyz	Other	Consolidated total
	2019	2019	2019	2019	2019
	US\$	US\$	US\$	US\$	US\$
<b>Revenue</b>					
Revenue from external customers	-	-	-	-	-
Interest income	-	49,900	-	-	49,900
Other	-	-	-	-	-
<b>Total revenue</b>					<b>49,900</b>

**Results**

Segment profit / (loss) before tax	(6,645,657)	(6,935,109)	(325,539)	(120,675)	(14,026,980)
Revenue	-	49,900	-	-	49,900
Administrative expenses	-	(2,445,217)	(102,383)	(119,765)	(2,667,365)
Foreign exchange	-	(249,458)	16,374	(910)	(233,994)
Share of associate loss	-	-	-	-	-
Impairment expense	-	(1,695,398)	-	-	(1,695,398)
Fair value loss on financial assets through profit or loss	(6,645,657)	-	-	-	(6,645,657)
Other expenses		(2,594,937)	(239,529)		(2,834,466)
<b>Segment loss before income tax from continuing operations</b>					<b>(14,026,980)</b>

**RTG MINING INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**28. SEGMENT REPORTING NOTE – continued**

**December 31, 2019**

Operating segment	Philippines	Australia	Kyrgyz	Other	Consolidated total
	2019	2019	2019	2019	2019
	US\$	US\$	US\$	US\$	US\$
<b>Segment assets</b>					
Total assets	-	6,538,019	2,929,501	18,037	<b>9,485,557</b>
<b>Segment liabilities</b>					
Total liabilities	-	(3,652,952)	(162,297)	(18,830)	<b>(3,834,079)</b>

**29. EVENTS AFTER REPORTING DATE**

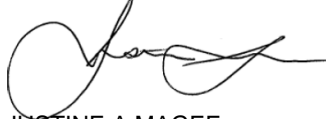
No significant events have occurred subsequent to reporting date that would have a material impact on the consolidated financial statements.

## **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 December 31, 2020 and of its performance for the twelve month period ended December 31, 2020; 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 A MAGEE**  
**President and Chief Executive Officer**

Perth, March 29, 2021

## INDEPENDENT AUDITOR'S REPORT

To the members of RTG Mining Inc.

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of RTG Mining Inc. (the Entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, 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, and notes to the financial report, including a summary of significant accounting policies and the declaration by those charged with governance.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

## Share-based payments

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the financial year ended 31 December 2020, the Group issued equity instruments in the form of options and loan funded shares to third parties, key management personnel and employees, which have been accounted for as share-based payments as disclosed in Note 1, Note 19 and Note 27.</p> <p>The Group performed valuations of loan funded shares and options issued and recorded the related share-based payment expense or capital raising costs in accordance with the relevant accounting standard.</p> <p>Due to judgemental estimates used in determining the fair value of the share-based payments, we consider the accounting for share-based payments to be a key audit matter.</p>	<p>Our audit procedures in respect of this area included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements;</li> <li>• Reviewing board minutes to assess if new share-based payments granted during the year have been accounted for;</li> <li>• Holding discussions with management to understand the share-based payment transactions in place;</li> <li>• Reviewing management’s determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs, involving our valuation specialists where considered necessary;</li> <li>• Assessing the allocation of the share based payments expense; and</li> <li>• Assessing the adequacy of the disclosure in Note 1, Note 19 and Note 27 in the financial report.</li> </ul>

## Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor’s report is information included in the annual report for the year ended 31 December 2020, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **Responsibilities of management and those charged with governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of our auditor's report.

**BDO Audit (WA) Pty Ltd**

A handwritten signature in black ink, appearing to read 'Dean Just', written over the BDO logo.

**Dean Just**

**Director**

Perth, 29 March 2021

## 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 March 19, 2021.

### DISTRIBUTION OF ALL SECURITY HOLDERS

Analysis of numbers of Shareholders by size of holding:

	<b>Category</b>	<b>Number of shareholders</b>	
1	-	99	3
100	-	999	-
1,000	-	4,999	2
5,000	-	9,999	-
10,000	and over		9
			<b>14</b>

There are 5 shareholders holding less than a marketable parcel of shares.

### SUBSTANTIAL SHAREHOLDERS

There are six substantial shareholders as defined under the Corporations Act 2001.

<b>Name</b>	<b>Number of equity securities</b>	<b>Power %</b>
Equinox Partners	116,430,032	17.12%
Hains Family	107,730,455	15.84%
Franklin Resources Inc.	70,567,516	10.37%
Carpe Diem Asset Management Pty Ltd	50,630,000	7.44%
Sun Valley Gold	45,787,546	6.73%

### 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	639,450,654	94.00
2.	CDS & CO	38,282,835	5.63
3.	JAYVEE & CO TR FRANKLIN GOLD AND PRECIOUS METALS FUND	1,397,790	0.21
4.	JAYVEE & CO TR FRANKLIN GOLD AND PRECIOUS METALS FUND	1,000,000	0.15
5.	JUSTINE ALEXANDRIA MAGEE	45,404	0.01
6.	FERBER HOLDINGS PTY LTD THE SCOTT SUPER FUND A/C C/ GOODING PARTNERS	30,770	0.00
7.	GUNDYCO TR SALIM SHARIFF	30,000	0.00
8.	EXCHANGES CONTROL FOR CLASS M01	21,246	0.00
9.	CASTLE SPRINGS PTY LTD	13,889	0.00
10.	EMILY KATE PINNIGER + PHILIP JAMES RICHARDSON JT TEN	3,000	0.00
11.	HANNAH CLAIRE HUDSON	1,389	0.00
12.	RTG MINING INC <EMPLOYEE SHARE PLAN A/C>	15	0.00
13.	JULIENNE PAULA DADLEY BULL	10	0.00
14.	EXCHANGES CONTROL FOR CLASS C01	8	0.00
	<b>Total Top Holders Balance</b>	<b>680,277,010</b>	<b>100</b>
	<b>Total Number of Shares on Issue</b>	<b>680,277,010</b>	<b>100</b>

## TOP 20 QUOTED CHESS DEPOSITARY NOMINEE (CDI) HOLDERS

Rank	Name	Units	% of Units
1.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	166,659,663	26.06
2.	CITICORP NOMINEES PTY LIMITED	142,010,001	22.21
3.	CARPE DIEM ASSET MANAGEMENT PTY LTD <LOWE FAMILY A/C>	61,850,200	9.67
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	60,580,442	9.47
5.	YUKATA CREEK LIMITED	42,196,546	6.60
6.	RTG MINING INC <EMPLOYEE SHARE 2 A/C>	21,000,000	3.28
7.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	15,712,835	2.46
8.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	9,419,668	1.47
9.	ARREDO PTY LTD	6,252,500	0.98
10.	MR MARK STUART SAVAGE	6,072,874	0.95
11.	WHITE CLIFF MINERALS LIMITED	4,503,404	0.70
12.	J E INTERNATIONAL PTY LTD	4,000,000	0.63
13.	NATIONAL NOMINEES LIMITED <DB A/C>	3,000,105	0.47
14.	ANABELLE BITS SUPERANNUATION FUND PTY LTD <ANABELLE BITS S/FUND A/C>	3,000,000	0.47
15.	JAMPLAT PTY LTD	2,900,000	0.45
16.	CARPE DIEM ASSET MANAGEMENT PTY LTD <LOWE FAMILY A/C>	2,514,684	0.39
17.	DUREG PTY LTD <CARRICK SUPER FUND A/C>	2,496,290	0.39
18.	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	2,312,690	0.36
19.	DYNAMIC FUND PTY LTD <DYNAMIC SUPERFUND A/C>	2,260,685	0.35
20.	MR JOHANNES RAADSMA	2,066,006	0.32
	<b>Total 20 Top Holders Balance</b>	<b>560,808,593</b>	<b>8.70</b>
	<b>Total Remaining Holders Balance</b>	<b>78,642,061</b>	<b>3.95</b>
	<b>Total Chess Depositary Nominee (CDI) Holders</b>	<b>639,450,654</b>	<b>96.05</b>

## DISTRIBUTION OF All CDI HOLDERS

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

Category		Number of shareholders	
1	-	1,000	53
1,001	-	5,000	159
5,001	-	10,000	115
10,001	-	100,000	328
100,001	and over		173
		<b>828</b>	

There are 109 CDI 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
Licence 6771 AP	Kyrgyzstan	<i>Chanach Project</i>	90%	90%
Consolidated MPSA-MLC-MRD-459-V (Renewal)-Amended I includes: <i>Parcel 2 – formerly EP-014-2013-V</i> <i>Parcel 3 – formerly EXPA-000188-V</i> <i>Parcels 4/5 – formerly EXPA-000209-V</i>	Philippines	<i>Mabilo Project and Nalesbitan Project</i>	40%	40%
APSA-002-V	Philippines	<i>Nalesbitan Project</i>	40%	40%
EXPA-000231-V	Philippines	<i>Mabilo Project</i>	40%	40%
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-003-XIII	Philippines		40%	40%
EXPA-037A-XIII	Philippines		40%	40%
EP 033-14-XIII	Philippines	RTG’s interest is held through its interest in its associate entity Bunawan Mining Corporation. (EP 033-14-XIII is subject to 2 <sup>nd</sup> renewal and EP-001-06-XI is an approved 1st renewal EP)	40%	40%
EP-001-06-XI	Philippines		40%	40%
EP-01-10-XI	Philippines	RTG’s interest is held through its interest in its associate entity Oz Metals Exploration & Development Corporation. (Both EP-02-10-XI and EP-01-10-XI are subject to 2 <sup>nd</sup> renewal)	40%	40%
EP-02-10-XI	Philippines		40%	40%
EXPA-123-XI	Philippines		40%	40%

## MINERAL RESOURCES AND RESERVES STATEMENT

### Summary of Resources

The Company's Resources as at December 31, 2020, 2019, 2018, 2017, 2016 and 2015, reported in accordance with the 2012 Edition of the JORC Code, are as follows:

Classification	Weathering	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Contained Au ('000s Oz)	Contained Cu ('000s t)	Contained Fe ('000s t)
Indicated	Oxide + Supergene	0.78	4.1	2.7	9.7	41.2	67.1	32.1	320.8
Indicated	Fresh	8.08	1.7	2.0	9.8	46.0	510.5	137.7	3,713.7
<b>Indicated</b>	<b>Total All Materials</b>	<b>8.86</b>	<b>1.9</b>	<b>2.0</b>	<b>9.8</b>	<b>45.6</b>	<b>577.6</b>	<b>169.8</b>	<b>4,034.5</b>
Inferred	Oxide + Supergene	0.05	7.8	2.3	9.6	26.0	3.5	3.7	12.3
Inferred	Fresh	3.86	1.4	1.5	9.1	29.1	181.5	53.3	1,121.8
<b>Inferred</b>	<b>Total All Materials</b>	<b>3.91</b>	<b>1.5</b>	<b>1.5</b>	<b>9.1</b>	<b>29.0</b>	<b>184.9</b>	<b>57.0</b>	<b>1,134.1</b>

*Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralised geological units. The Mineral Resource 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

In 2015, the Company reported its updated Resource estimate for the Mabilo Project located in the Philippines (refer ASX announcement dated 5 November 2015). Since this time, there has been no change to the Resource reported for the Mabilo Project.

### Summary of Reserves

The Company's Reserves as at December 31, 2020, reported in accordance with the 2012 Edition of the JORC Code, are as follows:

Ore							Waste	Strip Ratio
Class	Type	Mt	Fe %	Au g/t	Cu %	Ag g/t	Mt	
Probable	Gold Cap	0.351	40.1	3.11	0.38	3.26	77.713	10.0
	Supergene	0.104	36.5	2.20	20.7	11.9		
	Oxide Skarn	0.182	43.6	2.52	4.17	19.9		
	Fresh	7.155	45.9	1.97	1.70	8.73		
<b>Total Probable Ore</b>		<b>7.792</b>	<b>45.5</b>	<b>2.04</b>	<b>1.95</b>	<b>8.79</b>		

The November 2015 Resource estimation provided by CSA Global Pty Ltd classified the Resource for the Mabilo Project as Indication and Inferred. Only Indicated Mineral Resources as defined in NI 43-101 were used to establish the Probable Mineral Reserves. No Reserves were categorised as proven.

Mineral Resources are quoted within specific pit designs based on indicated resources only and take into consideration the mining, processing, metallurgical, economic and infrastructure modifying factors.

## **Governance of Resources and Reserves**

The Company engages external consultants and competent persons (as determined pursuant to the JORC Code) to prepare and calculate estimates of its Resources and Reserves. Management and the Board review these estimates and underlying assumptions for reasonableness and accuracy. The results of the Resource and Reserve 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 size, title, exploration results or other technical information, then previous Resource and Reserve estimates and market disclosures are reviewed for completeness.

The Company reviews its Resources and Reserves as at 31 December each year. Where a material change has occurred in the assumptions or data used in previously reported Resource and Reserves, then where possible a revised Resource or Reserve 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 or Reserve estimate will be prepared and reported as soon as practicable.

## **Competent Person Statement**

The information in this release that relates to Exploration Results and Mineral Resource Estimates of the Chanach Project is based upon information compiled, reviewed and approved by Elizabeth Haren who is a Qualified Person under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) and a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ who is a Member and Chartered Professional of the Australian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Elizabeth Haren is employed by Haren Consulting Pty Ltd and is a consultant to RTG. Elizabeth Haren 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 and a Qualified Person for the purposes of NI 43-101. Elizabeth Haren consents to the inclusion in the release of the matters based on her information in the form and the context in which it appears.

The information in this release that relates to Exploration Targets of the Chanach Project is based upon information compiled, reviewed and approved by Greg Hall who is a Qualified Person under NI 43-101 and a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ who is a Member and Chartered Professional of the Australian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Greg Hall is employed by Golden Phoenix International Pty Ltd and is a consultant to RTG. Greg Hall 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 and a Qualified Person for the purposes of NI 43-101. Greg Hall consents to the inclusion in the release of the matters based on his information in the form and the context in which it appears.

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. 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 release, including sampling, analytical and test data underlying the information contained in the release. Mr. Ayres consents to the inclusion in the release of the matters based on his information in the form and the context in which it appears.

The information in this release 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 release, including sampling, analytical and test data underlying the information contained in the release. Mr Green consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release that relates to Mineral Reserves and Mining is based on information prepared by or under the supervision of Mr Carel Moormann, who is a Qualified Person and Competent Person. Mr Moormann is

a Fellow of the AusIMM and is employed by Orelogy Consulting, an independent consulting company. Mr Moormann has sufficient experience that is relevant to the 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 Moormann has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in the release. Mr Moormann consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release that relates to Metallurgy and Processing is based on information prepared by or under the supervision of David Gordon, who is a Qualified Person and Competent Person. David Gordon is a Member of the Australasian Institute of Mining and Metallurgy and is employed by Lycopodium Minerals Pty Ltd, an independent consulting company. David Gordon has sufficient experience that is relevant to the type of process 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”). David Gordon has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in the release. David Gordon consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release that relates to areas outside of exploration results, Mineral Resources, Mineral Reserves and Metallurgy and Processing is based on information prepared by or under the supervision of Mark Turner, who is a Qualified Person and Competent Person. Mark Turner is a Fellow of the Australasian Institute of Mining and Metallurgy and is employed by RTG Mining Inc, the Company. Mark Turner has sufficient experience that is relevant to the information 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”). Mark Turner has verified the data disclosed in this release. Mark Turner consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release based on historic and public information on the Panguna Project has been compiled and reviewed by Mark Turner, who is a Qualified Person and Competent Person. Mark Turner is a Fellow of the Australasian Institute of Mining and Metallurgy and is employed by RTG Mining Inc, the Company. Mark Turner has sufficient experience that is relevant to the information 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”). Mark Turner consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

For the ASX Feasibility Study announcement including JORC tables Section 1 to 4 please refer to the RTG Mining website ([www.rtgmining.com](http://www.rtgmining.com)) and on the ASX, under announcements ([www.asx.com.au](http://www.asx.com.au)).