



2017 ANNUAL REPORT

TSX:RTG // ASX:RTG // **RTGMINING.COM**

CONTENTS

Corporate Directory
& Board of Directors



- I Management Discussion & Analysis
- II Financial Statements
- III Annual Information Form



DIRECTORS

DIRECTORS

Michael J Carrick

Justine A Magee

Robert N Scott

Phillip C Lockyer

David A T Cruse

Chairman

President and Chief Executive Officer

Non-Executive Lead Director

Non-Executive Director

Non-Executive Director

COMPANY SECRETARY

Ryan R Eadie



CORPORATE DIRECTORY

OFFICE

REGISTERED

Sea Meadow House
Blackburne Highway
PO Box 116 Road Town
Tortola VG1110
British Virgin Islands

PRINCIPAL OFFICE

Level 2
338 Barker Road
Subiaco, WA, 6008
Australia

Telephone +61 8 6489 2900

Facsimile +61 8 6489 2920

BANKERS

Westpac Banking Corporation
130 Rokeby Road
Subiaco, Western Australia, 6008
Australia

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, Western Australia, 6008
Australia

SHARE REGISTER

AUSTRALIAN REGISTER

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth, WA, 6000
Australia

Telephone +61 8 9323 2000

Facsimile +61 8 9323 2033

CANADIAN REGISTER

Computershare Investor Services Pty
8th Floor
100 University Ave
Toronto, Ontario, M5J2Y1
Canada

Telephone +1 416 263 9200

Facsimile +1 888 453 0330

STOCK EXCHANGE

AUSTRALIA

Australian Securities Exchange Limited
Exchange Code:
RTG - CHESS Depository Interests (CDIs)

CANADA

Australian Securities Exchange
Exchange Code:
RTG - Fully paid shares

LAWYERS

Corrs Chamber Westgarth
Level 6
123 St Georges Terrace
Perth, WA, 6000
Australia

Blakes Cassels & Graydon
595 Burrard Street
Suite 2600, 3 Bentall Centre
Vancouver, BC, V7X 1L3
Canada

K&L Gates
Level 32
44 St Georges Terrace
Perth, WA, 6000
Australia

WEBSITE

RTGmining.com



MANAGEMENT DISCUSSION & ANALYSIS





Management Discussion and Analysis

For the twelve months ended December 31, 2017

**RTG MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**

This Management Discussion and Analysis ("MD&A") of RTG Mining Inc. ("RTG", "Company" or the "Group") provides a review of the operations and performance of the Company and compares its performance with those of the preceding year and quarters. This MD&A also provides an indication of future developments along with issues and risks that can be expected to impact future operations. This report has been prepared on the basis of available information up to December 31, 2017 and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2017, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards and the Annual Information Form ("AIF") dated March 29, 2018 for December 31, 2017.

All figures are in US dollars unless otherwise indicated, and the effective date of this MD&A is March 29, 2018.

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

DESCRIPTION AND OVERVIEW OF BUSINESS

RTG was incorporated on December 27, 2012 in the British Virgin Islands. The Company's registered office is AMS Trustees Ltd of Sea Meadow House, Blackburne Highway, (PO Box 116) Road Town, Tortola VG1110, British Virgin Islands. On June 4, 2014, RTG completed the implementation of the schemes of arrangement (the "Schemes") pursuant to the terms of the previously announced scheme implementation deed dated February 24, 2014 between RTG and Sierra Mining Limited ("Sierra") to acquire all of the outstanding securities of Sierra.

Pursuant to the Schemes, RTG has acquired a 40% interest in each of Mt. Labo Exploration and Development Corporation ("Mt. Labo"), St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation ("Bunawan Mining Corp") and Oz Metals Exploration and Development Corporation, collectively known as the "Philippines Associates".

Overview of the three months ended December 31, 2017

Highlights for the three months ended December 31, 2017

RTG's Bougainville Interests

- RTG is the nominated development partner with the joint venture company established by the Special Mining Lease Osikaiyang Landowners Association ("SMLOLA") and Central Exploration Pty Ltd ("Central") in their proposal with respect to the redevelopment of the 1.5B tonne Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, Papua New Guinea ("PNG"). The proposal is an initiative of the old Panguna mine's customary landowners (who are represented by the SMLOLA) and is conditional upon the support of the Autonomous Bougainville Government ("ABG") and others.
- On December 5, 2017, Mr Philip Miriori was confirmed as the Chairman of the SMLOLA, resulting in a motion to withdraw all court actions relating to the SMLOLA leadership. Mr Miriori entered into and signed a formal written reconciliation agreement with Mr Lawrence Daveona following a customary reconciliation process.
- During the quarter, the Company increased its interest in Central to 24% through further direct investment and conversion of loans. Additionally, Michael Carrick was appointed as Chairman of Central and Justine Magee was appointed as a director of Central. One of RTG's major shareholders (interests represented by Mr Richard Hains, who also independently provided early stage funding to Central), has a 32% interest in Central.
- Following the Warden's Hearing of the Bougainville Copper Limited ("BCL") purported application for extension of term of BCL's exploration licence EL1 covering the old Panguna

Mine, ABG President Momis on December 21, 2017 announced that because BCL had not secured the necessary Landowner support, the ABG was implementing a moratorium and would now seek to consult with the local Landowners at Panguna to explore the options and work towards unity behind a redevelopment proposal if desired.

- The ABG recently announced that it has refused BCL's purported application for extension of the term of EL1 and BCL has now sued its major shareholder, the ABG and others seeking amongst other things, a judicial review of the decision to deny BCL's purported renewal application for EL1.
- BCL is also seeking access to information through the Courts from RTG to assist in their consideration of their response to the recent denial of their exploration license renewal application in Bougainville by the ABG and the position of landowners. We are not aware of any legal basis for the request but will ensure it is properly addressed by counsel.
- President Momis and a number of his Ministers met recently with the SMLOLA Chairman, Mr Miriori and a number of its members to discuss the way forward, with both parties agreeing to work co-operatively to find a solution to the redevelopment of Panguna.

RTG's Philippines Interests

- Mt. Labo is continuing with the arbitration proceedings against Galeo Equipment Corporation ("Galeo") in the Singapore International Arbitration Centre seeking a number of reliefs, including a declaration that the Joint Venture Agreement ("JVA") was validly terminated and the compromise agreement was validly rescinded.
- Improvements in commodity prices from the original feasibility study have led to more than a 100% increase in the NPV of the Mabilo Project, now in excess of US\$300m, based on a copper price of US\$7,000/tonne and a gold price of US\$1,275/oz.
- Mt. Labo continues to work with the Department of Environment and Natural Resources ("DENR") and Mines and Geosciences Bureau to progress and perfect the permitting process for the Mabilo Project.

Other Interests

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

Overview of Operations

RTG's Bougainville Interests

RTG is the nominated development partner with the joint venture company established by the SMLOLA in their proposal with respect to the redevelopment of the 1.5B tonne¹ Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, Papua New Guinea. The proposal, being led by the SMLOLA, is a landowner initiative and will be subject to the success or otherwise of the SMLOLA in securing a role in the redevelopment of the mine and the minerals which are owned by the landowners represented by the SMLOLA. The SMLOLA proposal is dependent upon them gaining the support of the ABG and others.

¹ Refer to BCL's JORC 2012 Statement released to ASX on 7 February 2013, available at <http://www.asx.com.au/asxpdf/20130207/pdf/42cx2byq5n5lkg.pdf>. This historical estimate only refers to Indicated Resources. If the SMLOLA proposal is successful, a compliant NI 43-101 report needs to be completed by the Company to upgrade and or verify the historical estimate as a current Mineral Resource.

RTG MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

The members of the SMLOLA are the owners of the customary land which is the subject of the old BCL operated Panguna open pit mine. BCL has been unable to secure their consent to the extension of the term of EL1, a 2 year exploration licence granted in substitution for BCL's former special mining lease.

The ABG announced in December 2017, that the Bougainville Executive Council confirmed that BCL did not receive the necessary consent of the members of the SMLOLA, which the ABG President said is a basic requirement under the Bougainville Mining Act. Additionally, the ABG has sought to impose a moratorium over the grant of new licenses over Panguna, whilst it consults with the Panguna Landowners on an appropriate arrangement or the best alternative model for the development of the Panguna Mine. President Momis, in an interview with the ABC reported on January 8, 2018 (<http://www.abc.net.au/news/programs/pacific-beat/2018-01-08/mining-at-panguna-put-on-hold-indefinitely/9311220>), said that the majority of people were opposed to BCL because of what they had done in the past, BCL's failure to assist with restoration of Bougainville since the crisis, and that BCL has not seemed to have changed its attitude towards the mine and Landowner issues. The ABG is a 36% shareholder in BCL. BCL has issued legal proceedings against the ABG in respect of their decision to refuse BCL's application to extend the term of its exploration license. BCL is also seeking access to information from RTG through the Courts to assist in their consideration of their response to the recent denial of their exploration license renewal application in Bougainville by the ABG and the position of landowners. We are not aware of any legal basis for the request but will ensure it is properly addressed by counsel.

In December 2017, Mr Philip Miriori was confirmed as the chairman of the SMLOLA, resulting in the motion to withdraw all court actions relating to the SMLOLA leadership. Mr Miriori entered into and signed a formal written reconciliation agreement with Mr Lawrence Daveona following a customary reconciliation process. In January, Mr Miriori met with President Momis a number of times to commence discussions on the possible redevelopment of Panguna and the process of unifying the members of the SMLOLA in which good progress has been made.

RTG's Philippines Interests

At the Mabilo Project, the Company's activities on site have been further reduced with the ongoing focus on continuing to progress the permitting and local issues given the uncertainty that was created for mining during the term of the previous Secretary of the DENR and the dispute with the joint venture partner of Mt. Labo.

General Cimatu was confirmed in the Philippines as the new Secretary of the DENR, replacing the previous Secretary Ms Gina Lopez. The mining industry has overwhelmingly supported the appointment of Secretary Cimatu, who has been quoted as supporting "responsible mining" in the Philippines. We believe the appointment of the new Secretary of the DENR has been positive for the industry and will continue to be constructive as he works through his stated initiatives. The recent changes to the tax legislation may also now allow further progress in terms of EO 79 and its possible withdrawal, which has also been well received by the industry.

On October 25, 2017, Secretary Cimatu announced, as co-chair of the Mining Industry Coordinating Council, that a majority of MICC members voted to recommend a change in the policy of the DENR with regard to the ban on open-pit mining.

Mt. Labo has commenced arbitration proceedings against Galeo in the Singapore International Arbitration Centre in accordance with the provisions of the JVA and the compromise agreement. In those arbitration proceedings, Mt. Labo seeks a number of reliefs, including a declaration that the JVA was validly terminated in January 2017 and the compromise agreement was validly rescinded. Under the JVA, on termination the innocent party is then given the right to buy out the guilty party at a 10% discount to book value, which for the joint venture is nominal given it was still in the exploration phase of the project. Galeo had commenced a number of actions against Mt. Labo and others in the Philippine Courts which has now been referred for arbitration in Singapore, consolidating all current actions in the Singapore Arbitration process.

As we have stated previously, Mt. Labo had hoped to avoid commencing proceedings, but the actions of Galeo to date have left the company with no other option to protect its interests.

MABILO PROJECT (“Mabilo” or the “Project”)

Project Background

The Mabilo Project is located in Camarines Norte Province, Eastern Luzon, Philippines. It is comprised of one granted Exploration Permit (EP-014-2013-V) of approximately 498 ha; and two exploration permit applications (EXPA-000209-V) covering 498 ha and (EXPA-000188-V) covering 1,991 ha. The Project area is relatively flat and is easily accessed by 15 km of all-weather road from the highway at the nearby town of Labo.

Massive magnetite mineralization containing significant copper and gold grades occurs as replacement bodies together with mineralized garnet skarn and calc-silicate altered rocks within a sequence of hornfels sediments of the Eocene aged Tumbaga Formation. The garnet and magnetite skarn rocks were extensively altered by argillic retrograde alteration and weathering prior to being covered by 25-60 metres of post mineralization Quaternary volcanoclastics (tuff and lahar deposits) of the Mt. Labo Volcanic Complex. The deposits are localized along the margins of a diorite stock which does not outcrop within the Exploration Permit.

The primary copper mineralization (predominantly chalcopyrite with lesser bornite) occurs as disseminated blebs and aggregates interstitial to magnetite grains and in voids within the magnetite. A strong correlation between gold and copper values in the un-weathered magnetite skarn indicates the gold is hosted by the chalcopyrite. A late stage phase of sulphide mineralization (predominantly pyrite) veins locally brecciates the magnetite mineralization.

In places the more shallow upper parts of the magnetite skarn bodies were weathered to form hematite skarn. Copper in the weathered zone was remobilized forming high-grade supergene copper zones (chalcocite and native copper) at the base of the weathering profile. The gold is more variable, remobilized throughout the hematite skarn and is domained within garnet skarn and calc-silicate altered country rocks in places. The average iron grade of the hematite skarn is consistent with the magnetite skarn.

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

Page 6 of 25

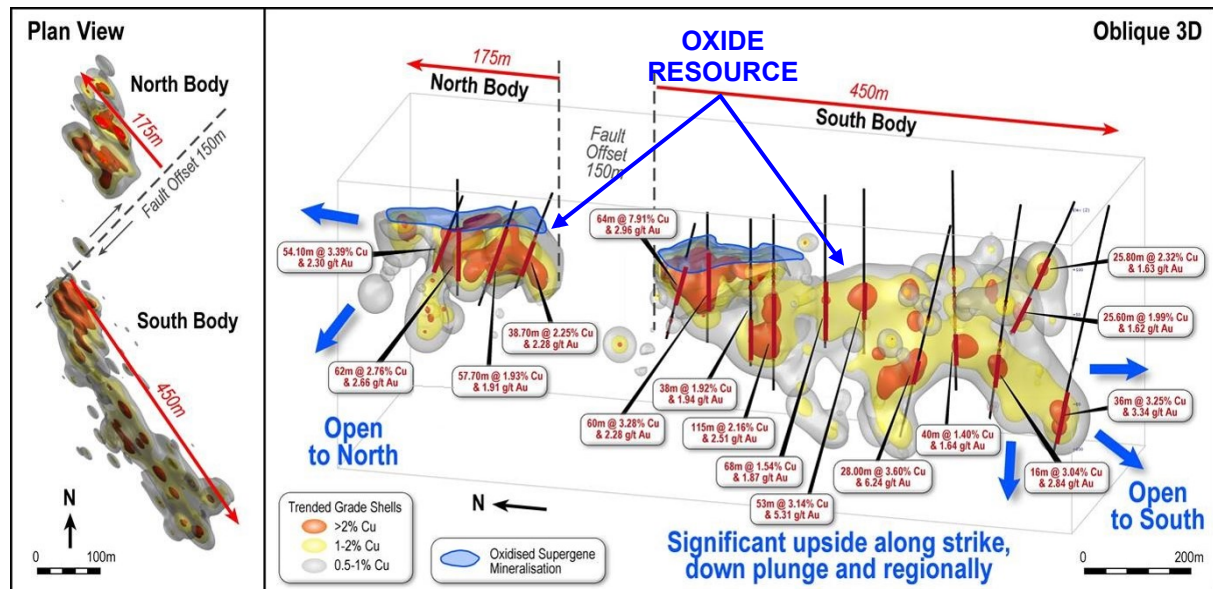


Figure 2 - North and Southern Mineralised Zones with intercept highlights - Schematic Oblique view 3D.

Mabilo Mineral Resource

The current November 2015 Mineral Resource was prepared by independent resource consultancy CSA Global Pty Ltd ("CSA") and was reported in accordance with the JORC Code (2012) and National Instrument 43-101 – Standards of Disclosure for Mineral Projects. There has been no additional drilling on the deposit since the release of the last Resource.

Table 1 – Mineral Resource Estimate as at November 2015 for the Mabilo Project

Weathering State	Classification	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Cu Metal (Kt)	Au Oz ('000s)	Fe Metal (Kt)
Oxide + Supergene	Indicated	0.78	4.1	2.7	9.7	41.2	32.1	67.1	320.8
	Inferred	0.05	7.8	2.3	9.6	26	3.7	3.5	12.3
Fresh	Indicated	8.08	1.7	2	9.8	46	137.7	510.5	3,713.70
	Inferred	3.86	1.4	1.5	9.1	29.1	53.3	181.5	1,121.80
Combined	Indicated (Total)	8.86	1.9	2	9.8	45.6	169.8	577.6	4,034.50
Combined	Inferred (Total)	3.91	1.5	1.5	9.1	29	57	184.9	1,134.10

Note: Differences may occur due to rounding. All elements reported as total estimated in-situ for blocks above 0.3 g/t Au lower cut-off, no recovery factors have been considered. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Feasibility Study ("FS")²

The Company announced on March 18, 2016 the results from an independent NI 43-101 compliant FS for 100% of the high grade Mabilo Project in Southeast Luzon, Philippines³. The Mabilo Project is both high grade and low cost, underpinning the robust economics presented in the FS including a 33% IRR after tax at US\$5,000/t Cu US\$1,200/oz Au prices (43.6% with only a 10% lift in commodity prices) and an equivalent operating cost of US\$0.80/lb copper equivalent or US\$425/oz gold equivalent for concentrate production at a throughput rate of 1.35mtpa⁴. Since the preparation of the Feasibility Study, commodity prices for both copper and gold have improved materially. On a copper price of US\$7,000/t and a gold price of US\$1275/oz, the net present value of the project has increased to US\$307m. This means the NPV of the project has more than doubled since completing the Feasibility Study.

Mabilo Mineral Reserves

The March 2016 Probable Reserve estimate represents an **equivalent gold grade for the Reserves of 5.26 g/t⁵** (before recoveries) **containing 1.32 Moz of equivalent gold** or an **equivalent copper grade of 4.1%⁵** (before recoveries) **containing 316Kt of equivalent copper**.

Table 2 - Probable Mineral Reserve Estimate

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		
Total Probable Ore		7.792	45.5	2.04	1.95	8.79		

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

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

² The Company confirms that all the material assumptions underpinning the Feasibility Study as announced to the ASX on the 18th of March continue to apply and have not materially changed. A copy of the announcement can be found on the Company's website at www.rtgmining.com.

³ The FS is based on a treatment rate of 1Mtpa. A treatment rate of 1.35Mtpa was also considered in an upside case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa. The capital cost estimates were derived from first principles for the 1 Mtpa process plant to an accuracy of +/- 15% and then the capital cost estimates were factored with an accuracy of +/- 25% for the 1.35 Mtpa process plant. The operating cost estimates were derived from first principles for the 1Mtpa process plant and then plant costs were factored with an accuracy of +/- 25% for the 1.35Mtpa operating scenario. All costs are in 2015 US dollars.

⁴ The Copper equivalent tonnes and gold equivalent ounces are based on the following formulas –

$$\text{CuEq} = (\text{Cu produced/contained} \times \$5000) + (\text{Au produced/contained} \times \$1200 + (\text{Any Contained Fe metal produced} \times \$50)) / \$5000$$

$$\text{AuEq} = (\text{Cu produced/contained} \times \$5000) + (\text{Au produced/contained} \times \$1200 + (\text{Any Contained Fe metal produced} \times \$50)) / \$1200$$

⁵ The gold equivalent grade is based on the following formula –

$$\text{AuEq} = (((\text{AuOz} \times \$1,200) + (\text{CuMetal} \times \$5,000) + (\text{FeMetal} \times \$50) + (\text{AgOz} \times \$14)) / \$1,200) / \text{Total ore tonnes}$$
The copper equivalent grade is based on the following formula –

$$\text{CuEq} = (((\text{AuOz} \times \$1,200) + (\text{CuMetal} \times \$5,000) + (\text{FeMetal} \times \$50) + (\text{AgOz} \times \$14)) / \$5,000) / \text{Total ore tonnes}$$

BUNAWAN PROJECT

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

The Bunawan Project (Figure 3) is centred on a diatreme intrusive complex (Mahunoc diatreme) approximately five km NE of Medusa Mining's Co-O mine in eastern Mindanao. Historical production at the Co-O Mine has demonstrated a significant high grade gold system and there is active artisanal mining throughout the region which further reinforces the gold potential of the area. A number of the artisanal mining operations occur within and adjacent to the Mahunoc diatreme and the area is highly prospective for the discovery of economic epithermal Au-Ag mineralisation of intermediate sulphidation / carbonate-base metal type.

The ground magnetics and mapping suggest that the southern margin of the diatreme is a relatively flat-lying apron shallowly overlying andesite wall rock and that Au mineralisation in the diatreme within the "mineralised corridor" is derived from veins in the structural zone in the underlying andesite.

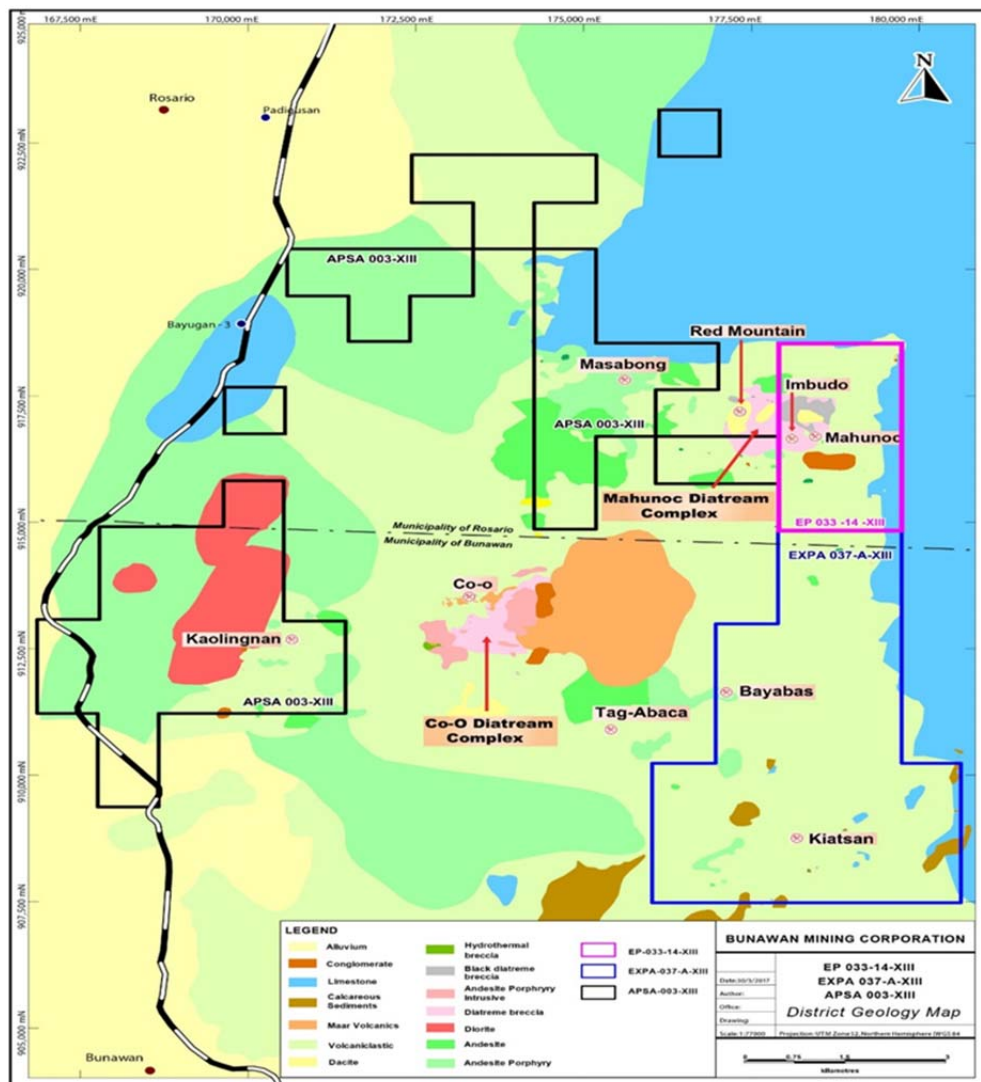


Figure 3 – Bunawan Location Plan with Regional Geology

RTG MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

Two drilling campaigns to date have intercepted broad widths of mineralisation including:

Table 3 – Bunawan Project Significant Down-hole Intersections

Hole	From	To	Metres	Au g/t
BDH-01	163	186	23	1.23
BDH-06	111	147	36	1.49
BDH-08	229	239	10	5.09
BDH-10	163	167	3.6	4.58
BDH-15	39	48	9	2.02
<i>Previously reported and released on ASX on February 5, 2015 and April 18, 2017</i>				

This drilling has also confirmed the presence of breccia/epithermal vein systems within and below the diatreme and veining within an Andesite unit that is similar geologically to the nearby Co-O vein system. The discovery of a favourable mineralised dacite host also adds to the increased mineral potential of the property. Hydrothermal alteration assemblage in the dacite suggests that it may be a component of a high-sulphidation system in the general area. With the various geological conditions identified, the region has the potential to see another major gold discovery.

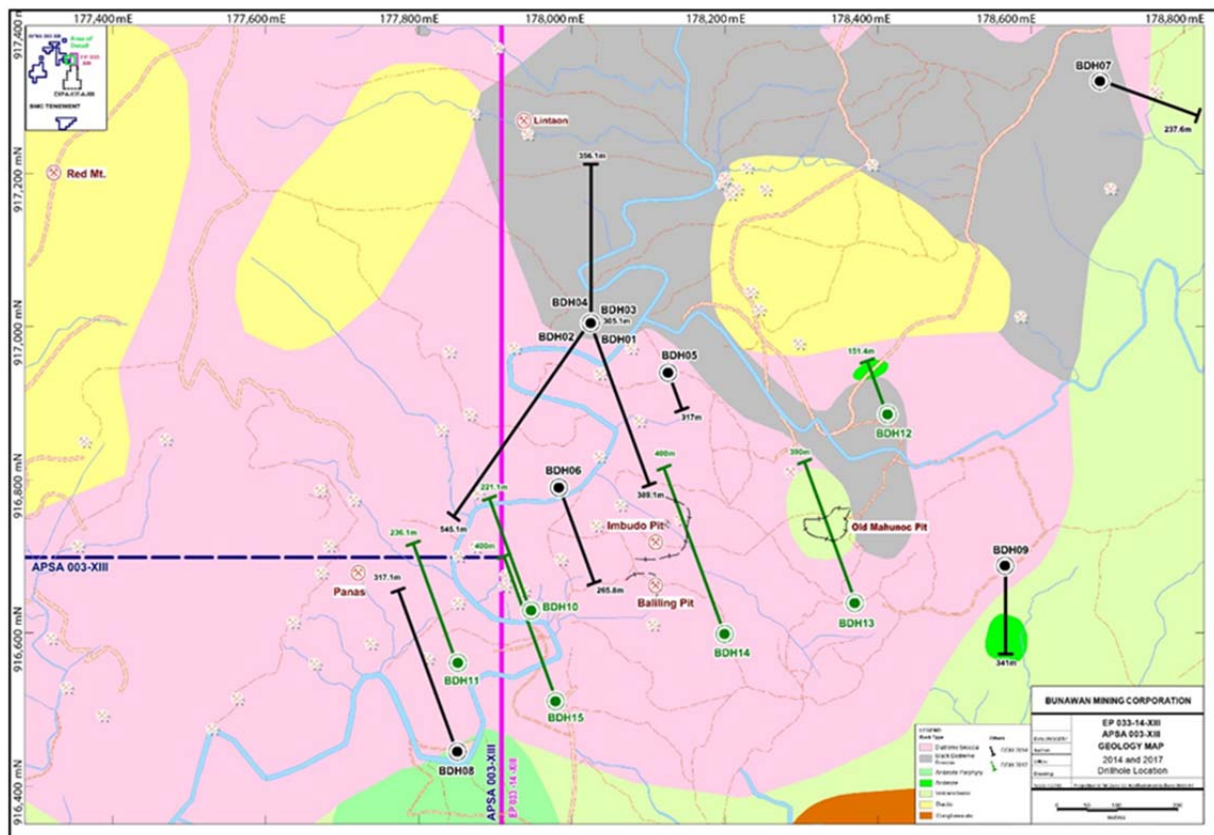


Figure 4 - Bunawan Geological Map showing locations of completed drill holes and artisanal gold workings. Holes of latest program marked in green

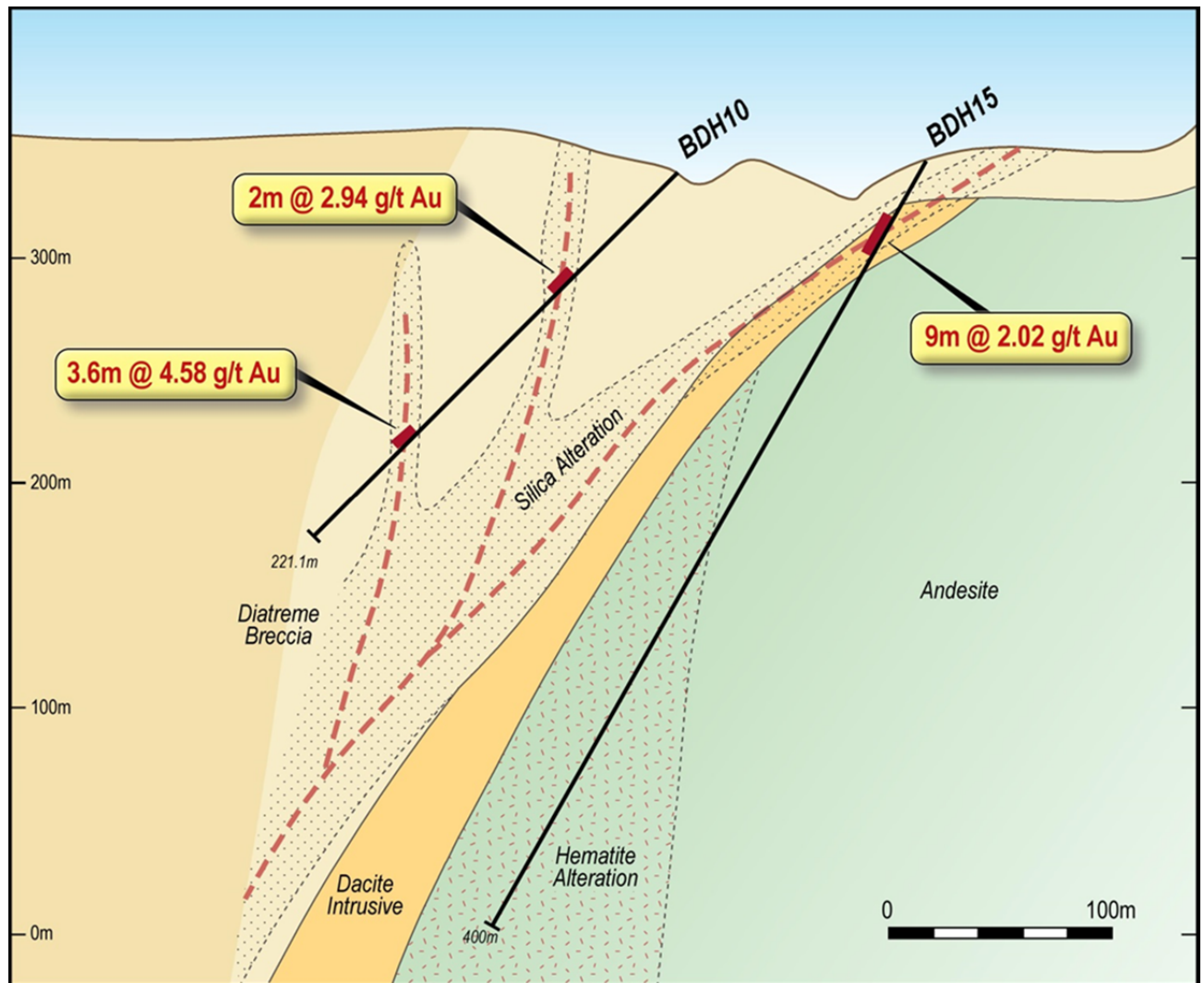


Figure 5 – BDH15 & BDH10 interpretive geological cross-section showing mineralisation on the edge of the diatreme and the mineralised Dacite.

NALESBITAN PROJECT

The Nalesbitan Project comprises Mining Lease Contract MRD-459 of 500 Ha which was renewed as an MPSA in June 2016. The Nalesbitan Project covers a large zone of alteration in which widespread zones of epithermal gold, silver and copper mineralisation have been outlined.

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

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

JOINT VENTURE

During the prior year, Mt. Labo rescinded the previous settlement agreement with its joint venture partner, Galeo due to non-performance and had served notice of termination of the Joint Venture Agreement and referred the matter to arbitration. During the March quarter of 2017, following a 60 day notice period pursuant to the JVA, the joint venture was automatically terminated on January 31, 2017, due to Galeo not remedying the notified breaches of the JVA.

Mt. Labo has now also commenced arbitration proceedings against Galeo in the Singapore International Arbitration Centre in accordance with the provisions of the JVA and the compromise agreement. In those arbitration proceedings, Mt. Labo seeks a number of reliefs, including a declaration that the JVA was validly terminated and the compromise agreement was validly rescinded. Under the JVA, on termination the innocent party is then given the right to buy out the guilty party at a 10% discount to book value, which for the joint venture is nominal given it was still in the exploration phase of the project. Galeo had commenced a number of actions against Mt. Labo and others in the Philippine Courts which has now been referred for arbitration in Singapore, consolidating all current actions in the Singapore Arbitration process.

OTHER PHILIPPINES PROJECTS

Bahayan Project

The Bahayan Project in the Philippines comprises exploration permit application 123 ("EXPA-123-XI") covering 69.2km² of ground near the Diwalwal mining camp. High-grade gold veins were discovered at Diwalwal in the early 1980's, although there has been little modern exploration at Diwalwal and surrounding areas. Based on the MGB XI MTSR as of December 2016, EXPA-123-XI has been endorsed to the MGB Central Office and is awaiting the clearance of the MGB Director.

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

Historic work at the Bahayan Project has included the completion of 60.2 line kms of ground magnetic survey, further geological mapping, rock chip sampling and petrographic work. The Bahayan Project continues to show potential and the ground magnetic work has highlighted a number of areas that warrant further interpretation and follow up resistivity work. No work was conducted on this project during the year.

Mawab Project

The Mawab Project in the Philippines comprises two contiguous applications which have a combined area of 65.66 km². They are located in the Masara Mineral Field, one of most highly mineralised sections of the Pacific Cordillera where there are a number of past mines and deposits currently at an advanced stage of development. No work was conducted on this project during the year.

Taguibo Project

The Taguibo Project in the Philippines comprises one granted exploration permit and two applications for Exploration Permits covering a combined area of 128.7 km². Exploration permit (000001-06-XI) was granted on the October 18, 2016. No work was conducted on this project during the year.

OTHER INVESTMENTS

RTG announced on August 29, 2013 that it had sold its interest in the Mkushi Copper Project to Elephant Copper Ltd ("Elephant Copper"). To date the Company has fully provided for the consideration to be received under the agreement.

On August 22, 2016 the Company announced the completion of the sale of its Segilola Gold Project in Nigeria to Thor Explorations Ltd ("Thor"), a TSX-V listed company, for total consideration of \$8.5M, including \$3.0M consideration upfront, \$1.5M in cash and \$1.5M in Thor listed shares. The listed shares are still held and as at the December 31, 2017 had a fair market value on RTG's balance sheet of \$1.7M. An additional \$2.0M cash payment and a capped royalty on the Segilola Gold Project of \$3.5M was included as part of the consideration for the sale; however, has not yet been received as it is not due yet.

RESULTS OF OPERATIONS

The Company recorded a net loss for the three and twelve month period ended December 31, 2017 of \$2.466M and \$11.362M respectively as compared to losses of \$81.495M and \$84.823M for the three and twelve month period ended December 31, 2016. The decreased loss result compared to the prior year was due to an impairment expense recognised over the Company's investment in its Philippines Associates decreasing from \$80.747M to \$4.388M and the addition of an impairment of the investment in Central of \$1.472M in the current year.

Adjusting for impairment, the loss for the three month period ended December 31, 2017 was \$0.489M higher than the previous period, which was primarily due to an increase in business development expenses.

Adjusting for impairment, the loss for the twelve month period ended December 31, 2017 was \$1.425M higher than the previous twelve month period ended December 31, 2016. This was primarily due to an increase in share of Associate losses and increased business development expenses offset by reduced exploration and evaluation expenditure and administration expenses.

RTG MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

Consolidated year to date results

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

Profit and loss results for the year	December 31, 2017 (12 months)	December 31, 2016 (12 months)	December 31, 2015 (12 months)
Other income	103	265	4
Business development expenses	(1,782)	(1,175)	(1,135)
Administrative expenses	(2,528)	(2,870)	(2,445)
Impairment expense	(5,860)	(80,747)	(3,172)
Exploration and evaluation expenditure	-	(532)	(381)
Share of Associates loss	(1,494)	(386)	(2,097)
Foreign exchange gain / (loss)	200	(78)	(11)
Loss from continuing operations	(11,361)	(85,523)	(9,237)
Gain from discontinued operations	-	700	-
Net loss for the year	(11,361)	(84,823)	(9,237)
Loss per share from continuing operations			
Basic loss per share (US\$ cents)	(6.78)	(56.93)	(7.09)
Diluted loss per share (US\$ cents)	(6.78)	(56.93)	(7.09)
Loss per share attributable to ordinary shareholders			
Basic loss per share (US\$ cents)	(6.78)	(56.71)	(7.09)
Diluted loss per share (US\$ cents)	(6.78)	(56.71)	(7.09)
Total assets	17,848	26,995	93,458
Total liabilities	2,363	460	395
Working capital	4,094	11,851	4,587
Net assets	15,485	26,535	93,063

RTG MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

Consolidated quarterly results

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

Profit and loss results for the quarter	Three month period ended								
	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015
Other income	1	67	9	25	18	210	2	35	2
Business development expenses	(735)	(237)	(312)	(498)	(388)	(299)	(317)	(171)	(241)
Administrative expenses	(524)	(656)	(590)	(759)	(491)	(871)	(962)	(546)	(762)
Impairment expense	(905)	(1,859)	(3,096)	-	(80,747)	-	-	-	-
Exploration and evaluation expenditure	-	-	-	-	(126)	(84)	(204)	(117)	(137)
Share of Associates loss	(298)	(278)	(344)	(574)	446	(298)	(205)	(329)	(415)
Foreign exchange gain / (loss)	(4)	31	(9)	182	(207)	156	2	(28)	25
Loss from continuing operations	(2,466)	(2,932)	(4,342)	(1,623)	(81,495)	(1,186)	(1,685)	(1,157)	(1,528)
Gain from discontinued operations	-	-	-	-	-	700	-	-	-
Net loss for the period	(2,466)	(2,932)	(4,342)	(1,623)	(81,495)	(486)	(1,685)	(1,157)	(1,528)
Loss per share from continuing operations									
Basic loss per share (US\$ cents)	(1.47)	(1.75)	(2.59)	(0.97)	(54.70)	(0.31)	(1.25)	(0.86)	(1.17)
Diluted loss per share (US\$ cents)	(1.47)	(1.75)	(2.59)	(0.97)	(54.70)	(0.31)	(1.25)	(0.86)	(1.17)
Loss per share attributable to ordinary shareholders									
Basic loss per share (US\$ cents)	(1.47)	(1.75)	(2.59)	(0.97)	(54.70)	(0.09)	(1.25)	(0.86)	(1.17)
Diluted loss per share (US\$ cents)	(1.47)	(1.75)	(2.59)	(0.97)	(54.70)	(0.09)	(1.25)	(0.86)	(1.17)

Specific items discussed below:

Other income

The Company earned other income for the three and twelve month periods ended December 31, 2017 of \$0.001M and \$0.103M respectively compared to the three and twelve month periods ended December 31, 2016 of \$0.018M and \$0.265M respectively. For the three month period ended December 31 2017, other income included interest receipts from cash held in short-term deposits of \$0.001M compared to the three month period ended December 31, 2016 comprising of \$0.018M of interest receipts. For the twelve month period ended December 31, 2017, other income included \$0.038M interest receipts and a \$0.065M Research and Development tax credits compared to the twelve month period ending December 31, 2016, where other income included \$0.024M interest receipts and \$0.241M Research and Development tax credits.

Business development expenses

The Company incurred business development expenses for the three and twelve month periods ended December 31, 2017 of \$0.735M and \$1.782M respectively compared to the three and twelve month periods ended December 31, 2016 of \$0.388M and \$1.175M respectively. The costs were higher in the current year for the three and twelve month periods. The higher costs incurred relate to new business development opportunities diversifying its Philippine interests, including the abovementioned opportunity in Bougainville.

RTG MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

Administrative expenses

Administrative costs of \$0.524M and \$2.528M were incurred by the Company for the three and twelve month periods ended December 31, 2017 respectively. These costs were higher in the three month period and lower in the twelve month period than those incurred in the same periods in 2016, being \$0.491M and \$2.870M. Costs for the three month period ended December 31, 2017 were comparable to the prior three month period ended December 31, 2016. Higher costs incurred in the prior twelve months ended December 31, 2016 relate to the finalisation of the sale of the Segilola Project, the resolution of joint venture issues and costs associated with the capital raising.

Share of Associates loss

The Company incurred a share of losses of its Associates of \$0.298M and \$1.494M for the three and twelve month periods ended December 31, 2017 respectively, compared to the three and twelve month periods ended December 31, 2016 with profit of \$0.446M and losses of \$0.386 respectively. The share of Associates losses are generated from the investment in Philippine entities acquired in the merger with Sierra. Higher costs incurred during twelve month period ended December 31, 2017 primarily relate to project and legal related costs in the Philippines.

Foreign exchange gain / (loss)

The Company holds its cash in different currencies including Australian dollars, Canadian dollars and United States dollars which exposes the Company to foreign exchange gains and losses. For the three and twelve month periods ended December 31, 2017 the Company incurred a foreign exchange loss of \$0.004M and gain of \$0.200M respectively, compared to foreign exchange losses of \$0.207M and \$0.078M in the three and twelve month periods ended December 31, 2016 respectively. The Company's foreign exchange movements are driven by fluctuations in AUD and CAD exchange rates with the US dollar in relation to its cash reserves.

Commitments, events, risks or uncertainties

As detailed above, the joint venture between Mt. Labo and Galeo was terminated on January 31, 2017 and is subject to actions in both the Philippine Courts and Singapore Arbitration plan. The previous Secretary of the Department of Environment and Natural Resources ("DENR") announced a moratorium on new mining developments in the country and a ban on open pit mining, resulting in increased uncertainty with regard to the Mabilo Project. The Company believes the appointment of the new Secretary of the DENR will be constructive and positive for the industry. The Company intends to continue to work with Mt. Labo to help progress the Mabilo Project.

The Company's risks are further detailed in the AIF dated March 29, 2018 in the "Risk Factors" section; this Risk Factors section is incorporated into the MD&A by reference.

LIQUIDITY AND CAPITAL RESOURCES

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

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

RTG MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

Cash and financial conditions

As at December 31, 2017, the Company had cash and cash equivalents of \$4.124M compared to \$11.207M at December 31, 2016.

The Company had working capital of \$4.094M at December 31, 2017 compared to working capital of \$11.851M at December 31, 2016. The decrease in working capital during the twelve month period can be attributed to new business development opportunities, costs associated with the Company's Philippines assets and general office expenses.

The Company received \$1.590M during the year relating to an interest-bearing unsecured facility addressed below. The Company also received A\$0.081M during the twelve months ended December 31, 2017 as part of its Research and Development tax claim from the Australian Government. The claims received to date total A\$0.400M.

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

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

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

Investing activities

The Company recognised net investing cash outflows of \$0.904M and \$5.111M for the three and twelve months ended December 31, 2017 respectively, compared to cash outflows of \$1.228M and \$2.723M for the comparative periods in 2016.

For the three and twelve month periods ended December 31, 2017, outflows primarily relate to loans extended to the Company's Philippines Associates for a share of project and legal related costs in the Philippines as well as advances made to Central. During the three and twelve months ended December 30, 2016, outflows also primarily related to loans extended to the Company's Associates, offset by \$1.450M of cash inflows received from the sale of the Segilola Gold Project.

Financing activities

For both the three and twelve month periods ended December 31, 2017, the Company recognised net financing cash inflows of \$1.590M, relating to an interest-bearing unsecured facility. During the twelve months ended December 31, 2016, the Company recognised net financing cash inflows of \$13.669M. During the September 30, 2016 quarter, the Company successfully completed a private placement of 33 million shares at a price of A\$0.60 per share to institutional and sophisticated investors.

SECURITIES OUTSTANDING

The total outstanding capital of the Company as at the date of this report was 192,723,413 fully paid common shares and there is a further issue of 286,217,476 shares and 12,715,201 options as announced in the recent placement, subject to shareholder approval at an upcoming general meeting of shareholders. If approved, that will increase the issued capital to 478,940,889 fully paid common shares and 12,715,201 options exercisable at A\$0.14 per share, expiring on May 2, 2023.

FUTURE OUTLOOK

At the Mabilo Project, work going forward will be focused on finalising all necessary permits and reducing operating costs while the disputes between Mt. Labo and Galeo are outstanding and the position on new developments in the Philippines is clarified. Environmental and Community Development continues at Mabilo in line with agreed programs with the local community and in line with lease requirements.

The focus will be on seeking a resolution of Mt. Labo's issues with Galeo, including the litigation and arbitration matters, and in parallel identifying and delivering on new business opportunities to diversify the Company's exposure to the Philippines, including the opportunity in Bougainville.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows for the three and twelve months ended December 31, 2017:

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

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

	Three months ended December 31, 2017		Twelve months ended December 31, 2017	
	2017	2016	2017	2016
	\$US	\$US	\$US	\$US
Director fees	10,685	11,822	44,449	49,207
Total	10,685	11,822	44,449	49,207

During the twelve months ended December 31, 2017, the Company entered into transactions with related parties in the wholly-owned group:

- Loans of \$89,213 were advanced to the Company from short term inter-company accounts, and
- Loans of \$4,387,785 were advanced on to the Philippines 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.

CONTRACTUAL OBLIGATIONS

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

(1) Corporate office lease payments due

Contingent Liabilities

Mt. Labo has estimated contingent liabilities relating to the legal proceedings for both the civil case in the Philippines and arbitration through the Singapore International Arbitration Centre. In the event that Mt. Labo is found to be liable to Galeo's claims, Mt. Labo's costs are estimated as PHP1,500,000 for the civil case against Galeo and \$3,500,000 under arbitration. The Directors consider that it is not probable that these cash outflows will occur and have therefore not recorded a liability.

At the date of this report the Company had no other contingent liabilities.

CRITICAL ACCOUNTING ESTIMATES

The significant accounting policies used by RTG are disclosed in note 1 to the Annual Financial Report for the year ended December 31, 2017. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimate amounts that differ materially from current estimates.

ACCOUNTING POLICIES

The Group's consolidated financial report as at December 31, 2017 complies with IFRS as issued by the International Accounting Standards Board. The accounting policies of the Group are set out in note 1 to the December 31, 2017 Annual Financial Report, available on www.sedar.com.

There were no changes in the Group's accounting policies during the financial year.

Income taxes

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

Financial instruments and related risks

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: Financial assets at fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale; or other liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

RTG MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

Financial Instrument	Category	December 31, 2017
Cash	Level 1 (FVTPL)	\$4,123,973
Other receivables and prepayments	Level 1 (loans and receivables)	\$2,333,386
Financial assets	Level 1 (available-for-sale)	\$1,749,484*
Trade and other payables	Level 1 (other liabilities)	\$565,816
Borrowings	Level 1 (loans and receivables)	\$1,590,387

* During the year, the Group recognised a gain on fair value measurement of \$240,730

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- 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

The recorded amounts for cash, other receivables and prepayments, and trade and other payables approximate their fair value due to their short-term nature.

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

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

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 audited financial statements for the year ended December 31, 2017.

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the audited financial statements for the year ended December 31, 2017.

Credit risk

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

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

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.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk

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

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

(b) Foreign currency risk

The Company has identified its functional currency as the US dollar. Transactions are transacted in US dollars, Canadian dollars and Australian dollars. The Company maintains Australian dollar bank accounts in Australia to support the cash needs locally, and US dollar and Canadian dollar bank accounts for its international purposes.

The Company does not intend to engage in transactions to hedge its foreign exchange risks. There can be no assurance that RTG will not be materially affected thereby.

(c) Commodity price risk

It is anticipated that any revenues derived from mining will primarily be derived from the sale of precious and base metals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements which the Company enters into.

Metal prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for minerals and metals, forward selling by producers, and production cost levels in major mineral-producing regions.

RTG MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

Moreover, metal prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the metal as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

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 \$142,500,658 at December 31, 2017. (December 31, 2016: \$149,584,107.)

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

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

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

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

For further information on these and other risks inherent in the Company's business, we direct readers to the Company's Annual Information Form for December 31, 2017 financial year, and the May 2, 2016 43-101 Technical Report lodged on SEDAR at www.sedar.com.

SUBSEQUENT EVENTS

On February 27, 2018, the Company announced that it had received commitments of approximately \$34 million in a private placement to Australian and international institutional and sophisticated investors ("Private Placement"). The Private Placement will result in the issue of approximately 311 million Chess Depository Instruments ("Securities") to be listed on the ASX at an issue price of A\$0.14 per security. The Securities will be issued in two tranches (if approved by shareholders), with 25,137,836 Securities issued on March 9, 2018, raising approximately \$2.8 million and 286,217,476 Securities to be issued on or around May 3, 2018, raising approximately \$31.2 million, subject to shareholder approval at a meeting of shareholders scheduled for April 24, 2018. Subject to shareholder approval at the meeting on April 24, 2018, 12,715,201 unlisted advisor options will be issued to the US Placement Agent.

INTERNAL CONTROLS AND DISCLOSURE CONTROLS

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

During the year ended December 31, 2017, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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

The Company's CEO and interim CFO have each evaluated the effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures as of December 31, 2017 and have concluded that these controls and procedures are effective in reasonably assuring the reliability of financial reporting and that material information relating to the Company is made known to them by others within the Company and that such controls and procedures have no material weaknesses and no limits on the scope of their design.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A includes certain "forward-looking statements" within the meaning of Canadian and applicable securities legislation. Statement regarding interpretation of exploration results, plans for further exploration and accuracy of mineral resource and mineral reserve estimates and related assumptions and inherent operating risks, are forward-looking statements. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from RTG's expectations include uncertainties related to fluctuations in gold and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies in the development of RTG's mineral projects; the need to obtain additional financing to develop RTG's mineral projects; the possibility of delay in development programs or in construction projects and uncertainty of meeting anticipated program milestones for RTG's mineral projects and other risks and uncertainties disclosed under the heading "Risk Factors" in RTG's Annual Information Form for the year ended 31 December 2017 filed with the Canadian securities regulatory authorities on the SEDAR website at sedar.com. The forward-looking statements made in this MD&A relate only to events as of the date on which the statements are made. RTG will not release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this MD&A except as required by law or by any appropriate regulatory authority.

QUALIFIED PERSON AND COMPETENT PERSON STATEMENT

The information in this MD&A that relates to exploration results at the Mabilo and Bunawan Projects are 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 MD&A, including sampling, analytical and test data underlying the information contained in the MD&A. Mr. Ayres consents to the inclusion in the MD&A of the matters based on his information in the form and the context in which it appears.

The information in this MD&A that relates to Mineral Resources is based on information prepared by or under the supervision of Mr Aaron Green, who is a Qualified Person and Competent Person. Mr Green is a Member of the Australian Institute of Geoscientists and is employed by CSA Global Pty Ltd, an independent consulting company. Mr Green has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr. Green has verified the data disclosed in this MD&A, including sampling, analytical and test data underlying the information contained in the MD&A. Mr Green consents to the inclusion in the MD&A of the matters based on his information in the form and context in which it appears.

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

The information in this MD&A 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 MD&A, including sampling, analytical and test data underlying the information contained in the MD&A. David Gordon consents to the inclusion in the MD&A of the matters based on his information in the form and context in which it appears.

The information in this MD&A 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 MD&A. Mark Turner consents to the inclusion in the MD&A of the matters based on his information in the form and context in which it appears.

The information in this MD&A 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 MD&A 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) and on the ASX, under announcements (www.asx.com.au).



FINANCIAL STATEMENTS





Annual Financial Report

For the year ended December 31, 2017

RTG MINING INC.
CONTENTS

CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	19
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	20
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	21
CONSOLIDATED STATEMENT OF CASH FLOWS	22
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	23
DIRECTORS' DECLARATION	56
AUDITOR'S INDEPENDENCE DECLARATION	57
INDEPENDENT AUDITOR'S REPORT	58
AUSTRALIAN SECURITIES EXCHANGE ADDITIONAL INFORMATION	62

RTG MINING INC.

CORPORATE DIRECTORY

Directors	Michael J Carrick Justine A Magee Robert N Scott Phillip C Lockyer David A T Cruse	Chairman President and Chief Executive Officer Non-Executive Lead Director Non-Executive Director Non-Executive Director
Company secretary	Ryan R Eadie	
Office	<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
Bankers	Westpac Banking Corporation 130 Rokeby Road Subiaco, Western Australia, 6008 Australia	
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco, Western Australia, 6008 Australia	
Share registry	<u>Australian Register</u> Computershare Investor Services Pty Limited Level 11 172 St Georges Terrace Perth, Western Australia, 6000 Australia Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033	<u>Canadian Register</u> Computershare Investor Services Inc. 8 th Floor 100 University Avenue Toronto, Ontario, M5J2Y1 Canada Telephone: +1 416 263 9200 Facsimile: +1 888 453 0330
Stock Exchange	<u>Australia</u> Australian Securities Exchange Limited Exchange Code: RTG – Chess Depositary Interests (CDI's)	<u>Canada</u> Toronto Stock Exchange Inc Exchange Code: RTG – Fully paid shares
Lawyers	Corrs Chambers Westgarth Level 6 123 St Georges Terrace Perth, Western Australia, 6000 Australia K&L Gates Level 32 44 St Georges Terrace Perth, Western Australia, 6000 Australia	Blake Cassels & Graydon 595 Burrard Street Suite 2600, 3 Bentall Centre Vancouver, BC, V7X 1L3 Canada
Website	www.rtgmining.com	

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, 2017 (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.

1. DIRECTORS AND COMPANY SECRETARY

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

Name	Position	Appointment date
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 T Cruse	Non-Executive Director	March 28, 2013
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

1. 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 Lead Director on October 30, 2015.

Other current directorships:

Homeloans Limited	appointed November 2000
Sandfire Resources NL	appointed July 2010

Former directorships in the last 3 years:

Lonestar Resources US Inc.	appointed 1996 and resigned March 2017
----------------------------	--

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:

Swick Mining Services Limited	appointed February 2008
Western Desert Resources Limited	appointed June 2010
GR Engineering Services Limited	appointed December 2016

David A T 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.

Other current directorships:

Odyssey Energy Limited	appointed October 2008
------------------------	------------------------

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

Mr. Eadie is a qualified Chartered Accountant and holds a Bachelor of Commerce from the University of Western Australia.

Mr. Eadie is currently the Interim Chief Financial Officer of RTG and was appointed Company Secretary on October 2, 2017.

RTG MINING INC. DIRECTORS' REPORT

Nicholas F Day (B.Comm, ACPA, Fellow FINSIA, MBA)
Company Secretary and Chief Financial Officer

Mr. Day has more than 16 years' experience in finance and the resource industry. He has extensive experience in strategic planning, business development, mergers and acquisitions, bankable feasibility studies, and project development. Previously Mr. Day was Director, CFO and Company Secretary of Coventry Resources Inc. He has also held Company Secretary and financial consultancy positions with Paringa Resources Limited, Black Range Minerals, Birimiam Gold, Ebooks.com, and was CFO and Company Secretary of Antaria and Albidon Ltd (an Alternative Investment Market ("AIM") and Australian Stock Exchange ("ASX") listed mining company).

Mr. Day was appointed by the Board of Directors on January 21, 2015 and resigned on October 2, 2017.

2. 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:

Director	Interest in Securities at the date of this report	
		Shares ¹
Michael J Carrick		527,734
Justine A Magee		790,299
David A Cruse		894,280
Phillip C Lockyer		65,385
Robert N Scott		80,770

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

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

4. 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

RTG MINING INC. DIRECTORS' REPORT

5. 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, 2017 and the number of meetings attended by each Director. There were three committees of Directors in existence during the financial year, these being, the Audit Committee, Remuneration and Nomination Committee and the Disclosure Committee. We refer you to our Corporate Governance Statement for more information.

Committee Meetings	Directors' Meetings	Risk and Audit	Remuneration and Nomination	Disclosure
Number of Meetings Held	5	4	2	4
<u>Number of Meetings Attended</u>				
Michael J Carrick ¹	5	n/a	0	n/a
Justine A Magee	4	n/a	n/a	n/a
Robert N Scott	5	4	2	4
Phillip C Lockyer ²	4	3	2	3
David A Cruse	4	1	1	1

1 Mr. Carrick stepped down from the Remuneration and Nomination Committee on May 12, 2017.

2 Mr. Lockyer was appointed to the Remuneration and Nomination Committee on May 12, 2017. Mr. Lockyer was invited to one Remuneration and Nomination Committee Meeting prior to his appointment.

6. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the year included the Company's focus on a proposal with a landowner lead consortium to secure an exploration licence at the high tonnage copper-gold Panguna Project within the Autonomous Region of Bougainville, Papua New Guinea ("PNG"), mineral exploration and development through its investment in its Philippines Associates and business development opportunities. At the date of this report the Company's main projects are the Mabilo and Bunawan Projects 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.

7. EMPLOYEES

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

2017	2016
6	6

RTG MINING INC. DIRECTORS' REPORT

8. REVIEW OF OPERATIONS AND RESULTS

The Mabilo Project start-up operations have been delayed due to the decisions of the previous Secretary of Mines in the Philippines to put a moratorium on all new mines and a ban on open-pit mining. We understand the Mining Department is making progress on reversing those decisions but as at the date of this report, they were still in place. Mt. Labo Exploration and Development Corporation ("Mt. Labo") rescinded the previous settlement agreement with its joint venture partner, Galeo Equipment Corporation ("Galeo"), due to the non-performance in the prior year and in January 2017, terminated the Joint Venture Agreement ("JVA"), again due to breaches by its then joint venture partner, Galeo. Mt. Labo has referred the matters to arbitration in the Singapore International Arbitration Centre seeking a number of reliefs, including a declaration that the joint venture agreement was validly terminated and the compromise agreement was validly rescinded. Mt. Labo obviously does not believe arbitration necessarily results in sensible business outcomes and will likely cause a delay to operational activities, but believes it is the only avenue available to it, to protect its interests from the ongoing misconduct of Galeo and its founder.

During the year, RTG was nominated as the development partner with the joint venture company of the Special Mining Lease Osikaiyang Landowners Association ("SMLOLA") and Central Exploration Pty Ltd ("Central") in their proposal with respect to the redevelopment of the 1.5B tonne Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, PNG. Ultimately, the success or otherwise of the joint venture between the SMLOLA and Central is subject to securing the necessary support of the Autonomous Bougainville Government ("ABG") amongst others.

Additionally, during the year, a number of new business development opportunities were being advanced, seeking to diversify the Philippine interests, which is a continued focus of the Company.

Net loss after tax for the year ended December 31, 2017 was \$11,361,728. (December 31, 2016 - Net loss after tax of \$84,823,358).

9. DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended December 31, 2017.

10. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

- RTG was nominated as the development partner with the joint venture company of the SMLOLA and Central in their proposal with respect to the redevelopment of the 1.5B tonne Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, PNG.
- Mt. Labo is continuing with the arbitration proceedings against Galeo in the Singapore International Arbitration Centre seeking a number of reliefs, including a declaration that the JVA was validly terminated and the compromise agreement was validly rescinded. An order was received in the Philippine Courts on actions commenced there by Galeo against Mt. Labo and others that the proceedings were to be referred to Singapore for arbitration, so all current matters have been consolidated in Singapore.
- During the year, General Cimatú was confirmed in the Philippines as the new Secretary of the Department of Environment and Natural Resources ("DENR"), replacing the previous Secretary Ms Gina Lopez. The mining industry has overwhelmingly supported the appointment of Secretary Cimatú, who has been quoted as supporting "responsible mining" in the Philippines. Mt. Labo has been working with the DENR and Mines and Geosciences Bureau to progress and perfect the permitting process for the Mabilo Project.

**RTG MINING INC.
DIRECTORS' REPORT**

11. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On February 27, 2018, the Company announced that it had received commitments of approximately \$34 million in a private placement to Australian and international institutional and sophisticated investors ("Private Placement"). The Private Placement will result in the issue of approximately 311 million Chess Depository Instruments ("Securities") to be listed on the ASX at an issue price of A\$0.14 per security. The Securities will be issued in two tranches, with 25,137,836 Securities issued on March 9, 2018, raising approximately \$2.8 million and 286,217,476 Securities to be issued on or around May 3, 2018, raising approximately \$31.2 million, subject to shareholder approval at a meeting of shareholders scheduled for April 24, 2018. Subject to shareholder approval at the meeting on April 24, 2018, 12,715,201 unlisted advisor options will be issued to the US Placement Agent.

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

12. 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.

RTG MINING INC. DIRECTORS' REPORT

13. REMUNERATION REPORT (Audited)

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

Directors

Michael Carrick	Chairman
Justine Magee	President and Chief Executive Officer
Robert Scott	Non-Executive Lead Director
Phillip Lockyer	Non-Executive Director
David Cruse	Non-Executive Director

Executives

Mark Turner	Chief Operating Officer
Nicholas Day	Chief Financial Officer and Company Secretary (resigned October 2, 2017)

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 Senior Executives (the Executive team), including key performance indicator;
- Remuneration levels of Executives; and
- Non-Executive Director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. The Company's website contains further information on the role of this committee.

Remuneration Policy

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

RTG MINING INC. DIRECTORS' REPORT

13. REMUNERATION REPORT (Audited) – continued

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 major reviews of the Board, employees and Directors undertaken in April and November 2017.

Non-Executive Director Remuneration

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

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 include:

- 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 individuals responsibilities and contribution. The process occurs shortly after the key objective has been met and payments are delivered as a cash bonus upon approval, in order to closely align the achievement and reward.

**RTG MINING INC.
DIRECTORS' REPORT**

13. REMUNERATION REPORT (Audited) – continued

STI Bonus for December 31, 2017 Financial Period and for December 31, 2016 Financial Year

For December 31, 2017 and December 31, 2016 financial period's there were no STI payments made to Executives. No STI bonus amounts have been forfeited during the December 31, 2017 and December 31, 2016 financial years. STI payments are made at the discretion of the Board and Remuneration and Nomination Committee.

Variable Remuneration - Long Term Incentive ("LTI")

Objective

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

Structure

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

Service Agreements

In relation to Directors and Executives, in the case of serious misconduct, employment may be terminated without notice, with no entitlement to termination payment other than remuneration pro rata up to and including the date of termination. Executive Directors and Mr. Turner currently have a reciprocal twelve month notice of termination clause. These contracts are for 3 years to February 1, 2019. 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:

**RTG MINING INC.
DIRECTORS' REPORT**

13. REMUNERATION REPORT (Audited) – continued

(a) Details of remuneration

The following tables show details of the remuneration received by the Group's Key Management Personnel for the current and previous financial period.

12 months ended December 31, 2017	Short-term			Post-employment benefits	Share based payments	Long term benefits		
	Cash salary and fees US\$	Cash bonus US\$	Non-monetary benefits US\$	Superannuation benefits US\$	Loan funded share plan US\$	Total US\$	Total performance related %	Annual and long service leave * US\$
Directors								
Mr Michael Carrick	153,174	-	46,736	18,381	-	218,291	-	-
Ms Justine Magee	283,371	-	18,381	26,920	-	328,672	-	29,477
Mr Robert Scott	44,450	-	-	-	-	44,450	-	-
Mr Phil Lockyer	40,578	-	-	3,855	-	44,433	-	-
Mr David Cruse	40,578	-	-	3,855	-	44,433	-	-
Executives								
Mr Mark Turner	283,371	-	57,350	26,920	-	367,641	-	20,912
Mr Nicholas Day ¹	153,908	-	-	12,439	-	166,347	-	(16,678)
Total	999,430	-	122,467	92,370	-	1,214,267	-	33,711

* This is a provision for annual leave and does not reflect actual salary paid.

¹ Mr. Day resigned October 2, 2017

12 months ended December 31, 2016	Short-term			Post-employment benefits	Share based payments	Long term benefits		
	Cash salary and fees US\$	Cash bonus US\$	Non- monetary benefits US\$	Superannuation benefits US\$	Loan funded share plan US\$	Total US\$	Total performance related %	Annual and long service leave * US\$
Directors								
Mr Michael Carrick	148,739	-	41,748	17,849	-	208,336	-	-
Ms Justine Magee	277,286	-	21,389	26,072	-	324,747	-	23,242
Mr Robert Scott	49,207	-	-	-	-	49,207	-	-
Mr Phil Lockyer	44,139	-	-	4,193	-	48,332	-	-
Mr David Cruse	44,285	-	-	4,207	-	48,492	-	-
Executives								
Mr Mark Turner	275,168	-	59,711	26,141	-	361,020	-	9,055
Mr Nicholas Day	174,828	-	-	16,610	-	191,438	-	7,022
Total	1,013,652	-	122,848	95,072	-	1,231,572	-	39,319

* This is a provision for annual leave and does not reflect actual salary paid.

**RTG MINING INC.
DIRECTORS' REPORT**

13. REMUNERATION REPORT (Audited) – continued

Equity instruments held by Directors and 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:

December 31, 2017	Opening balance January 1, 2017	Other changes	Closing balance December 31, 2017	Share issue price (\$C)*	Vested % to the end of December 31, 2017
Directors					
Mr Michael Carrick	300,000	-	300,000	1.65	100%
Ms Justine Magee	300,000	-	300,000	1.65	100%
Mr Robert Scott	50,000	-	50,000	1.65	100%
Mr Philip Lockyer	50,000	-	50,000	1.65	100%
Mr David Cruse	50,000	-	50,000	1.65	100%
Executives					
Mr Mark Turner	250,000	-	250,000	1.65	100%

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

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

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

**RTG MINING INC.
DIRECTORS' REPORT**

13. REMUNERATION REPORT (Audited) – continued

(ii) Options or warrants granted to Directors and Key Management Personnel

There were no options or warrants granted to Executives of the Company during the period ended December 31, 2017 (December 31, 2016: nil).

(iii) Share holdings

December 31, 2017	Balance at start of the year	Acquired	Granted under the Loan Share Plan	Other changes during the period*	Balance at the end of the year
Directors					
Mr Michael Carrick	527,734	-	-	-	527,734
Ms Justine Magee	345,404	444,895	-	-	790,299
Mr Robert Scott	80,770	-	-	-	80,770
Mr Philip Lockyer	65,385	-	-	-	65,385
Mr David Cruse	894,280	-	-	-	894,280
Executives					
Mr Mark Turner	250,000	-	-	-	250,000
Mr Nicholas Day	-	-	-	-	-

Loan funded share plan ("LFSP" or "the Plan")

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

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

**RTG MINING INC.
DIRECTORS' REPORT**

13. REMUNERATION REPORT (Audited) – continued

(iv) Options and warrant holdings

December 31, 2017	Balance at start of the year	Acquired	Other changes during the period	Balance at the end of the year
Directors				
Mr Michael Carrick	-	-	-	-
Ms Justine Magee	-	-	-	-
Mr Robert Scott	-	-	-	-
Mr Philip Lockyer	-	-	-	-
Mr David Cruse	73,082	-	(73,082)	-
Executives				
Mr Mark Turner	-	-	-	-
Mr Nicholas Day	-	-	-	-

Other transactions with Key Management Personnel

Transactions with related parties consist of companies with Directors and Officers in common and companies owned in whole or in part by Executive Officers and Directors as follows for the twelve months ended December 31, 2017 and 2016:

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

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

	31 December 2017	31 December 2016
Director fees	44,449	49,207
Total	44,449	49,207

End of Remuneration Report (Audited)

RTG MINING INC. DIRECTORS' REPORT

14. INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company has paid insurance premiums of \$42,604 (2016: \$35,130) in respect of Directors' and Officers' liability contracts, for current and former Directors and Officers, including senior Executives of the Company and Directors, and Senior Executives and Secretaries of its controlled entities. The insurance premiums relate to:

- Costs and expenses incurred by relevant Officers in defending proceedings, whether civil or criminal, whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a 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 Australia ("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 all the Directors and Executive Officers for any breach by the Company for which they may be held personally liable.

15. 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, 2017 or up to the date of this report.

16. 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 \$98,669 (December 31, 2016: \$34,501) was paid for these services (refer to note 15 for further details).

The Auditor of the Company is BDO Audit (WA) Pty Ltd.

	31 December 2017 US\$	31 December 2016 US\$
<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.	53,128	37,475
• Other services in relation to the entity and any other entity in the consolidated group		
- Tax compliance	93,264	31,330
- Other assurance services	5,405	3,171
	151,797	71,976

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 imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is included at page 56 of the financial report and forms part of this report.

This report is made in accordance with a resolution of the Directors on March 27, 2018.

A handwritten signature in black ink, appearing to read 'Justine', with a stylized, flowing script.

JUSTINE A MAGEE
President and Chief Executive Officer

Perth, March 29, 2018

RTG MINING INC.
FINANCIAL STATEMENTS
31 DECEMBER 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		31 December 2017 US\$	31 December 2016 US\$
	Note		
Continuing operations			
Other income	3	103,228	264,946
Exploration and evaluation expenditure	4	-	(531,579)
Business development expenses	4	(1,782,344)	(1,174,682)
Share of Associates loss	4	(1,494,102)	(386,275)
Impairment expense	4	(5,860,153)	(80,747,290)
Foreign exchange gain / (loss)		200,144	(78,031)
Administrative expenses	4	(2,528,501)	(2,870,290)
Loss before income tax from continuing operations		(11,361,728)	(85,523,201)
Income tax benefit	5	-	-
Loss for the year from continuing operations		(11,361,728)	(85,523,201)
Discontinued operations			
Profit from discontinued operations	24	-	699,843
Net loss for the year		(11,361,728)	(84,823,358)
Other comprehensive (loss) / income			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of foreign operations		70,756	318,218
Net gain on available-for-sale financial assets		240,730	8,755
Total comprehensive loss for the year		(11,050,242)	(84,496,385)
Loss attributable to:			
Equity holders of the Company		(11,361,728)	(84,823,358)
Total comprehensive loss attributable to:			
Equity holders of the Company		(11,050,242)	(84,496,385)
Loss per share from continuing operations			
Basic loss per share (cents)	16	(6.78)	(56.93)
Diluted loss per share (cents)	16	(6.78)	(56.93)
Loss per share attributable to ordinary shareholders			
Basic loss per share (cents)	16	(6.78)	(56.71)
Diluted loss per share (cents)	16	(6.78)	(56.71)

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
31 DECEMBER 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2017 US\$	31 December 2016 US\$
Current assets			
Cash and cash equivalents	6	4,123,973	11,207,422
Receivables	7	2,251,553	1,061,555
Prepayments	8	81,833	41,515
Total current assets		6,457,359	12,310,492
Non-current assets			
Receivables	7	-	2,000,000
Property, plant and equipment	9	163,036	187,311
Available-for-sale financial assets	10	1,749,484	1,508,755
Investment in Associates	23	9,477,934	10,988,032
Total non-current assets		11,390,454	14,684,098
Total assets		17,847,813	26,994,590
Current liabilities			
Trade and other payables	11	565,816	295,142
Provisions	12	206,989	164,585
Loans and borrowings	13	1,590,387	-
Total current liabilities		2,363,192	459,727
Total liabilities		2,363,192	459,727
Net assets		15,484,621	26,534,863
Shareholder's equity			
Issued capital	14	138,376,685	138,376,685
Reserves	14	8,384,187	8,072,701
Accumulated losses	14	(131,276,251)	(119,914,523)
Total shareholder's equity		15,484,621	26,534,863

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

RTG MINING INC.
FINANCIAL STATEMENTS
31 DECEMBER 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Twelve months to 31 December 2017</i>	<i>Issued capital</i>	<i>Acquisition reserve</i>	<i>Asset revaluation reserve</i>	<i>Share based payment reserve</i>	<i>Foreign currency translation reserve</i>	<i>Accumulated losses</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Balance at 1 January 2017	138,376,685	-	8,755	7,601,285	462,661	(119,914,523)	26,534,863
Loss for the year	-	-	-	-	-	(11,361,728)	(11,361,728)
Currency translation differences	-	-	-	-	70,756	-	70,756
Net gain on available-for-sale financial assets	-	-	240,730	-	-	-	240,730
Total comprehensive income / (loss) for the year	-	-	240,730	-	70,756	(11,361,728)	(11,050,242)
Shares issued during the year	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-
Balance at 31 December 2017	138,376,685	-	249,485	7,601,285	533,417	(131,276,251)	15,484,621

<i>Twelve months to 31 December 2016</i>	<i>Issued capital</i>	<i>Acquisition reserve</i>	<i>Asset revaluation reserve</i>	<i>Share based payment reserve</i>	<i>Foreign currency translation reserve</i>	<i>Accumulated losses</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Balance at 1 January 2016	124,708,862	(4,300,157)	-	7,601,285	144,443	(35,091,165)	93,063,268
Loss for the year	-	-	-	-	-	(84,823,358)	(84,823,358)
Currency translation differences	-	-	-	-	318,218	-	318,218
Net gain on available-for-sale financial assets	-	-	8,755	-	-	-	8,755
Total comprehensive income / (loss) for the year	-	-	8,755	-	318,218	(84,823,358)	(84,496,385)
Discontinued operations	-	4,300,157	-	-	-	-	4,300,157
Shares issued during the year	14,955,390	-	-	-	-	-	14,955,390
Share issue expenses	(1,287,567)	-	-	-	-	-	(1,287,567)
Balance at 31 December 2016	138,376,685	-	8,755	7,601,285	462,661	(119,914,523)	26,534,863

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

RTG MINING INC.
FINANCIAL STATEMENTS
31 DECEMBER 2017

CONSOLIDATED STATEMENT OF CASH FLOWS

		31 December 2017 US\$	31 December 2016 US\$
	Note		
Operating activities			
Payments for exploration and evaluation		-	(531,579)
Payments to suppliers and employees		(3,941,447)	(4,002,181)
Interest received		43,026	23,796
Other receipts		65,578	241,150
Net cash flows used in operating activities	6	(3,832,843)	(4,268,814)
Investing activities			
Payments for property, plant and equipment		(538)	(10,704)
Proceeds from sale of properties	24	-	1,500,000
Loans to associated entities	23(a)	(4,387,785)	(3,516,743)
Investment in associated entities	23(b)	(722,368)	-
Investment in non-related entities		-	(832,878)
Increase to bank guarantees		-	136,614
Net cash flows used in investing activities		(5,110,691)	(2,723,711)
Financing activities			
Proceeds from borrowings	13	1,590,387	-
Proceeds from shares issued		-	14,955,390
Share issue expenses		-	(1,286,542)
Net cash flows from financing activities		1,590,387	13,668,848
Net (decrease) / increase in cash and cash equivalents		(7,353,147)	6,676,323
Cash and cash equivalents at the beginning of the year		11,207,422	4,561,717
Net foreign exchange difference		269,698	(30,618)
Cash and cash equivalents at end of the financial year	6	4,123,973	11,207,422

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 31 DECEMBER 2017

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 27, 2018.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for available for sale financial assets 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. All amounts are presented in United States dollars unless otherwise noted.

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

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, 2017. Transactions between companies within the Consolidated Entity have been eliminated on consolidation. For a description of the Company's subsidiaries, refer to note 17.

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.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

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

(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") as well as Central Exploration Pty Ltd ("Central") (together referred to as "the Associates").

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

Board Control:

The Boards of each of the Philippine companies are comprised of four members, with each company Board sharing a maximum of one common Board member with RTG. It follows that the common RTG Board members can not directly control the Boards of the Philippine companies. Similarly, the Board of Central is comprised of five members with two common Board members of RTG. The common RTG Board members can not directly control the Board of Central.

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. RTG directly controls 24% of the shareholdings of Central and therefore, cannot exercise control over Central via its shareholding position.

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

Impairment of plant and equipment

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

Share based payment transactions

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

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.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

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 entered into the development phase during the previous year, therefore requiring an impairment assessment in accordance with IAS 36 Impairment of Assets and IAS 39 Financial Instruments: Recognition and measurement. 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.

When assessing recoverable amounts, RTG makes estimates and assumptions which are subject to risk and uncertainty. RTG has assessed the recoverable amount using a fair value less costs of disposal (FVLCD) method. The FVLCD method under IAS 36 Impairment of Assets requires a determination of the fair value, being the price that would be received to sell the project in an orderly transaction between market participants at measurement date. In this context, RTG considers that the fair value that a willing buyer would place on the Mabilo project includes the political risk factors and the risks associated with litigation between the Joint Venture partners which is incorporated in the market capitalisation approach disclosed above.

Material uncertainty arising from the political risk and litigation associated with the mining projects in the Philippines.

There is material uncertainty over the outcome of the political risk and litigation (as disclosed in note 23) associated with the mining projects in the Philippines.

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.

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

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.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

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

c) Plant and equipment – continued

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.

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.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

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

f) Income tax – continued

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.

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.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

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

h) Foreign currency translation – continued

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

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign entities are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognized as a separate component of equity and as a foreign currency translation adjustment in other comprehensive income (loss) in 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'). There is currently an options scheme, which provides benefits to eligible recipients of the Company.

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 further details of which are given in note 21.

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

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) The extent to which the vesting period has expired, and
- (ii) The number of awards that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

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

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

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

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

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

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

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.

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.

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.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

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

m) Impairment of non-financial assets – continued

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

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

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

Interest revenue

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

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.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

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

s) Parent Entity financial information

The financial information for the Parent Entity, RTG Mining Inc., disclosed in note 18 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.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), held to maturity investments, available-for-sale (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Loans and receivables

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses on sale of available-for-sale financial assets. Available-for-sale 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 20.

u) Investment in Associates

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

Under the equity method, investments in Associates are carried in the consolidated statement of financial performance at cost plus post-acquisition changes in the Group's share of net assets of the 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 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.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

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

u) Investment in Associates – continued

The Group's share of its 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 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 Associates equals or exceeds its interest in the 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 Associate.

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.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

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

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.

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) Discontinued operations

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

y) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an eligible expense, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the assets, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

New, revised or amending Accounting Standards and Interpretations adopted

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended December 31, 2017. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

IFRS 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of IFRS 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 January 2018 and based on an initial impact assessment, the new standard is not expected to significantly impact the Group.

IFRS 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 January 2018 and based on an initial impact assessment, the new standard is not expected to significantly impact revenue recognition.

IFRS 16 Leases

IFRS 16 eliminates the operating and finance lease classifications for lessees currently accounted for under IFRS 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under IFRS 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. The Group will adopt this standard from 1 January 2019 and based on an initial impact assessment the new standard is not expected to significantly impact the balance sheet.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

3. OTHER INCOME

	31 December 2017 US\$	31 December 2016 US\$
Interest income	37,650	23,796
Research and development tax credit received	65,578	241,150
	103,228	264,946

4. EXPENSES

Exploration and evaluation expenditure

Consultants fees	-	68,449
Employee fees	-	175,081
Travel expenses	-	288,049
	-	531,579

Business development expenses

Conferences	22,379	83,830
Employee and director fees	427,230	407,189
Project analysis	44,033	47,465
Travel expenses	518,694	379,436
Other expenses	770,008	256,762
	1,782,344	1,174,682

Administrative expenses

Accounting, tax services and audit fees	148,279	229,942
Computer support fees	25,177	42,304
Consultants fees	194,961	298,638
Depreciation expenses	24,813	26,004
Employee and director fees	1,470,219	1,236,533
Insurance expenses	55,962	38,890
Legal expenses	51,528	508,890
Listing and shareholder reporting costs	106,085	164,622
Occupancy expenses	148,226	155,390
Travel expenses	197,185	-
Other expenses	106,066	169,077
	2,528,501	2,870,290

Share of Associates loss

Share of net losses of Associates	1,494,102	386,275
	1,494,102	386,275

Impairment expense

Impairment of investment in the Philippines Associates	(i)	-	69,607,950
Impairment of loans to the Philippines Associates	(i)	4,387,785	11,139,340
Impairment of investment in Associates (Central)	(ii)	1,472,368	-
		5,860,153	80,747,290

- (i) Impairment of loans to the Philippines Associates of \$4,387,785 was recognised during the financial year. Impairment of investment in the Philippines Associates of \$69,607,950 and loans to the Philippines Associates of \$11,139,340 was recognised in the prior financial year. Refer to note 23(a) for further information.
- (ii) During the year, \$1,472,368 of advances to Central Exploration Pty Ltd, an un-listed Australian proprietary company, was impaired. Refer to note 23(b) for further information.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

5. 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:

	31 December 2017 US\$	31 December 2016 US\$
(a) Income tax expense		
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	(512,232)	1,148,826
Gain not recognised for income tax purposes	-	-
Deferred tax assets not brought to account	512,232	(1,148,826)
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	(11,361,729)	(84,823,358)
At the domestic income tax rate of 27.5% (Australia) (2016: 30%)	(3,124,475)	(25,447,007)
Expenditure not allowable for income tax purposes	3,013,973	24,987,889
Gain not recognised for income tax purposes	-	-
Adjustments in respect of current income tax of previous years	-	-
Deferred tax assets not brought to account	110,502	459,118
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-
(c) Deferred income tax		
Deferred income tax relates to the following:		
<i>Deferred tax assets</i>		
Accruals	108,802	94,344
Provision for doubtful debts	20,616	22,490
Tax losses available to offset against future taxable income	2,437,681	1,938,033
Assets held for sale	-	-
Foreign exchange losses	-	-
Deferred tax assets not brought to account	(2,567,099)	(2,054,867)
	-	-

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
31 DECEMBER 2017

6. CASH AND CASH EQUIVALENTS

	31 December 2017 US\$	31 December 2016 US\$
Cash on hand	64	72
Cash at bank	4,123,909	11,207,350
	4,123,973	11,207,422

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, earning interest at the respective short-term deposit rates.

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

Cash flows from operating activities reconciliation

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

Net loss after related income tax	(11,361,728)	(84,823,358)
<i>Adjustment for non-cash income and expense items:</i>		
Depreciation	24,813	26,004
Share of Associates loss	1,494,102	386,275
Impairment expense	5,860,153	80,747,290
Gain on sale of subsidiary	-	(699,843)
Unrealised foreign exchange (gains) / losses	(200,144)	78,031
<i>Changes in assets and liabilities:</i>		
(Increase) / decrease in receivables	77,022	(259)
(Increase) / decrease in prepayments	(40,317)	624
Increase / (decrease) in payables	313,256	16,422
Net cash outflow from operating activities	(3,832,843)	(4,268,814)

7. RECEIVABLES

Current assets

GST receivable		28,658	22,454
Other receivables		222,895	206,223
Loan receivables	(i)	-	832,878
Other receivable	(ii)	2,000,000	-
		2,251,553	1,061,555

Non-current assets

Other receivable	(ii)	-	2,000,000
		-	2,000,000

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

7. RECEIVABLES – continued

Terms relating to the above financial instruments:

- (i) \$750,000 advanced to Central in the prior year was converted into an investment in associate. Refer to note 23(b) for further information.
- (ii) As part of the settlement for the sale of the Company's interest in the Segilola Gold Project to Thor Explorations Ltd ("Thor") that occurred in 2016, Thor has agreed to pay the Company \$2,000,000. Refer to note 24 for further information.

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

8. PREPAYMENTS

	31 December 2017 US\$	31 December 2016 US\$
Other	81,833	41,515
	81,833	41,515

9. PROPERTY, PLANT & EQUIPMENT

Office equipment

Opening balance	187,311	202,611
Additions	538	10,704
Depreciation expense	(24,813)	(26,004)
Closing balance	163,036	187,311

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Non-current

Available for sale financial assets	1,749,484	1,508,755
	1,749,484	1,508,755

Reconciliation of movements in available-for-sale financial assets:

Opening balance	1,508,755	-
Additions	-	1,500,000
Gain / (loss) on fair value measurement	240,729	8,755
Closing balance	1,749,484	1,508,755

Risk exposure and fair value measurements

Information about the Company's methods and assumptions used in determining fair value is provided in note 20.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

11. TRADE AND OTHER PAYABLES

	31 December 2017 US\$	31 December 2016 US\$
Trade creditors – third parties	393,412	154,267
Accrued expenses	172,404	140,875
	565,816	295,142

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

12. PROVISIONS

Employee entitlements	206,989	164,585
	206,989	164,585

Employee entitlements

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

13. LOANS AND BORROWINGS

Interest-bearing loan facility	1,590,387	-
	1,590,387	-

This loan is an interest-bearing unsecured facility and is repayable at call. Refer to note 20 for further information on loans and borrowings.

14. ISSUED CAPITAL AND RESERVES

(a) Issued and paid up share capital

	31 December 2017 Number	31 December 2016 Number	31 December 2017 US\$	31 December 2016 US\$
Issued and paid up capital	167,585,577	167,585,577	138,376,685	138,376,685

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

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

14. ISSUED CAPITAL AND RESERVES – continued

Movements in contributed equity during the period were as follows:

	Number	US\$
Opening balance at 1 January 2017	167,585,577	138,376,685
Shares issues	-	-
Shares issue costs	-	-
Total shares on issue at 31 December 2017	167,585,577	138,376,685
Opening balance at 1 January 2016	134,252,237	124,708,862
Shares issues	33,333,340	14,955,389
Shares issue costs	-	(1,287,566)
Total shares on issue at 31 December 2016	167,585,577	138,376,685

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

Movements in warrants during the period were as follows:

	Number
Opening balance at 1 January 2017	8,784,687
Expired during the period	(8,784,687)
Total warrants on issue at 31 December 2017	-
Opening balance at 1 January 2016	8,784,687
Exercise	-
Total warrants on issue at 31 December 2016	8,784,687

The warrants issued in 2014 (under the Scheme of Arrangement with Sierra Mining Limited) were valued using the Black and Scholes method with the following assumptions:

Number of warrants	8,784,854
Grant date share price	C\$1.10
Exercise price	C\$1.50
Expected volatility	90%
Option life	3 years
Dividend yield	0.00%
Interest rate	1.2%
Expiry date	June 4, 2017

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

14. ISSUED CAPITAL AND RESERVES – continued

(b) Reserves

Movements in reserves during the period were as follows:

	31 December 2017 US\$	31 December 2016 US\$
Asset revaluation reserve	249,485	8,755
Share based payment reserve	7,601,285	7,601,285
Foreign currency translation reserve	533,417	462,661
	8,384,187	8,072,701

Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve is used to record the revaluation of the investment in Thor Explorations Ltd to market value as the investment is designated as an available-for-sale financial asset.

Share based payment reserve

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

Foreign currency translation reserve ("FCTR")

Exchange differences arising on translation of the controlled entity and the Company's share of Associates FCTR are recorded in other comprehensive income as described in note 23 and accumulated in a reserve within equity. The cumulative amount is reclassified to profit of loss when the net investment is disposed of.

(c) Accumulated losses

	31 December 2017 US\$	31 December 2016 US\$
Balance at the beginning of the financial year	(119,914,523)	(35,091,165)
Net loss for the year	(11,361,728)	(84,823,358)
Balance at the end of the financial year	(131,276,251)	(119,914,523)

(d) Dividends

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

Refer to note 20 for information on capital risk management.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

15. AUDITOR'S REMUNERATION

	31 December 2017 US\$	31 December 2016 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.	53,128	37,475
• Other services in relation to the entity and any other entity in the consolidated group		
- Tax compliance	93,264	31,330
- Other assurance services	5,405	3,171
	151,797	71,976

16. 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	31 December 2017 US\$	31 December 2016 US\$
Loss attributable to ordinary equity holders of the parent		
- Continuing operations	(11,361,728)	(85,523,201)
- Discontinued operations	-	699,843
Loss attributable to ordinary equity holders of the parent	(11,361,728)	(84,823,358)
 (b) Weighted average number of shares	 Number of shares	 Number of shares
Weighted average number of shares used in calculating basic (loss) / earnings per share	167,585,577	148,997,049
Effect of dilutive options	-	-
Weighted average number of shares used in calculating diluted (loss) / earnings per share	167,585,577	148,997,049

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

17. RELATED PARTY DISCLOSURE

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

Name of Entity	Country of Incorporation	Equity Interest (%)	Investment (US\$)	Equity Interest (%)	Investment (US\$)
		31 December 2017	31 December 2017	31 December 2016	31 December 2016
Controlled Entities					
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	2	100	2
CGX Limited	British Virgin Islands	100	2	100	2
Ilesha Mining Holdings Limited	British Virgin Islands	100	22,546	100	22,546
Ilesha Mining Co-operative	The Netherlands	100	39,845	100	39,845
Ilesha Mining Limited	The Netherlands	100	40	100	40

(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 Executive Officers and Directors as follows for the twelve months ended December 31, 2017 and 2016:

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

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

17. RELATED PARTY DISCLOSURE – continued

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

	31 December 2017 US\$	31 December 2016 US\$
Director fees	44,450	49,207
	44,450	49,207

During the period ended December 31, 2017 the Group entered into transactions with related parties in the wholly-owned group:

- Loans of \$89,213 were advanced to the Company from short term inter-company accounts, and
- Loans of \$4,387,785 were advanced on to the Philippines 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	1,121,897	1,136,500
Post-employment benefits	92,370	95,072
Long term benefits	33,711	39,319
Share based payments	-	-
	1,247,978	1,270,891

Detailed remuneration disclosures are provided in the remuneration report on pages 9 to 15.

18. PARENT ENTITY INFORMATION

Information relating to RTG:	31 December 2017 US\$	31 December 2016 US\$
Current assets	4,237,018	12,100,689
Total assets	14,500,059	22,841,377
Current liabilities	(1,664,289)	(1,301,983)
Total liabilities	(3,254,676)	(1,301,983)
Issued capital	138,376,685	138,376,685
Share option reserve	7,601,285	7,601,285
Asset revaluation reserve	249,484	8,755
Accumulated losses	(134,982,071)	(124,447,331)
Total shareholders' equity	11,245,383	21,539,394
Loss of the Parent Entity	(10,623,954)	(88,648,972)
Total comprehensive loss of the Parent Entity	(10,623,954)	(88,648,972)

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

19. COMMITMENT AND CONTINGENCIES

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

¹ Corporate office lease payments due.

31 December 2016		Payments due by period		
Contractual obligations	Total	Within one year	One year and not later than five years	More than 5 years
Lease obligations ¹	361,833	140,780	221,053	-
Total contractual obligations	361,833	140,780	221,053	-

¹ Corporate office lease payments due.

20. 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 Company has a \$2 million receivable from Thor who has no external credit rating. See notes 7 and 24 for further information. 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.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

20. FINANCIAL RISK MANAGEMENT – continued

Liquidity risk

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

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

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

	31 December 2017 US\$	31 December 2016 US\$
Due within one month or on demand		
Trade and other payables	565,816	295,142
Borrowings	1,590,387	-
	2,156,203	295,142

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 current unsecured interest bearing loan.

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:

	31 December 2017 US\$	31 December 2016 US\$
Interest-bearing financial assets		
Cash at bank	4,123,973	2,801,440
Short-term deposits at call	-	8,405,982
	4,123,973	11,207,422

The Group's cash at bank and short-term deposits at call had a weighted average floating interest rate at December 31, 2017 of 0.13% (December 31, 2016: 0.97%)

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

20. FINANCIAL RISK MANAGEMENT – continued

	31 December 2017 US\$	31 December 2016 US\$
Interest-bearing financial liabilities		
Borrowings	1,590,387	-
	1,590,387	-

The Group's borrowings had a weighted average floating interest rate at December 31, 2017 of 4.36%.

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 \$13,672 (December 31, 2016: \$84,060), a 1% decrease would be a movement of \$11,622 (December, 31 2016: \$68,386).

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 Euro 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:

	31 December 2017 US\$	31 December 2016 US\$
Financial Assets		
Cash and cash equivalents	1,058,005	4,085,183
Trade and other receivables	30,112	834,690
Prepayments	81,833	41,515
	1,169,950	4,961,388
Financial Liabilities		
Trade and other payables	555,659	275,142
	555,659	275,142
Net exposure	614,290	4,686,246

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
31 DECEMBER 2017

20. FINANCIAL RISK MANAGEMENT – continued

	Change in AUD rate	Impact on profit or loss before tax and equity US\$
2017		
	+10%	104,076)
	-10%	(127,204)
2016		
	+10%	(631,116)
	-10%	771,364

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 at 31 December 2017:

At 31 December 2017	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Available-for-sale financial asset	1,749,484	-	-	1,749,484
Total	1,749,484	-	-	1,749,484
At 31 December 2016	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Available-for-sale financial asset	1,508,755	-	-	1,508,755
Total	1,508,755	-	-	1,508,755

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 \$142,500,658 at 31 December 2017 (31 December 2016: \$149,584,107).

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
31 DECEMBER 2016

21. SHARE BASED PAYMENTS

Loan funded share plan

Shares issued pursuant to the Loan Funded Share Plan are for services rendered to date by eligible employees and Directors to date and, going forward, for services rendered by existing and any new eligible employees and Directors who are appointed in the future. The purposes of the Plan are to motivate and retain employees, attract quality employees to the Group create commonality of purpose between the employees and the Group, create wealth for shareholders by motivating the employees, and enable the employees to share the rewards of the success of the Group.

Where the Company offers to issue incentive shares to a Director employee, the Company may offer to provide the recipient with a limited recourse, interest free loan to be used for the purposes of subscribing for the shares in the Company. The Company's recourse to repayment of the loans is limited to the lesser of:

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

Loan Funded Share Plan Shares issued at 31 December 2017

Name	Date of issue	Share issue price (\$C)	Balance at 1 January 2017	Other Changes	Granted during the period	Forfeited during the period	Balance at 31 December 2017
Michael Carrick	28 March 2013	1.65	300,000	-	-	-	300,000
Justine Magee	28 March 2013	1.65	300,000	-	-	-	300,000
David Cruse	28 March 2013	1.65	50,000	-	-	-	50,000
Philip Lockyer	28 March 2013	1.65	50,000	-	-	-	50,000
Robert Scott	28 March 2013	1.65	50,000	-	-	-	50,000
Mark Turner	28 March 2013	1.65	250,000	-	-	-	250,000
Other employees	28 March 2013	1.65	250,000	-	-	-	250,000

Loan Funded Share Plan Shares issued at 31 December 2016

Name	Date of issue	Share issue price (\$C)	Balance at 1 January 2016	Other Changes	Granted during the period	Forfeited during the period	Balance at 31 December 2016
Michael Carrick	28 March 2013	1.65	300,000	-	-	-	300,000
Justine Magee	28 March 2013	1.65	300,000	-	-	-	300,000
David Cruse	28 March 2013	1.65	50,000	-	-	-	50,000
Philip Lockyer	28 March 2013	1.65	50,000	-	-	-	50,000
Robert Scott	28 March 2013	1.65	50,000	-	-	-	50,000
Mark Turner	28 March 2013	1.65	250,000	-	-	-	250,000
Other employees	28 March 2013	1.65	250,000	-	-	-	250,000

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

22. SEGMENT REPORTING NOTE

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

The Company operates in a single segment, being mineral exploration and development. With the exception of some of its minor exploration and evaluation assets which are held in Africa, all of the Company's other significant assets are held in the Philippines (see note 23).

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

31 December 2017

Operating segment	Philippines	Australia	Other	Consolidated total
	2017	2017	2017	2017
	US\$	US\$	US\$	US\$
Revenue				
Revenue from external customers	-	-	-	-
Interest income	-	37,650	-	37,650
Other	-	65,578	-	65,578
Total revenue				103,228
Results				
Segment profit / (loss) before tax	(5,363,639)	(5,881,888)	(116,201)	(11,361,728)
Revenue	-	103,228	-	103,228
Administrative expenses	-	(2,412,978)	(115,523)	(2,528,501)
Foreign exchange	-	200,822	(678)	200,144
Share of associate loss	(1,494,102)	-	-	(1,494,102)
Impairment expense	(1,472,367)	(4,387,785)	-	(5,860,153)
Other expenses	-	(1,782,344)	-	(1,782,344)
Segment loss before income tax from continuing operations				(11,361,728)
Depreciation expense	-	(24,813)	-	(24,813)

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

22. SEGMENT REPORTING NOTE – continued

31 December 2017

Operating segment	Philippines	Australia	Other	Consolidated total
	2017	2017	2017	2017
	US\$	US\$	US\$	US\$
Segment assets				
Corporate assets	9,477,934	8,370,979	(1,100)	17,847,812
Total assets				17,847,812
Segment liabilities				
Corporate liabilities	-	(2,363,192)	-	(2,363,192)

31 December 2016

Operating segment	Philippines	Australia	Other	Consolidated total
	2016	2016	2016	2016
	US\$	US\$	US\$	US\$
Revenue				
Revenue from external customers	-	-	-	-
Interest income	-	23,796	-	23,796
Other	-	241,150	-	241,150
Total revenue				264,946

Results

Segment profit / (loss) before tax	(81,133,567)	(12,896,520)	8,506,886	(85,523,201)
Revenue	-	264,946	-	264,946
Administrative expenses	-	(2,783,383)	(86,907)	(2,870,290)
Foreign exchange	-	(4,152,688)	4,074,657	(78,031)
Share of associate loss	(386,275)	-	-	(386,275)
Impairment expense	(80,747,290)	(4,519,135)	4,519,135	(80,747,290)
Other expenses	-	(1,706,261)	-	(1,706,261)
Segment loss before income tax from continuing operations				(85,523,201)

Depreciation expense	-	(26,004)	-	(26,004)
----------------------	---	----------	---	-----------------

Operating segment	Philippines	Australia	Other	Consolidated total
	2016	2016	2016	2016
	US\$	US\$	US\$	US\$
Segment assets				
Corporate assets	10,988,032	16,001,175	5,383	26,994,590
Total assets				26,994,590
Segment liabilities				
Corporate liabilities	-	(459,727)	-	(459,727)

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

23. INVESTMENT IN ASSOCIATES

(a) The Philippines Associates

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

	31 December 2017 US\$	31 December 2016 US\$
Investment in Philippines Associates		
Opening balance	10,988,032	80,650,232
Impairment	-	(69,607,950)
Share of Philippines Associates net loss	(1,494,102)	(386,275)
Share of foreign currency translation reserve	(15,996)	332,025
	9,477,934	10,988,032
Loans to Associates		
Opening balance	-	7,622,597
Loans to Philippines Associates	4,387,785	3,516,743
Impairment	(4,387,785)	(11,139,340)
	-	-
Closing balance	9,477,934	10,988,032

The Associates have a December 31 reporting date.

Investment in Philippines Associates

As outlined in note 1, the Group assesses recoverability of its investment in Philippines Associates at each reporting date. There was no impairment recognised during the year ending December 31, 2017 (December 31, 2016: \$69,607,950). As disclosed in note 1(a)(ii), impairment is assessed using a fair value less costs of disposal method in consideration of external factors; including the current political risk associated with the granting of mining licences in relation to the mining projects held by the Associates in the Philippines, as well as the current litigation between Mt. Labo and its former Joint Venture partner.

Gina Lopez the previous Secretary of the DENR in the Philippines previously rescinded a number of mining licences previously awarded, not related to the projects of the Group's Associates and imposed a moratorium on all new mines and a ban on open-pit mining.. This creates uncertainty as to whether the government may further rescind mining licenses in the area in the future or you will be able to develop the Mabilo Project; however, this has been mitigated by the fact that during the period, Gina Lopez was removed from her position with the DENR.

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

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

23. INVESTMENT IN ASSOCIATES – continued

Mt. Labo and Galeo have estimated contingent liabilities relating to the legal proceedings for both the civil case in the Philippines and arbitration through the Singapore International Arbitration Centre. Mt. Labo's claims under the civil case are for PHP7,000,000 against Galeo and USD18,000,000 through arbitration. Galeo's claims under the civil case are for PHP1,500,000 and USD3,500,000 under arbitration. The Associates had no other contingent liabilities or capital commitments as at Dec 31, 2017 (nil: December 31, 2016).

Loans to Philippines Associates

The Group assesses the recoverability of its Loans to Philippines Associate at the end of each reporting date in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The impairment recognised of \$4,387,785 (2016: \$11,139,340) is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Throughout the year the Company has funded the Company's share of costs associated with its Philippines Associates as follows:

- Project and legal related costs in the Philippines;
- Continuation of diamond drilling program at the Bunawan Project; and
- Continued community relations and environmental compliance in the Philippines.

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

- (i) There is no fixed repayment of the loan; and
- (ii) No interest payable on the loans at present.

Extract from the Philippines Associates statement of financial position

31 December 2017	Bunawan Mining Corporation	Oz Metals Exploration & Development Corporation	St Ignatius Exploration & Mineral Resources Corporation	Mt Labo Exploration and Development Corporation	Total
Current assets	30,337	16,547	2,636	507,417	556,937
Non-current assets	452,031	62,216	30,509	4,178,221	4,722,977
Total assets	482,368	78,763	33,145	4,685,638	5,279,914
Current liabilities	67,591	15,622	2,603	445,512	531,328
Non-current liabilities	8,674,215	2,593,536	-	13,280,648	24,548,399
Total liabilities	8,741,806	2,609,158	2,603	13,726,160	25,079,727
Net assets / (liabilities)	(8,259,438)	(2,530,395)	30,542	(9,040,522)	(19,799,813)
Share of Philippines Associates profit / (loss)	(582,918)	(64,463)	(1,681)	(845,042)	(1,494,104)
Share of net assets	(3,303,775)	(1,012,158)	12,217	(3,616,209)	(7,919,925)
Closing share of net assets total					(7,919,925)
Add: fair value uplift *					86,955,500
Add: share of associate FCTR					50,309
Less: impairment expense					(69,607,950)
					9,477,934

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

23. INVESTMENT IN ASSOCIATES – continued

Extract from the Philippines Associates statement of financial position – continued

31 December 2016	Bunawan Mining Corporation	Oz Metals Exploration & Development Corporation	St Ignatius Exploration & Mineral Resources Corporation	Mt Labo Exploration and Development Corporation	Total
Current assets	168,495	18,589	2,541	414,388	604,013
Non-current assets	430,360	62,433	36,426	2,586,583	3,115,802
Total assets	598,855	81,022	38,967	3,000,971	3,719,815
Current liabilities	140,818	14,762	1,585	150,039	307,204
Non-current liabilities	7,300,367	2,448,775	-	9,688,039	19,437,181
Total liabilities	7,441,185	2,463,537	1,585	9,838,078	19,744,385
Net assets / (liabilities)	(6,842,330)	(2,382,515)	37,382	(6,837,107)	(16,024,570)
Share of Philippines Associates profit / (loss)	(546,981)	(42,665)	(2,309)	205,680	(386,275)
Share of net assets	(2,736,932)	(953,006)	14,953	(2,734,842)	(6,409,827)
Closing share of net assets total					(6,409,827)
Add: fair value uplift *					86,955,500
Add: share of associate FCTR					50,309
Less: impairment expense					(69,607,950)
					10,988,032

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

(b) Central Exploration Pty Ltd

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

	31 December 2017	31 December 2016
	US\$	US\$
Investment in Associates (Central)		
Opening balance	-	-
Reclassification (i)	750,000	-
Additions	722,368	-
Impairment	(1,472,368)	-
	-	-

(i) \$750,000 advanced to Central during the prior year was converted into an equity investment during the year.

RTG MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2017

24. DISCONTINUED OPERATIONS

On June 28, 2016 the Company announced that an agreement had been reached to sell the Company's interest in the Segilola Gold Project to Thor Exploration Ltd, a TSX-V listed company. On August 22, 2016 the Company announced the completion of the sale of its interest in the Segilola Gold Project including the sale of its wholly owned subsidiary, Segilola Gold Limited. Consideration received includes \$1.5 million cash and \$1.5 million of shares in Thor. An additional \$2 million cash payment and a capped royalty on the Segilola Gold Project of \$3.5 million was included as part of the consideration for the sale, but has not yet been received.

Financial performance of the discontinued operation	31 December 2017 US\$	31 December 2016 US\$
Consideration received		
Cash	-	1,500,000
Available-for-sale financial asset	-	1,500,000
Non-current receivable	-	2,000,000
	-	5,000,000
Assets and liabilities		
Asset acquisition reserve	-	4,300,157
	-	4,300,157
Consideration received	-	5,000,000
Less: net assets sold	-	(4,300,157)
Expenses	-	-
Profit from discontinued operations	-	699,843
Net cash flows of the discontinued operation		
Operating	-	-
Investing	-	-
Financing	-	-
Net cash outflow	-	-

25. EVENTS AFTER REPORTING DATE

On February 27, 2018, the Company announced that it had received commitments of approximately \$34 million in a private placement to Australian and international institutional and sophisticated investors ("Private Placement"). The Private Placement will result in the issue of approximately 311 million Chess Depository Instruments ("Securities") to be listed on the ASX at an issue price of A\$0.14 per security. The Securities will be issued in two tranches, with 25,137,836 Securities issued on March 9, 2018, raising approximately \$2.8 million and 286,217,476 Securities to be issued on or around May 3, 2018, raising approximately \$31.2 million, subject to shareholder approval at a meeting of shareholders scheduled for April 24, 2018. Subject to shareholder approval at the meeting on April 24, 2018, 12,715,201 unlisted advisor options will be issued to the US Placement Agent.

No other 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 31 December 2017 and of its performance for the twelve month period ended 31 December 2017; and
 - (ii) comply with International Accounting Standards and other mandatory professional reporting standards; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



JUSTINE ALEXANDRIA MAGEE
President and Chief Executive Officer

Perth, March 29, 2018

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

As lead auditor of RTG Mining Inc. for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of any applicable code of professional conduct in relation to the audit.

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



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 29 March 2018

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 Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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 directors' declaration.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Australia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

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.

Carrying Value of Investment in Associates

Key audit matter	How the matter was addressed in our audit
<p>At the 31 December 2017 the carrying value of the Investment in Associates was \$9,477,935 (2016: \$10,988,032), as disclosed in Note 23.</p> <p>As the carrying value of the Investment in Associates represent a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>As a result, the asset was required to be assessed for impairment indicators in accordance with IAS 39 <i>Financial Instruments: Recognition and Measurement</i>. In particular, whether the facts and circumstances indicate that the Investment in Associates should be tested for impairment.</p> <p>This a key audit matter as there are judgements used by management in assessing for impairment indicators as disclosed in Note 1(a)(ii) and Note 23.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Evaluating the probability of the Mabilo project proceeding to development by discussions with management, review of publicly available information and review of the independent feasibility study of the project; • Assessing the carrying value of RTG's net assets with regards to the group's market capitalisation as at 31 December 2017; • Assessing the group's ownership, through its investment in associates, in the relevant projects as at 31 December 2017; • Challenging the appropriateness of judgements used by management in assessing for impairment indicators; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosure in Note 1(a)(ii) and Note 23 to the Financial Report.

Emphasis of matter

We draw attention to Note 1(a)(ii) and Note 23 to the financial statements, which describes the material uncertainty arising from the political risk and litigation associated with the mining projects in the Philippines. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the annual report for the year ended 31 December 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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, 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 the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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 ISAs 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_files/ar2.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the directors' report for the year ended 31 December 2017.

In our opinion, the Remuneration Report of RTG Mining Inc. for the year ended 31 December 2017 complies with section 300A of the *Corporations Act 2001*.



Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, consisting of the letters 'BDO' above a stylized signature that appears to be 'J Prue'.

Jarrad Prue

Director

Perth, 29 March 2018

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 16 March 2018.

DISTRIBUTION OF ALL SECURITY HOLDERS

Analysis of numbers of Shareholders by size of holding:

Category		Number of shareholders	
1	-	99	3
100	-	999	-
1,000	-	4,999	1
5,000	-	9,999	-
10,000	and over		11
			4

There are 4 shareholders holding less than a marketable parcel of shares.

SUBSTANTIAL SHAREHOLDERS

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

Name	Number of equity securities	Power %
Hains Family	28,543,359	14.81%
Franklin Resources Inc.	22,809,479	11.84%
Carpe Diem Asset Management Pty Ltd	19,687,836	10.22%
B2Gold	13,551,574	7.03%

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	153,387,354	79.59
2.	CDS & CO	33,343,211	17.30
3.	MARK SAVAGE REVOCABLE TRUST	1,846,200	0.96
4.	MARK SAVAGE <A/C MARK SAVAGE REVOCABLE>	1,622,647	0.84
5.	JAYVEE & CO TR FRANKLIN GOLD AND PRECIOUS METALS FUND	1,397,790	0.73
6.	JAYVEE & CO TR FRANKLIN GOLD AND PRECIOUS METALS FUND	1,000,000	0.52
7.	JUSTINE ALEXANDRIA MAGEE	45,404	0.02
8.	SALIM SHARIFF	30,000	0.02
9.	EXCHANGES CONTROL FOR CLASS M01	24,246	0.01
10.	CASTLE SPRINGS PTY LTD	13,889	0.01
11.	MARIE MARTHE JOSEE BONIEUX	11,250	0.01
12.	HANNAH CLAIRE HUDSON	1,389	0.00
13.	RTG MINING INC <EMPLOYEE SHARE PLAN>	15	0.00
14.	JULIENNE PAULA DADLEY BULL	10	0.00
15.	EXCHANGES CONTROL FOR CLASS C01	8	0.00
	Total Top Holders Balance	192,723,413	100
	Total Number of Shares on Issue	192,723,413	100

TOP 20 QUOTED CHESS DEPOSITARY NOMINEE (CDI) HOLDERS

Rank	Name	Units	% of Units
1.	CITICORP NOMINEES	25,336,340	16.52
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,313,014	13.24
3.	CARPE DIEM ASSET MANAGEMENT PTY LTD<LOWE FAMILY A/C>	19,687,836	12.84
4.	BNP PARIBAS NOMINEES PTY LTD <INGALLS & SNYDER LLC DRP>	5,167,268	3.37
5.	J P MORGAN NOMINEES AUSTRALIA LIMITED	3,882,151	2.53
6.	YUKATA CREEK LIMITED	3,591,000	2.34
7.	ARREDO PTY LTD	3,252,500	2.12
8.	HOPETOUN CONSULTING PTY LTD	2,635,890	1.72
9.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – GSCO ECA	2,082,200	1.36
10.	MR ANGUS WILLIAM JOHNSON + MRS LINDY JOHNSON <DENA SUPER FUND A/C>	2,019,850	1.32
11.	MR IAN MIDDLEMAS	1,920,000	1.25
12.	MAXIMO SARA	1,717,515	1.12
13.	CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	1,705,000	1.11
14.	MINTURN PTY LTD <PRIMA SUPERANNUATION FUND AC>	1,646,778	1.07
15.	MR AUSTIN RYCROFT MEREDITH	1,584,400	1.03
16.	MR JOHANNES RAADSMA	1,449,739	0.95
17.	JILLIBY PTY LTD	1,400,000	0.91
18.	MR MARK STUART SAVAGE <MARK SAVAGE REVOCABLE A/C>	1,400,000	0.91
19.	RTG MINING INC <EMPLOYEE SHARE A/C>	1,399,985	0.91
20.	FINOOK PTY LTD <B & A JAMES SUPER FUND A/C>	1,200,000	0.78
	Total Top Holders Balance	103,391,466	67.41
	Total Remaining Holders Balance	49,995,888	32.59
	Total Chess Depositary Nominee (CDI) Holders	153,387,354	100

DISTRIBUTION OF ALL CDI HOLDERS

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

Category			Number of shareholders
1	-	1,000	43
1,001	-	5,000	169
5,001	-	10,000	103
10,001	-	100,000	369
100,001	and over		136
			820

There are 139 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
MPSA-MLC-MRD-459-V	Philippines	<i>Nalesbitan Project</i>	40%	40%
Exploration Permit ("EP") 014-2013-V	Philippines	Approved 1 st EP renewal <i>Mabito Project</i>	40%	40%
EXPA-000209-V	Philippines	<i>Mabito Project</i>	40%	40%
EXPA-000188-V	Philippines	<i>Mabito 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	Approved 1 st 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 nd 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, 2017, 2016 and 2015, reported in accordance with the 2012 Edition of the JORC Code, are as follows:

Mineral Resource Estimate Results - Reporting at 0.3 g/t Au lower cut-off - Mabilo Deposit - South and North Zones									
Weathering State	Classification	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Contained Au ('000s oz)	Contained Cu ('000s t)	Contained Fe ('000s t)
Oxide + Supergene	Indicated	0.78	4.1	2.7	9.7	41.2	67.1	32.1	320.8
	Inferred	0.05	7.8	2.3	9.6	26.0	3.5	3.7	12.3
Fresh	Indicated	8.08	1.7	2.0	9.8	46	510.5	137.7	3,713.7
	Inferred	3.86	1.4	1.5	9.1	29.1	181.5	53.3	1,121.8
<i>Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralised geological units. This resource table is quoted from all classified blocks above a lower cut-off grade 0.3 g/t Au within these wireframe solids. Differences may occur due to rounding</i>									

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, 2017, reported in accordance with the 2012 Edition of the JORC Code, are as follows:

Probable Mineral Reserve Estimate								
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		
Total Probable Ore		7.792	45.5	2.04	1.95	8.79		

The gold equivalent grade is based on the following formula:

$$AuEq = (((AuOz * \$1,200) + (CuMetal * \$5,000) + (FeMetal * \$50) + (AgOz * \$14)) / \$1,200) / Total\ ore\ tonnes$$

The copper equivalent grade is based on the following formula:

$$CuEq = (((AuOz * \$1,200) + (CuMetal * \$5,000) + (FeMetal * \$50) + (AgOz * \$14)) / \$5,000) / Total\ ore\ tonnes$$

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's 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 at the Mabilo and Bunawan Projects are based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr Ayres is a member of the Australian Institute of Geoscientists and a consultant of RTG Mining Inc. Mr Ayres has sufficient experience that is relevant to the style of mineralization 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 Report 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 mineralization 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 Report, including sampling, analytical and test data underlying the information contained in the Report. Mr Green consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

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

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

The information in this Report 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 Report. Mark Turner consents to the inclusion in the Report 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) and on the ASX, under announcements (www.asx.com.au).



ANNUAL INFORMATION FORM





Annual Information Form (“AIF”)

For the year ended December 31, 2017

**RTG Mining Inc. (“RTG” or the “Company”)
Level 2, 338 Barker Road
Subiaco WA 6008**

Telephone: +61 8 6489 2900

Fax: +61 8 6489 2920

www.rtgmining.com

Dated: March 29, 2018

RTG MINING INC. - TABLE OF CONTENTS

1.	CORPORATE STRUCTURE	4
	Name, Address and Incorporation	4
2.	GENERAL DEVELOPMENT OF THE BUSINESS	4
3.	EVENTS SUBSEQUENT TO DECEMBER 31, 2017	7
4.	DESCRIPTION OF THE BUSINESS	7
	Business of the Company	7
	Company Assets	7
	Employees	22
	Specialized Skill and Knowledge	23
	Competitive Conditions	23
	Cycles	23
	Environmental Protection	23
	Risk Factors	24
5.	CURRENT MATERIAL PROJECT	32
	Mabilo Project National Instrument 43-101 Technical Report	32
	History	33
	Geological Setting, Mineralization and Deposit Types	34
	Exploration	35
	Drilling	35
	Sampling, Analysis and Data Verification	35
	Mineral Processing and Metallurgical Testing	35
	Mineral Resources and Mineral Reserve Estimates ("MRE")	36
	Mining Operations	39
	Processing and Recovery Operations	41
	Infrastructure, Permitting and Compliance Activities	43
	Capital and Operating Costs	49
	Exploration, Development and Production	56
6.	DIVIDENDS	56
7.	DESCRIPTION OF THE CAPITAL STRUCTURE	56
8.	MARKET FOR SECURITIES	57
9.	ESCROWED SECURITIES	58
10.	DIRECTORS AND OFFICERS	59
11.	LEGAL PROCEEDINGS AND REGULATORY ACTIONS	60

12.	CONFLICTS OF INTEREST	63
13.	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	63
14.	TRANSFER AGENTS AND REGISTRARS	64
15.	MATERIAL CONTRACTS	64
16.	INTERESTS OF EXPERTS	66
17.	RISK AND AUDIT COMMITTEE	68

Currency

Unless otherwise specified, all dollar references are to United States (US\$) dollars. On December 31, 2017, one (1) US dollar was worth approximately 1.2554 Canadian dollars ("C\$") and approximately 1.2813 Australia dollars ("A\$") based on rates provided by currency site www.oanda.com.

Forward Looking Statements

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

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

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

1. CORPORATE STRUCTURE

Name, Address and Incorporation

RTG was incorporated on December 27, 2012 pursuant to the BVI Business Companies Act 2004. The Company's registered office is AMS Trustees Limited of Sea Meadow House, Blackburne Highway, (PO Box 116), Road Town, Tortola, British Virgin Islands ("BVI"), VG1110 and its corporate office is located at Level 2, 338 Barker Road, Subiaco, WA, Australia, 6008. RTG's shares ("RTG Shares") trade on the Toronto Stock Exchange ("TSX") under the symbol, "RTG". On June 4, 2014, RTG merged with Sierra Mining Limited ("Sierra") and the Company was admitted to the Australian Securities Exchange ("ASX") under the symbol "RTG".

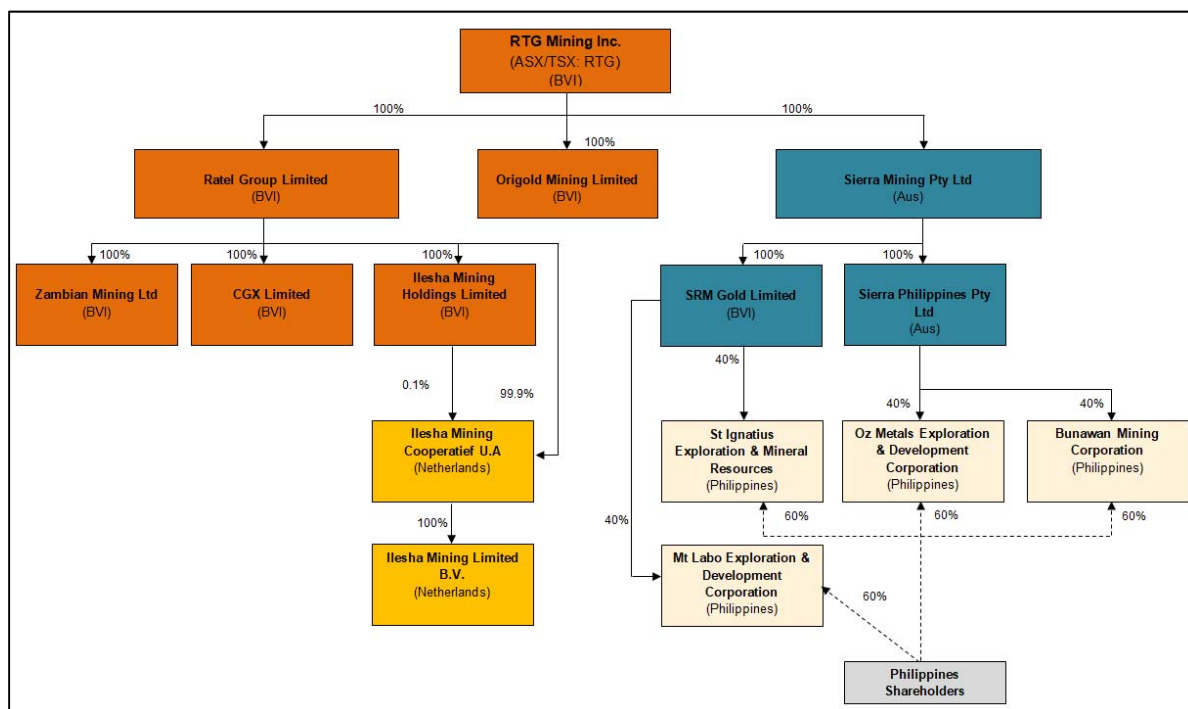


Figure 1 RTG Group Structure as at March 29, 2018

2. GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

Year Ended 2017

RTG's Bougainville Interests

- RTG is the nominated development partner with the joint venture company established by the Special Mining Lease Osikaiyang Landowners Association ("SMLOLA") and Central Exploration Pty Ltd ("Central") in their proposal with respect to the redevelopment of the 1.5B tonne¹ Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, Papua New Guinea ("PNG"). The proposal is an initiative of the old Panguna mine's customary landowners (who are represented by the SMLOLA) and is conditional upon the support of the Autonomous Bougainville Government ("ABG") and others.

¹ Refer to BCL's JORC 2012 Statement released to ASX on February 7, 2013, available at <http://www.asx.com.au/asxpdf/20130207/pdf/42cx2byq5n5lkg.pdf>. This historical estimate only refers to Indicated Resources. If the SMLOLA proposal is successful, a compliant NI 43-101 report needs to be completed by the Company to upgrade and or verify the historical estimate as a current Mineral Resource.

- On December 5, 2017, Mr Philip Miriori was confirmed as the Chairman of the SMLOLA, resulting in a motion to withdraw all court actions relating to the SMLOLA leadership. Mr Miriori entered into and signed a formal written reconciliation agreement with Mr Lawrence Daveona following a customary reconciliation process.
- During the quarter, the Company increased its interest in Central to 24% through further direct investment and conversion of loans. Additionally, Michael Carrick was appointed as Chairman of Central and Justine Magee was appointed as a Director of Central. One of RTG's major shareholders (interests represented by Mr Richard Hains, who also independently provided early stage funding to Central), has a 32% interest in Central.
- Following the Warden's Hearing of the Bougainville Copper Limited ("BCL") purported application for extension of term of BCL's exploration licence EL1 covering the old Panguna Mine, ABG President Momis on December 21, 2017 announced that because BCL had not secured the necessary Landowner support, the ABG was implementing a moratorium and would now seek to consult with the local Landowners at Panguna to explore the options and work towards unity behind a redevelopment proposal if desired.
- The ABG recently announced that it has refused BCL's application for extension of the term of EL1 and BCL has now sued its major shareholder, the ABG and others seeking amongst other things, a judicial review of the decision to deny BCL's purported renewal application for EL1.
- BCL is also seeking access to information through the Courts from RTG to assist in their consideration of their response to the recent denial of their exploration license renewal application in Bougainville by the ABG and the position of landowners. We are not aware of any legal basis for the request but will ensure it is properly addressed by counsel.
- President Momis and a number of his Ministers met recently with the SMLOLA Chairman, Mr Miriori and a number of its members to discuss the way forward, with both parties agreeing to work co-operatively to find a solution to the redevelopment of Panguna.

RTG's Philippines Interests

- Mt. Labo Exploration and Development Corporation ("Mt. Labo") is continuing with the arbitration proceedings against Galeo Equipment Corporation ("Galeo") in the Singapore International Arbitration Centre seeking a number of reliefs, including a declaration that the Joint Venture Agreement ("JVA") was validly terminated and the compromise agreement was validly rescinded.
- Galeo had commenced a number of actions against Mt. Labo and others in the Philippine Courts which has now been referred for arbitration in Singapore, consolidating all current actions in the Singapore Arbitration process mentioned above.
- General Cimatu was confirmed in the Philippines as the new Secretary of the Department of Environment and Natural Resources ("DENR"), replacing the previous Secretary Ms Gina Lopez. The mining industry has overwhelmingly supported the appointment of Secretary Cimatu, who has been quoted as supporting "responsible mining" in the Philippines. We believe the appointment of the new Secretary of the DENR has been positive for the industry and will continue to be constructive as he works through his stated initiatives.
- On October 25, 2017, Secretary Cimatu announced, as co-chair of the Mining Industry Coordinating Council ("MICC"), that a majority of MICC members voted to recommend a change in the policy of the DENR with regard to the ban on open-pit mining.
- At the Mabilo Project, the Company's activities on site have been further reduced with the ongoing focus on continuing to progress the permitting and local issues given the uncertainty that was created for mining during the term of the previous Secretary of the DENR and the dispute with the joint venture partner of Mt. Labo.

- Improvements in commodity prices from the original feasibility study has led to more than a 100% increase in the NPV of the Mabilo Project, now in excess of US\$300m, based on a copper price of US\$7,000/tonne and a gold price of US\$1,275/oz.
- Mt. Labo continues to work with the DENR and Mines and Geosciences Bureau to progress and perfect the permitting process for the Mabilo Project.

Other Interests

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

Year Ended 2016

- In May 2016, a NI 43-101 Technical Report was released for the Mabilo Copper-Gold-Iron Project following on from the announcement of the Feasibility Study ("FS")² on March 18, 2016 on the TSX. The Mabilo Project is both high grade and low cost underpinning the robust economics presented in the FS including a 33% IRR after tax. The IRR after tax based on current commodity prices is now 66%.
- The twelve months to December 31, 2016 included finalising 18 months of detailed work with the Mines and Geosciences Bureau ("MGB") and DENR resulting in the issue of both the Environmental Compliance Certificate ("ECC") for the Mabilo Project, in the Philippines, together with a renewal of the Mabilo Exploration Permit, EP-014-2013-V.
- The Company successfully completed the issue of approximately 33 million shares at a price of A\$0.60 per share to institutional and sophisticated investors pursuant to a private placement announced by the Company on July 15, 2016 and raising proceeds of approximately \$14 million.
- On June 28, 2016 the Company announced the sale of its interest in the Segilola Gold Project. The Company announced the completion of the sale to Thor Explorations Ltd ("Thor") for total consideration of \$8.5 million, including \$3.0 million consideration upfront, consisting of \$1.5 million in cash and \$1.5m in Thor listed shares. As at December 31, 2017, the shares in Thor were trading at a value of approximately \$1.7 million on the TSX-V.
- Mt. Labo rescinded the previous settlement agreement with its joint venture partner, Galeo due to non-performance by Galeo and served a notice of termination and arbitration as required.
- Due to the above, Galeo was no longer a shareholder of Mt. Labo and its interest at December 31, 2016 reverted to a 36% unincorporated joint venture interest which was subsequently terminated for failure to cure material breaches of the JVA. Galeo disputed the position in the Philippine Courts which has now been referred to the Singapore arbitration that is currently in progress.
- Ms. Gloria Tan Climaco, a highly respected and successful Philippine business person agreed to join the Board of Directors of Mt. Labo as Chairman and has made a significant investment in the Company.
- During the December quarter, the Company commenced a 1,500m diamond drilling program at the Bunawan Project, following the renewal of its exploration license.

² The Company confirms that all the material assumptions underpinning the FS as announced to the ASX on the March 18, 2016 continue to apply and have not materially changed. A copy of the announcement can be found on the Company's website at www.rtgmining.com.

- Additionally, during the December quarter, a number of new business development opportunities were being advanced, seeking to diversify the Philippine interests, which is a continued focus of the Company.

Year Ended 2015

- The Company announced on February 10, 2015 that it had resolved to raise approximately A\$15 million in a placement to Australian and international institutional and sophisticated investors ("2015 Placement"). The 2015 Placement consisted of 22.3 million new securities at a price of A\$0.68 cents per security issued in two tranches.
- It was a year of significant progress at the Mabilo Project (set out below):
 - (i) there was extensive drilling and the preparation of an updated JORC and NI 43-101 compliant mineral Resource statement delivering a high grade new development opportunity with significant exploration upside remaining;
 - (ii) the identification of an early start up strategy that will enable early cashflows, with nominal capital expenditure requirements;
 - (iii) completion of extensive metallurgical test work and mineral Resource modelling, establishing a proposed flowsheet for development of the project;
 - (iv) completion of extensive marketing reviews identifying strong offtake opportunities for the proposed products;
 - (v) completion of a Philippine compliant FS on the proposed DSO to fast track permitting for proposed operations; and
 - (vi) completion of a FS (as defined below) for both Stage 1 (the proposed DSO) and Stage 2, a plan to produce a number of high grade concentrate products post year end.

3. EVENTS SUBSEQUENT TO DECEMBER 31, 2017

On February 27, 2018, the Company announced that it had received commitments of approximately \$34 million in a private placement to Australian and international institutional and sophisticated investors ("Private Placement"). The Private Placement will result in the issue of approximately 311 million Chess Depository Instruments ("Securities") to be listed on the ASX at an issue price of A\$0.14 per security. The Securities will be issued in two tranches (if approved by shareholders), with 25,137,836 Securities issued on March 9, 2018, raising approximately \$2.8 million and 286,217,476 Securities to be issued on or around May 3, 2018, raising approximately \$31.2 million, subject to shareholder approval at a meeting of shareholders scheduled for April 24, 2018. Subject to shareholder approval at the meeting on April 24, 2018, 12,715,201 unlisted advisor options ("RTG Options") will be issued to the US Placement Agent.

4. DESCRIPTION OF THE BUSINESS

Business of the Company

Objectives and Strategy

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

Company Assets

The Company's business is dependent on foreign operations, as many of its properties, including its principal assets, are located in the Philippines with the principal business development opportunity in the Autonomous Region of Bougainville, PNG.

Bougainville Interests

RTG is the nominated development partner with the joint venture company established by the SMLOLA in their proposal with respect to the redevelopment of the 1.5B tonne Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, PNG. The proposal, being led by the SMLOLA, is a landowner initiative and will be subject to the success or otherwise of the SMLOLA in securing a role in the redevelopment of the mine. The SMLOLA proposal is dependent upon them gaining the support of the ABG and others.

The members of the SMLOLA are the owners of the customary land which is the subject of the old Panguna open pit mine.

President Momis announced in December 2017, that the Bougainville Executive Council stated that BCL did not receive the necessary consent of the members of the SMLOLA at the Warden's Hearing on 11 December 2017, which the ABG President said is a basic requirement under the Bougainville Mining Act. Additionally, the ABG has sought to impose a moratorium over the grant of new licenses over Panguna, whilst it consults with the Panguna Landowners on an appropriate arrangement or the best alternative model for the development of the Panguna Mine. President Momis, in an interview with the ABC reported on January 8, 2018 (<http://www.abc.net.au/news/programs/pacific-beat/2018-01-08/mining-at-panguna-put-on-hold-indefinitely/9311220>), said that the majority of people were opposed to BCL because of what they had done in the past, BCL's failure to assist with restoration of Bougainville since the crisis, and that BCL has not seemed to have changed its attitude towards the mine and Landowner issues. The ABG is a 36% shareholder in BCL. BCL has issued legal proceedings against the ABG in respect of their decision to refuse BCL's application to extend the term of its exploration license. BCL is also seeking access to information from RTG through the Courts to assist in their consideration of their response to the recent denial of their exploration license renewal application in Bougainville by the ABG and the position of landowners. We are not aware of any legal basis for the request but will ensure it is properly addressed by counsel.

In December 2017, Mr Philip Miriori was confirmed as the chairman of the SMLOLA, resulting in the motion to withdraw all court actions relating to the SMLOLA leadership. Mr Miriori entered into and signed a formal written reconciliation agreement with Mr Lawrence Daveona following a customary reconciliation process. In January, Mr Miriori met with President Momis a number of times to commence discussions on the possible redevelopment of Panguna and the process of unifying the members of the SMLOLA where good progress has been made.

The Mabilo Project

The Mabilo Project is located in Camarines Norte Province, Eastern Luzon, Philippines. It is comprised of one exploration permit (EP-014-2013-V) of approximately 498 ha and two exploration permit applications (EXPA-000188-V) of 1,991 ha and (EXPA 0000 209-V) of 498 ha. The Mabilo Project area is relatively flat and is easily accessed by 15 km of all-weather road from the highway at the nearby town of Labo. The Mabilo Project was run as a joint venture between an associate of the Company, Mt. Labo and Galeo in the Philippines. As of January 31, 2017 Mt. Labo terminated the joint venture with Galeo. For further discussion on this topic see the Mt. Labo Joint Venture Update below.

Massive magnetite mineralisation containing significant copper and gold grades occurs as replacement bodies together with mineralised garnet skarn and calc-silicate altered rocks within a sequence of hornfels sediments of the Eocene aged Tumbaga Formation. The garnet and magnetite skarn rocks were extensively altered by argillic retrograde alteration and weathering prior to being covered by 25-60 metres of post mineralisation Quaternary volcanoclastics (tuff and lahar deposits) of the Mt. Labo Volcanic Complex. The deposits are localised along the margins of a diorite stock which does not outcrop within EP-014-2013-V.

The primary copper mineralisation (predominantly chalcopyrite with lesser bornite) occurs as disseminated blebs and aggregates interstitial to magnetite grains and in voids within the magnetite. A strong correlation between gold and copper values in the un-weathered magnetite skarn indicates the gold is hosted by the chalcopyrite. A late stage phase of sulphide mineralisation (predominantly pyrite) veins locally brecciates the magnetite mineralisation.

In places the more shallow upper parts of the magnetite skarn bodies were weathered to form hematite skarn. Copper in the weathered zone was remobilised forming high-grade supergene copper zones (chalcocite and native copper) at the base of the weathering profile. The gold is more variable, remobilised throughout the hematite skarn and is domained within garnet skarn and calc-silicate altered country rocks in places. The average iron grade of the hematite skarn is consistent with the magnetite skarn.



Figure 2 - RTP ground magnetic image with modelled South, North and East magnetic bodies, showing exploration upside targets

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

Extensive drilling has been undertaken during 2014 and 2015 with significant extensions in known strike beyond the magnetic model in the north and south directions. A total of 69 drill holes totalling 11,231m were used for the maiden Resource estimate (ASX released on the November 24, 2014). An updated Resource estimate (ASX released on the November 5, 2015) was completed using 98 drill holes totalling 18,200.9m. By the end of December 2015, 111 drill holes had been completed at the project. **The current Resource is open down plunge and along strike.**

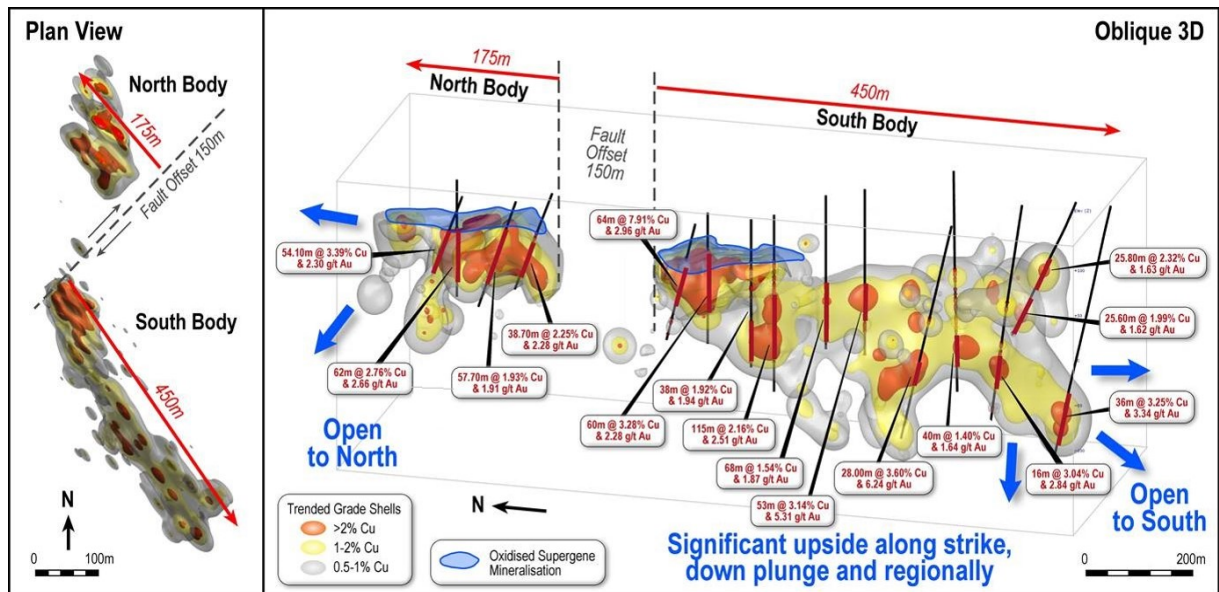


Figure 3 - North and Southern Mineralized Zones with intercept highlights - Schematic Oblique view 3D

Feasibility Study

The Company announced on March 18, 2016 the results from an independent NI 43-101 compliant FS for 100% of the high grade Mabilo Project in Southeast Luzon, Philippines³. The Mabilo Project is both high grade and low cost, underpinning the robust economics presented in the FS including a 33% IRR after tax at US\$5,000/t Cu US\$1,200/oz Au prices (43.6% with only a 10% lift in commodity prices) and an equivalent operating cost of US\$0.80/lb copper equivalent or US\$425/oz gold equivalent for concentrate production at a throughput rate of 1.35mtpa⁴. Since the preparation of the Feasibility Study, commodity prices for both copper and gold have improved materially. On a copper price of US\$7,000/t and a gold price of US\$1275/oz, the net present value of the project has increased to US\$307m. This means the NPV of the project has more than doubled since completing the Feasibility Study.

³ The FS is based on a treatment rate of 1Mtpa. A treatment rate of 1.35Mtpa was also considered in an upside case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa. The capital cost estimates were derived from first principles for the 1 Mtpa process plant to an accuracy of +/- 15% and then the capital cost estimates were factored with an accuracy of +/- 25% for the 1.35 Mtpa process plant. The operating cost estimates were derived from first principles for the 1Mtpa process plant and then plant costs were factored with an accuracy of +/- 25% for the 1.35Mtpa operating scenario. All costs are in 2015 US dollars.

⁴ The Copper equivalent tonnes and gold equivalent ounces are based on the following formulas –

$$\text{CuEq} = (\text{Cu produced/contained} \times \$5000) + (\text{Au produced/contained} \times \$1200 + (\text{Any Contained Fe metal produced} \times \$50)) / \$5000$$

$$\text{AuEq} = (\text{Cu produced/contained} \times \$5000) + (\text{Au produced/contained} \times \$1200 + (\text{Any Contained Fe metal produced} \times \$50)) / \$1200$$

The Mabilo Project 1.35 Mtpa Case Highlights

A Robust New Development Opportunity

Probable Mineral Reserves:	7.792Mt @ 2.04 g/t Au, 1.95% Cu, 8.79 g/t Ag, 45.5% Fe Containing 1.3Moz Au equivalent at 5.26 ⁵ g/t (before recoveries) Containing 316Kt Cu equivalent at 4.1% (before recoveries)
IRR (after tax):	33.4% (US\$5000/t Cu, US\$1200/oz Au and US\$50/t Fe)
Payback for Plant:	2.5 years
DSO Capex:	US\$17.4M
DSO Opex	US\$0.42/lb Cu equivalent US\$224/oz Au equivalent
DSO Production	25,000t of Cu and 39,000oz Au 34,700t of Cu equivalent 144,000oz of Au equivalent
Plant Capex	US\$161.4M (includes US\$14.8M of recoverable VAT)
Plant Pre-strip	US\$24.4M (includes US\$2.6M of recoverable VAT)
Plant Opex:	\$0.80/lb Cu equivalent \$425/oz Au equivalent
Plant Annual Production Contained Metal:	38,300t Cu equivalent 160,000oz Au equivalent

Development Schedule

Optimized Approach to Maximize Returns at the Mabilo Project

The Mabilo Project implementation is planned to be executed in two key stages. Stage 1 is intended to minimize initial capital requirements through a DSO of an exceptionally high grade, near surface oxide portion of the Mabilo Project mineral Resource. By utilization of existing infrastructure within easy transport of the Mabilo Project, the Mabilo JV ("MJV") is able to defer the more capital intensive components of primary production. The early cash flow generated by the DSO should then also minimize any possible equity dilution in the financing of the Stage 2 Primary Production Plant.

Stage 1 will mine the oxide ore down to 30 Relative Level (95m below surface). Three main products will be produced from this oxide mining stage.

- Gold cap ore will be crushed on site and trucked to a nearby existing CIL processing plant. The plant is planned to be upgraded to 300,000tpa throughput and will likely be operated by the MJV personnel.
- Both oxide skarn and high-grade supergene chalcocite will be crushed on site with a plan to truck to the existing Larup Port, within 40km, for direct shipping.

Stage 2 of the operation involves processing of primary ore through a purpose-built plant on site. The Mabilo Project process plant is planned to be built in parallel with the oxide mining phase and Stage 2 permitting process. The processing plant will be a simple crush, grind, float plant with low technical risk, producing three concentrates for sale and is estimated to require approximately 15 months for construction.

⁵ The gold equivalent grade is based on the following formula –
$$\text{AuEq} = (((\text{AuOz} * \$1,200) + (\text{CuMetal} * \$5,000) + (\text{FeMetal} * \$50) + (\text{AgOz} * \$14)) / \$1,200) / \text{Total ore tonnes}$$

The copper equivalent grade is based on the following formula –
$$\text{CuEq} = (((\text{AuOz} * \$1,200) + (\text{CuMetal} * \$5,000) + (\text{FeMetal} * \$50) + (\text{AgOz} * \$14)) / \$5,000) / \text{Total ore tonnes}$$

Both mining stages are financially robust with the **DSO enabling start up and early generation of cash flow within 4-5 months of finalizing the DSO operating permits**. The capital expenditure required for the DSO is relatively nominal at approximately US\$18M and is capable of generating net operating cash flow after tax in the order of US\$ 68M (based on US\$5,000/t Cu, US\$1,200/oz Au and US\$50/t Fe).

The Mabilo Project Feasibility Economics (After-Tax)

Highly Sensitive to Both a Growth in Commodity Prices and Mineral Resources

The robust FS results provide the foundation to grow the Mabilo Project while generating early cashflows. The Mabilo Project is highly sensitive to both a growth in commodity prices and mineral resources. The 1.35Mtpa case project IRR escalates from 33% to 43.5%⁶ with only a 10% increase in commodity price assumptions. The FS, compiled by Lycopodium Minerals Pty Ltd ("Lycopodium"), is based on the inputs from a number of consultants and the MJV including Lycopodium, CSA Global Pty Ltd ("CSA Global"), Oreology Consultants Pty Ltd ("Oreology"), Orway Mineral Consultants Pty Ltd ("Orway"), Knight Piésold Pty Ltd ("Knight Piesold") and Conrad Partners Limited ("Conrad Partners").

Table 1 - Financial Analysis⁶

	1 Mtpa Case	1.35Mtpa Case	10% Increase in Commodity Prices to 1.35 Mtpa	20% Increase in Commodity Prices to 1.35 Mtpa
IRR	26.09%	33.45%	43.62%	56.29%
NPV				
0%	US\$197M	US\$223M	US\$285M	US\$361M
5%	US\$126M	US\$156M	US\$207M	US\$269M
8%	US\$96M	US\$125M	US\$171M	US\$226M
Payback for Plant (Years)	2.5	2.5	2.42	2.25

Separately, there remains significant upside in the Mabilo Project from both extensions to the North Mineralised Zone ("NMZ") and Inferred mineral Resources contained within the pit. 41% of the 3.91Mt Inferred mineral Resource falls within the final design of the pit, representing 1.61Mt at 1.22% Cu and 1.21g/t Au that could provide near term potential to significantly grow the mineral Resource. The pit optimization study shows that an increase in shell size by 19% results in a 24% increase in undiscounted cashflows.

Overview of Planned Operations

Producing 3 High Quality Concentrates Through the Plant

The FS on the construction and operation of the plant forms the basis for the life of mine plan, which incorporates both the Stage 1 mining and DSO on the oxide ore and the Stage 2 development of a processing plant for the primary ore. The primary plant will include a simple crush, grind, float facility with thickening and filtration to produce 3 high quality concentrates. The plant produces the following three (3) high-grade products:

- 27% Cu and 21g/t Au concentrate
- 3g/t Au pyrite concentrate
- 65% magnetite concentrate

⁶ All the economics, including calculations of equivalent estimates referred to in this announcement are based on the following commodity price assumptions: US\$5000/t Cu, US\$1200/oz Au and US\$50/t 62% Fe. The FS is based on a 1 Mtpa plant base case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa

The FS is based on a treatment rate of 1 Mtpa. A factored case at a treatment rate of 1.35 Mtpa was also considered by applying a factor of 7.3% to the capital costs. Given the planned operating throughput is likely based on the 1.35Mtpa case, sensitivity modelling for the 1.35 Mtpa case is shown below indicating strong operating and economic results.

Table 2 - CAPEX and Production Metrics

	1.35Mtpa Case⁶	10% Increase in Commodity Prices⁶	20% Increase in Commodity Prices⁶
Oxide/DSO			
Capex	US\$17.4M		
Cu Produced	25,000 t		
Au Produced	39,000 oz		
CuEq Produced⁴	34,700 t		
AuEq Produced⁴	144,000 oz		
Net Operating Cashflow before Tax	US\$95M	US\$110M	US\$125M
Net Operating Cashflow after Tax	US\$68M	US\$78M	US\$88M
Average Costs			
Per Tonne	US\$62		
Per CuEq	US\$0.42/lb		
Per AuEq	US\$224/oz		
Primary/Plant Operation			
Capex	US\$161.37M		
	(includes US\$14.8M of recoverable VAT)		
Pre- strip for Stage 2	US\$24.37		
	(includes US\$2.6M of recoverable VAT)		
Contained Metal in Average Annual Production			
Cu	18,300 t		
Au	67,000 oz		
Fe	347,000 t		
CuEq⁴	38,300 t		
AuEq⁴	160,000 oz		
Ave Annual Net Operating Cashflow before Tax	US\$72.9M	US\$84M	US\$97M
Ave Annual Net Operating Cashflow after Tax	US\$51.8M	US\$58M	US\$67M
Average Costs			
Per Tonne	US\$54/t		
Per CuEq	US\$0.80/lb		
Per Au Eq	US\$425/oz		

Table 3 - Production Metrics for Stage 2

Mining				
Pre-strip	Mt	18		
Average Mining Rate	Tpd	28,400		
Average Mine Production	Mtpa	10.4		
Total Material Mined	Mt	80.4		
Overall Strip Ratio	W:O	10		
Processing				
Daily Mill Throughput	Tpd	3,700		
Annual Mill Throughput	Tpa	1,350,000		
Production				
Average Annual Cu/Au Con Produced	Tpa	64,900		
Average Annual Pyrite Con Produced	Tpa	219,000		
Average Annual Magnetite Con Produced	Tpa	534,000		
Recoveries				
Gold Recoveries in Cu/Au Con	%	55.1		
Gold Recoveries in Pyrite Con	%	29.8		
Copper Recoveries	%	83.7		
Silver Recoveries	%	60.7		
Iron Recoveries	%	60.7		
Payables/NSR - DSO				
Gold Cap Ore	%	100		
Copper in Oxide Skarn	%	30		
Gold in Chalcocite	%	75		
Copper in Chalcocite	%	74		
Payables/NSR - Plant				
Copper in Cu/Au Concentrate	%	87		
Gold in Cu/Au Concentrate	%	91		
Gold in Pyrite Concentrate	%	50		
Silver in Cu/Au Concentrate	%	83		
Iron in Magnetite Concentrate	%	100		

Mineral Reserves

The March 2016 Probable mineral Reserve represents an **equivalent gold grade for the mineral Reserves of 5.26 g/t⁵** (before recoveries) **containing 1.32 Moz of equivalent gold** or an **equivalent copper grade of 4.1%⁵** (before recoveries) **containing 316Kt of equivalent copper**.

Table 4 - Probable Mineral Reserve Estimate

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		
Total Probable Ore		7.792	45.5	2.04	1.95	8.79		

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

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

Mineral Resource Estimate

CSA has completed two mineral resource estimates for the Mabilo Project, the first in November 2014 and the second in November 2015. The November 2015 mineral resource estimate was an update of the November 2014 estimate based on infill drilling and formed the basis of the DFS. All mineral resource estimation technical reports were completed in compliance with NI 43-101, JORC and CIM standards. There has been no additional drilling on the deposit since the release of the last mineral resource.

Table 5 - Mineral Resource Estimate as at November 2015 for the Mabilo Project

Weathering State	Classification	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Cu Metal (Kt)	Au Oz ('000s)	Fe Metal (Kt)
Oxide + Supergene	Indicated	0.78	4.1	2.7	9.7	41.2	32.1	67.1	320.8
	Inferred	0.05	7.8	2.3	9.6	26	3.7	3.5	12.3
Fresh	Indicated	8.08	1.7	2	9.8	46	137.7	510.5	3,713.70
	Inferred	3.86	1.4	1.5	9.1	29.1	53.3	181.5	1,121.80
Combined	Indicated (Total)	8.86	1.9	2	9.8	45.6	169.8	577.6	4,034.50
Combined	Inferred (Total)	3.91	1.5	1.5	9.1	29	57	184.9	1,134.10
Note: Differences may occur due to rounding. All elements reported as total estimated in-situ for blocks above 0.3 g/t Au lower cut-off, no recovery factors have been considered. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.									

Capital Costs

2-Stage Development: Overall Low Capital Costs

The capital cost estimates were derived from first principles for the 1 Mtpa process plant to an accuracy of +/- 15% and then the capital cost estimates were factored with an accuracy of +/- 25% for the 1.35 Mtpa process plant.

The capital costs for the Mabilo Project will be required in two tranches. The first tranche will be prior to oxide mining commencing. The second tranche is planned to coincide with the development and construction schedule associated with Stage 2 of the Mabilo Project.

Table 6 – Development Costs

Cost Area	Stage 1 -DSO US\$M
Direct	
Pre-Strip	3.30
Mobilisation	0.66
Site Preparation, Roads and Environment	3.65
Port	0.30
Buildings and Equipment	0.55
Mining Facilities	1.40
Upgrade Apex CIL Plant	0.71
Direct Works Subtotal	10.57
Indirect	
Land Acquisition	5.62
Contingency	1.16
Indirect Subtotal	6.78
TOTAL OXIDE MINING CAPITAL COSTS	17.35

Cost Area	Stage 2 – Primary Plant US\$M
Direct	
Treatment Plant	57.41
Infrastructure, Roads and Port	31.86
Pit Dewatering Bores	1.28
Management Costs	12.67
Direct Works Subtotal	103.22
Indirect	
Project Indirects	11.49
Owners Costs	13.21
Land Acquisition	4.60
Contingency	14.02
Value Added Tax	14.83
Indirect Subtotal	58.16
TOTAL PRIMARY PLANT CAPITAL COSTS	161.37

Operating Costs

The Mabilo Project is Open Pit, High Grade & Low Cost

The operating cost estimates were derived from first principles for the 1Mtpa process plant and then plant costs were factored with an accuracy of +/- 25% for the 1.35Mtpa operating scenario. All costs are in 2015 US dollars. The mining costs were derived from IMC's Mabilo Mine Operating Cost Estimate Report, which were then reviewed by Orelogy. The costs are based on a contract mining operation with bench rates (\$/bcm), ore rehandle rates (\$/t), grade control and dump rehabilitation plus annual fixed mining overheads.

Process plant operating costs for the 1.0Mtpa FS base case were compiled from information sourced by Lycopodium and the MJV:

- Manning levels and pay rates advised by MJV to suit the proposed process plant unit operations and plant throughput.
- Consumable prices from supplier budget quotations and the Lycopodium database.
- Flotation reagent consumption and metal / concentrate recoveries based on laboratory test work results and the mining schedule.
- Modelling by Orway for crushing and grinding energy and consumables, based on ore characteristics derived from relevant test work.
- First principle estimates, where required, based on typical operating experience or standard industry practice.
- Benchmarking within the Philippines and comparison with costs at other similar operations.

Processing costs for the 1.35Mtpa upside case were then factored from the FS base case.

The process plant availability has been nominated as 91.3% for milling and downstream operations and 80% for the crushing plant including scheduled and unscheduled maintenance. The product filters will operate in a semi batch mode and a lower operating availability of 75%.

G&A costs were based on current operations in the Philippines and amended to account for the size of the operation and people employed.

Table 7 - Average Operating Costs

	Stage 1 - DSO	Stage 2 – Primary Plant
Mining US\$/t mined (includes pre-strip costs)	1.57	1.49
Mining US\$/t ore (excludes pre-strip costs)	7.49	14.09
Processing US\$/t ore	41.26	32.14
G&A US\$/t ore	6.89	7.65
Total Operating Cost US\$/t ore	61.91	53.89

Mining

Mining is planned to be conducted using open pit methods. The ore is to be accessed in a series of stages. The stage designs were generated in order to enhance the scheduling process aiming to defer waste mining as much as practically possible and to bring forward higher-grade ores. Five (5) meter high benches have been used, given the scale of the operation and the equipment planned for the mining operation. A bench height of 5m mined in two 2½m flitches results in acceptable dilution and ore loss projections. A mining contractor is assumed for both pre-production and the ongoing development of the mine.

There are three distinct different loading and hauling situations that require different fleets:

- *Pioneering and Pit Development* - Pioneering and pit development will be undertaken by 100t excavators (Komatsu PC 1250) and 40t articulated 6WD trucks (Caterpillar 745).
- *Ore and Waste Mining* - The main fleet for the ore and waste mining activities consists of 100t excavators and 55t rigid haul trucks (Caterpillar 773).
- *Bulk Waste Mining* - A 200t excavator (Komatsu PC 2000) and a fleet of 90t haul trucks (Caterpillar 777) will be used to undertake waste stripping of the last two cutbacks.

Free digging is expected in all oxide materials while fresh rock materials are broken and loosened with drilling and blasting.

Metallurgy and Processing

The proposed process plant design for the Mabilo Project is based on a robust metallurgical flowsheet designed for optimum recovery with minimum operating costs, based on an initial 1Mtpa throughput, and then upgraded and optimized for a planned 1.35Mtpa throughput. The flowsheet is constructed from unit operations that are well proven in industry.

The treatment plant design incorporates the following unit process operations:

- Single stage open circuit primary crushing to produce a crushed product size of 80% passing (P80) 120 mm.
- A crushed ore surge bin with a nominal capacity of 120t. Surge bin overflow will be conveyed to a dead stockpile of 20,000 tonnes. Ore from the dead stockpile will be reclaimed by front-end loader to feed the mill during periods when the crushing circuit is off-line.
- Grinding of ore in a SAG mill circuit in closed circuit with hydrocyclones to produce a P80 grind size of 90 µm.
- Bulk sulphide flotation to recover copper sulphides and gold bearing pyrite.
- Two-stage cleaner flotation to recover copper sulphides into a copper concentrate and pyrite into a product for sale.

- Concentrate thickening and pressure filtration to produce a copper concentrate filter cake.
- Pyrite thickening and pressure filtration to produce a pyrite concentrate filter cake.
- Magnetic separation of the bulk sulphide tails to recover magnetite into concentrate.
- Concentrate thickening and pressure filtration to produce a magnetite concentrate filter cake.
- Combined tailings pumping to the tailings storage facility.

A planned flowsheet for the process is shown below.

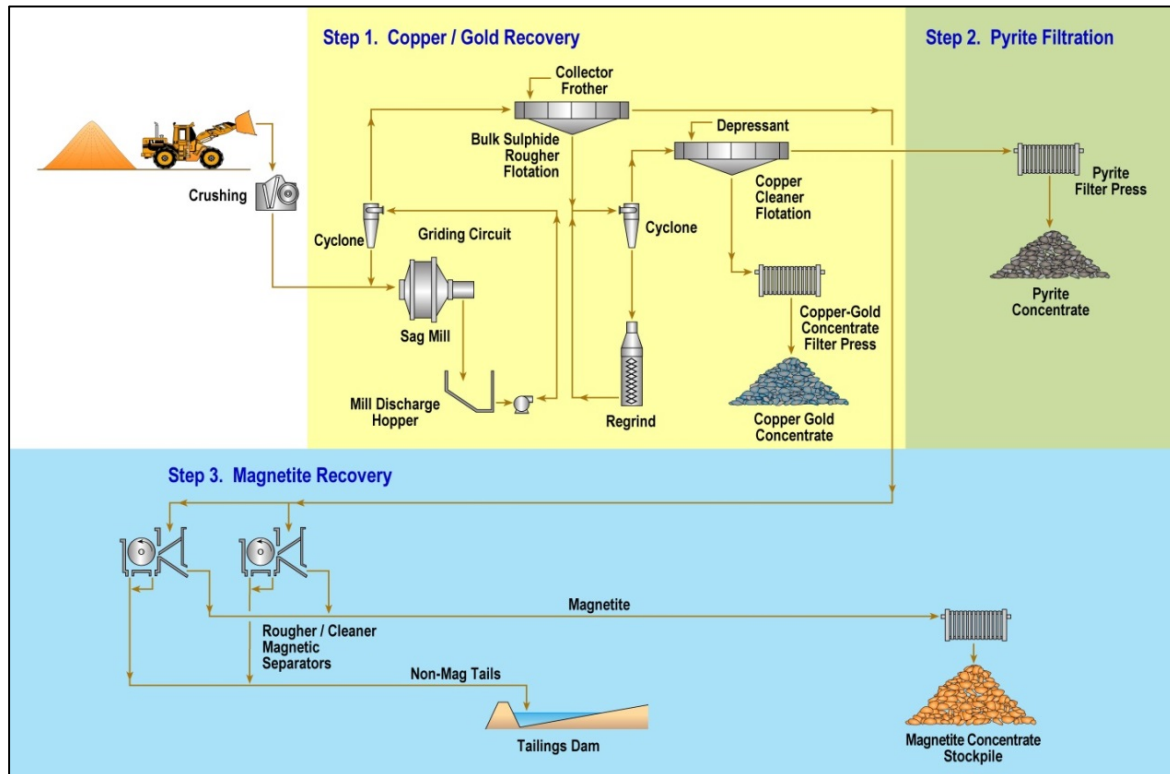


Figure 4 – Process Flow Sheet

Ultimately, the ability to develop and progress the plans as considered in the FS are dependent upon many factors including the ability to secure the necessary permits, working successfully with local communities and governments, securing all necessary surface rights and the support of the Philippine regulatory bodies and our partners.

Mt. Labo Joint Venture Update

Mt. Labo rescinded the previous settlement agreement with its joint venture partner, Galeo due to non-performance and had served notice of termination of the Joint Venture Agreement and referred the matter to arbitration during the prior year. During the March quarter of 2017, following a 60 day notice period pursuant to the JVA, the joint venture was automatically terminated on January 31, 2017, due to Galeo not remedying the notified breaches of the JVA.

Mt. Labo has now also commenced arbitration proceedings against Galeo in the Singapore International Arbitration Centre in accordance with the provisions of the JVA and the compromise agreement. In those arbitration proceedings, Mt. Labo seeks a number of reliefs, including a declaration that the JVA was validly terminated and the compromise agreement was validly rescinded. Under the JVA, on termination the innocent party is then given the right to buy out the guilty party at a 10% discount to book value, which for the joint venture is nominal given it was still in the exploration phase of the project. Galeo had commenced a number of actions against Mt. Labo and others in the Philippine Courts which has now been referred for arbitration in Singapore, consolidating all current actions in the Singapore Arbitration process.

Nalesbitan Project (the “Nalesbitan Project”)

The Nalesbitan Project comprises Mining Lease Contract MRD-459 of 500 Ha, which was renewed as an MPSA in June 2016. The Nalesbitan Project covers a large zone of alteration in which widespread zones of epithermal gold, silver and copper mineralisation have been outlined.

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

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

Bunawan Project (the “Bunawan Project”)

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

The Bunawan Project (Figure 5) is centred on a diatreme intrusive complex (Mahunoc diatreme) approximately five km NE of Medusa Mining’s Co-O mine in eastern Mindanao. Historical production at the Co-O Mine has demonstrated a significant high grade gold system and there is active artisanal mining throughout the region which further reinforces the gold potential of the area. A number of the artisanal mining operations occur within and adjacent to the Mahunoc diatreme and the area is highly prospective for the discovery of economic epithermal Au-Ag mineralisation of intermediate sulphidation / carbonate-base metal type.

The ground magnetics and mapping suggest that the southern margin of the diatreme is a relatively flat-lying apron shallowly overlying andesite wall rock and that Au mineralisation in the diatreme within the “mineralised corridor” is derived from veins in the structural zone in the underlying andesite.

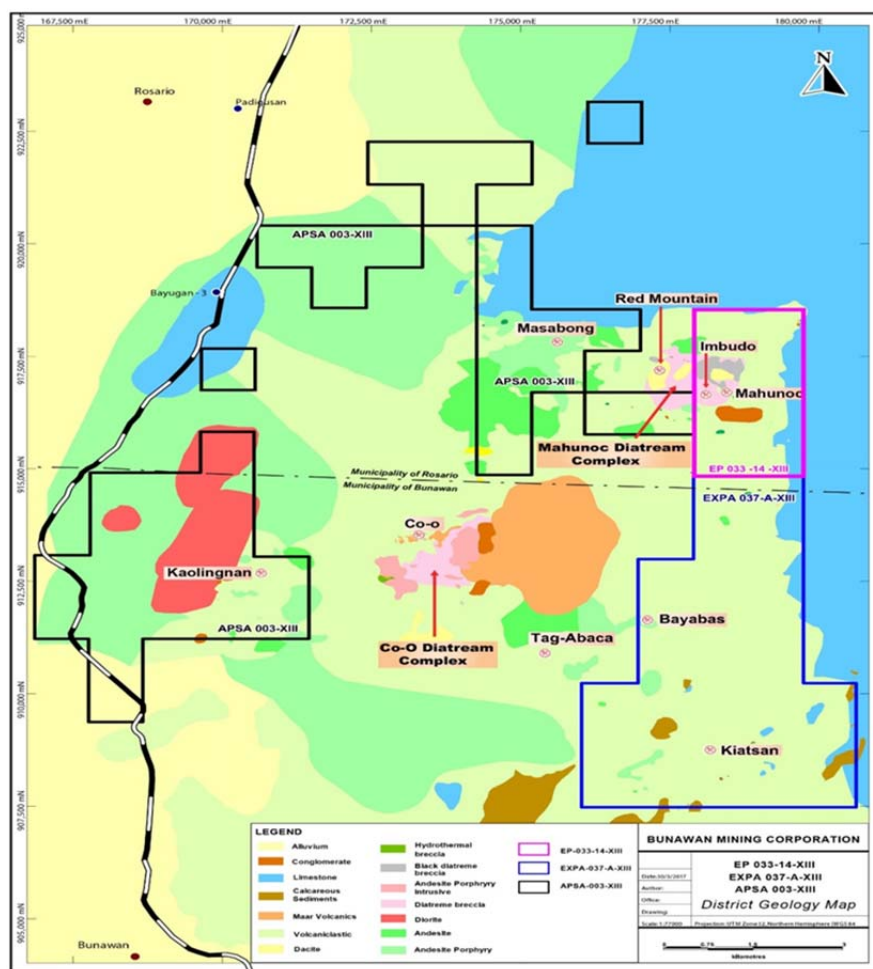


Figure 5 – Bunawan Location Plan with Regional Geology

Two drilling campaigns to date have intercepted broad widths of mineralisation including:

Table 8 – Bunawan Project Significant Down-hole Intersections

Hole	From	To	Metres	Au g/t
BDH-01	163	186	23	1.23
BDH-06	111	147	36	1.49
BDH-08	229	239	10	5.09
BDH-10	163	167	3.6	4.58
BDH-15	39	48	9	2.02
Previously reported and released on ASX on February 5, 2015 and April 18, 2017				

This drilling has also confirmed the presence of breccia/epithermal vein systems within and below the diatreme that is similar geologically to the nearby Co-O vein system. The discovery of a favourable mineralised dacite host also adds to the increased mineral potential of the property. Hydrothermal alteration assemblage in the dacite suggests that it may be a component of a high-sulphidation system in the general area. With the various geological conditions identified, the region has the potential to see another major gold discovery.

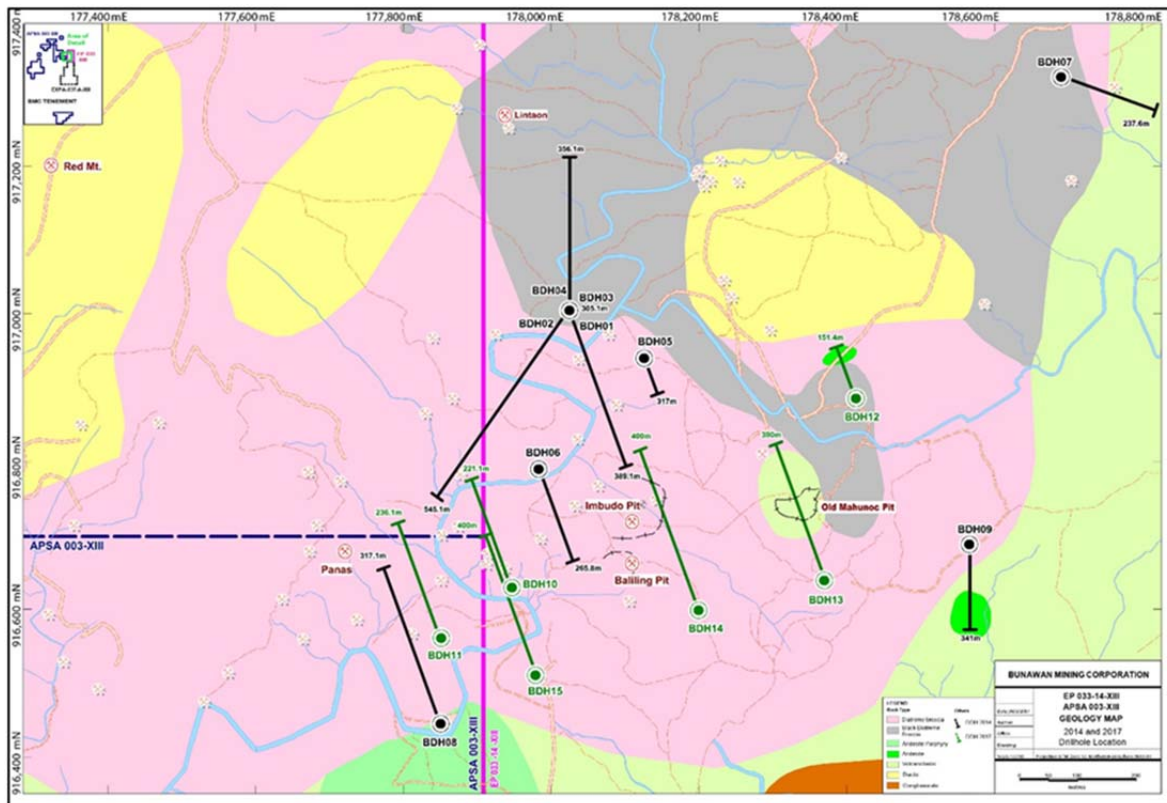


Figure 6 – Bunawan Geological Map showing locations of completed drill holes and artisanal gold workings. Holes of latest program marked in green

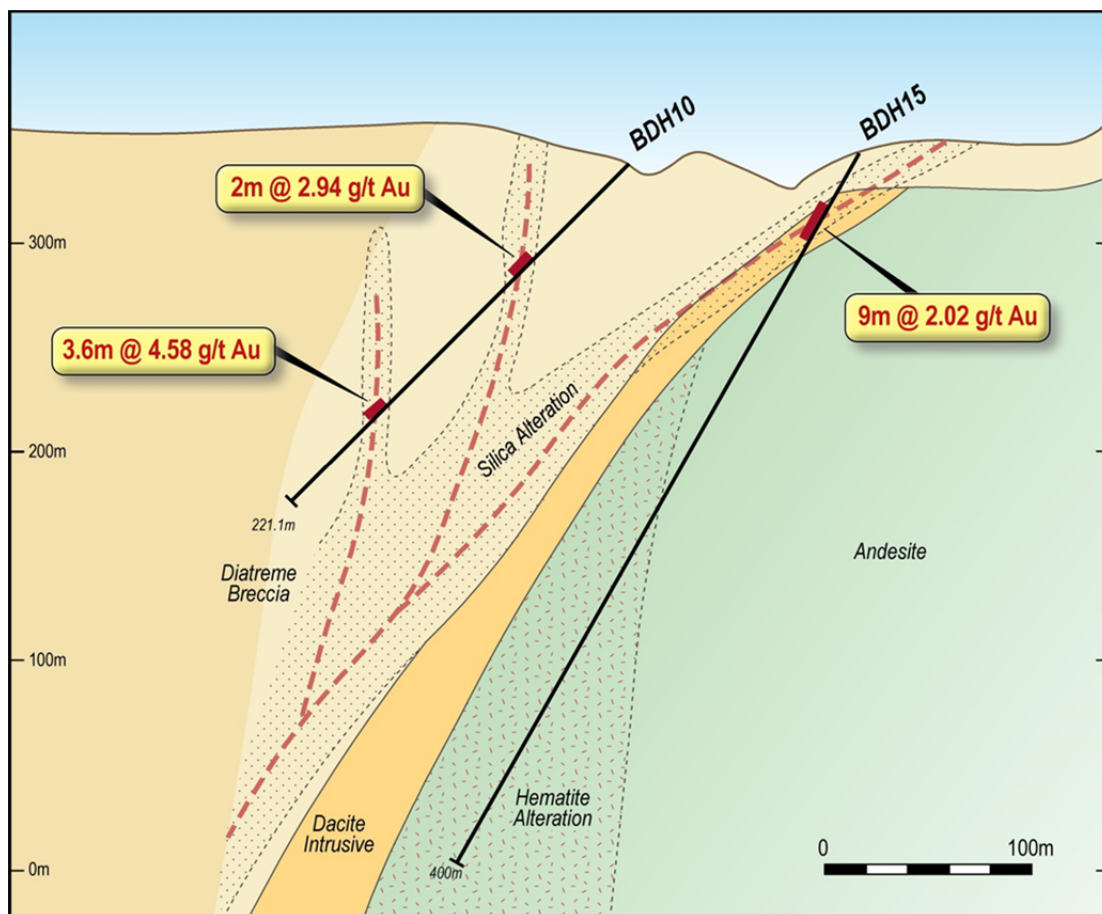


Figure 7 – BDH15 & BDH10 interpretive geological cross-section showing mineralisation on the edge of the diatreme and the mineralised Dacite.

Bahayan Project (the “Bahayan Project”)

The Bahayan Project in the Philippines comprises exploration permit application 123 (“EXPA-123-XI”) covering 69.2km² of ground near the Diwalwal mining camp. High-grade gold veins were discovered at Diwalwal in the early 1980’s, although there has been little modern exploration at Diwalwal and surrounding areas. Based on the MGB XI MTSR as of December 2016, EXPA-123-XI has been endorsed to the MGB Central Office and is awaiting the clearance of the MGB Director.

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

Historic work at the Bahayan Project has included the completion of 60.2 line kms of ground magnetic survey, further geological mapping, rock chip sampling and petrographic work. The Bahayan Project continues to show potential and the ground magnetic work has highlighted a number of areas that warrant further interpretation and follow up resistivity work. No work was conducted on this project during the year.

Mawab Project (the “Mawab Project”)

The Mawab Project in the Philippines comprises two contiguous applications which have a combined area of 65.66 km². They are located in the Masara Mineral Field, one of most highly mineralised sections of the Pacific Cordillera where there are a number of past mines and deposits currently at an advanced stage of development. No work was conducted on the project during the year.

Taguibo Project (the “Taguibo Project”)

The Taguibo Project in the Philippines comprises one granted exploration permit and two applications for exploration permits covering a combined area of 128.7 km². Exploration permit no. 000001-06-XI was granted on the October 18, 2016. No work was conducted on this project during the year.

Mkushi Copper Project (the “Mkushi Copper Project”)

RTG announced on August 29, 2013 that it had sold its interest in the Mkushi Copper Project for US\$13.1 million to Elephant Copper Ltd (“Elephant Copper”) including shares and an unsecured redeemable convertible note.

Elephant Copper also agreed to payment of the Deferred Heap Leach payment totalling US\$1,399,064 million, before interest (“DHL Payment”).

Elephant Copper is now in breach of their requirements under both the convertible note and the DHL payment. To date the Company has fully provided for the consideration to be received under the Share Sale Agreement.

Segilola Gold Project (the “Segilola Gold Project”)

On August 22, 2016 the Company announced the completion of the sale of its Segilola Gold Project in Nigeria to Thor Explorations Ltd (“Thor”), a TSX-V listed company, for total consideration of \$8.5M, including \$3.0M consideration upfront, \$1.5M in cash and \$1.5M in Thor listed shares. The listed shares are still held and as at the December 31, 2017 had a fair market value on RTG’s balance sheet of \$1.7M. An additional \$2.0M cash payment and a capped royalty on the Segilola Gold Project of \$3.5M was included as part of the consideration for the sale; however, has not yet been received as it is not due yet.

Employees

As of December 31, 2017, RTG has 6 full-time equivalent employees. Management considers the relationship between RTG and its employees as sound.

Specialized Skill and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the disciplines of geology, geophysics, geochemistry, drilling, mineral resource estimation, mining engineering, mine planning, metallurgy and mineral processing, metal and concentrate sales, field operations, tax, and accounting. To date, the Company has successfully identified and recruited employees and consultants with the requisite skills to advance the Company's strategy and the Company believes it will be able to continue to do so.

Competitive Conditions

The mining industry is intensely competitive in all of its phases and the Company will compete with many companies possessing greater financial and technical resources than the Company. Competition in the minerals and mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such operations. Many competitors not only explore for minerals, but conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

Cycles

The Company's business is not significantly affected by seasonal changes, other than seasonal weather.

Changes to Contracts

As detailed above, following a 60 day notice period pursuant to the JVA, the joint venture between Mt. Labo and Galeo was automatically terminated on January 31, 2017, due to Galeo not remedying the notified breaches of the JVA. Galeo is disputing this position.

Mt. Labo has commenced arbitration proceedings against Galeo in the Singapore International Arbitration Centre in accordance with the provisions of the JVA. Mt. Labo does not believe the arbitration necessarily results in sensible business outcomes and will likely cause a delay to operational activities, but believes it is the only avenue available to it, to protect its interests from the ongoing misconduct of Galeo and its founder. Refer to Section 11 for further information.

Environmental Protection

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. To date, applicable environmental legislation has had no material, financial or operational affects upon the operation of the Company. See also "Risk Factors – Environmental Risk".

Environment and Social Impact

The Mabilo Project is located in Barangay Napaod, Municipality of Labo, the Province of Camarines Norte, Philippines (latitude 14°07' North, longitude 122°46'30" East), approximately 190 aerial kilometres east-southeast of Manila or 315 kilometres by the Maharlika Highway from Manila (311 km) and then by 12 kilometres of concreted road from the town of Labo.

Labo is a first class municipality with ten barangays (villages) and a population of 92,041. Its land area is 649 square kilometres and is 25% of Camarines Norte's size. The Mabilo Project directly impacts two barangays and indirectly an additional four barangays.

The Mabilo Project will affect 144 surface lots and 114 households subject to voluntary resettlement. Six lots in the mineral resource area have been acquired and work continues to acquire other available lots.

The Mabilo Project is sparsely populated and is not subject to any indigenous land owner claims. Vegetation is mostly degraded secondary forest cover or cleared land and the terrain is moderately flat with elevation of ~130 m ASL rising to the inactive Mt. Labo volcano at an elevation of 1,572 m ASL. The elevated areas in the locality are forested, given the high precipitation over the region. The lower lands are agricultural and are mainly planted with rice, coconut, abaca, and other fruit trees.

Water and air sampling shows the Mabilo Project is in environmental compliance except for two contaminated community water bores.

The Mabilo Project is on the foothills of Mt. Labo, a stratovolcanic mound with a peak elevation of over 4,600 meters. The Mabilo Project has flat to slightly undulating topography that is transected by several north-flowing streams which moderately to deeply incise the soft Quaternary tuffs (pyroclastic rock). Principal drainage meanders for over 10 kilometres through the Labo River which flows out to a delta east of the centre of Daet municipality.

Baseline Monitoring and Data

The Mabilo Project monitoring and gauging stations were established by GAIA South environmental consultants in early 2014 and MJV has continued monitoring these stations and others which were added as required. Once the footprint of the Mabilo Project is finalized, the Project team will establish permanent stations and expand the monitoring program as proposed in the statutory Environmental Management Plan ("EMP").

Risk Factors

As a mining company, the Company faces the financial, operational, political and environmental risks inherent in the nature of its activities. These risks may affect the Company's profitability and level of operating cash flow. The Company also faces risks stemming from other factors, such as disputes with joint venture partners, changes in Government policies and representatives, fluctuations in gold prices, oil prices, interest rates, exchange rates, tax or royalty rates or the adoption of new interpretations relating to gold prices, oil prices, interest rates, exchange rates, tax or royalty rates or the adoption of new interpretations relating thereto and financial market conditions in general. As a result, the securities of the Company must be considered speculative and in evaluating the securities of the Company, the following factors, amongst other things, should be considered.

Counterparty Risk

There is a general risk, which is higher in the current uncertain economic environment, that contracts and other arrangements to which RTG or any of its subsidiaries are party and obtain a benefit (such as sale, service and supply agreements) will not be performed by the relevant counterparties, including if those counterparties become insolvent or are otherwise unable to perform their obligations.

There are also specific risks in relation to:

- i. The Share Sale Agreement for Ratel Group Limited dated August 26, 2013 entered into between Zambia Mining (as seller) and Elephant Copper (as buyer) in that Elephant Copper has failed to comply with its post completion obligations under the Share Sale Agreement by failing to repay the DHL Payment by January 1, 2014 or completing an IPO by December 31, 2013. Elephant Copper has now also breached its obligations of repayment on January 1, 2015 under the Convertible Note. There is a risk that Elephant Copper will not perform its post completion obligations under the Share Sale Agreement. To date the Company has fully provided for the consideration received and to be received under the Share Sale Agreement.
- ii. On August 22, 2016 the Company announced the completion of the sale of its Segilola Gold Project in Nigeria to Thor, a TSX-V listed company, for total consideration of US\$8.5M, including US\$3M consideration upfront under a Share Purchase Agreement ("SPA"). The remaining US\$5.5M, includes:

- US\$2M cash payable on the earlier of closing of the financing for the development of the full scale mine or 24 months after completion; and
- a 1.5% royalty on the Segilola Gold Project, capped at an aggregate of US\$3.5M.

There is a risk that Thor will not complete its post completion obligations under the SPA.

Litigation Risks

Legal proceedings may arise from time to time in the course of RTG's activities. There have been cases where the rights and privileges of mining and exploration companies have been the subject of litigation. RTG cannot preclude that such litigation may be brought against a member of RTG in the future from time to time.

There are specific litigation risks in that members and associates of RTG are involved, either directly or indirectly, in the following unresolved litigation, arbitration or disputes. See *Legal Proceedings and Regulatory Actions* for more information:

- i. Deferred Consideration Claim being conditional on receiving approval of the Motion for Reconsideration of a Notice of Denial of the Nalesbitan Project APSA-V-002;
- ii. A claim for royalty on small scale mining permit production;
- iii. Bunawan Project permit APSA-03-XIII being subject to a number of claims including the cases of Valley Mining and Development Corp. vs. Safariland Resources Co. and PICOP Resources, Inc. vs. Safariland Resources Co.;
- iv. Mt. Labo has commenced arbitration proceedings against Galeo in the Singapore International Arbitration Centre in accordance with the provisions of the JVA and the compromise agreement. In those arbitration proceedings, Mt. Labo seeks a number of reliefs, including a declaration that the JVA was validly terminated and the compromise agreement was validly rescinded. Galeo had commenced a number of actions against Mt. Labo and others in the Philippine Courts which has now been referred for arbitration in Singapore, consolidating all current actions in the Singapore Arbitration process;
- v. Action taken against Mr Nik Zuks, Mr David Johnston, Kalia Limited, Kalia Holdings Pty Ltd and others for alleged breaches of comprehensive non-compete and confidentiality clauses in a Separation Agreement signed in December 2016; and
- vi. RTG is opposing a pre-action discovery application in the Supreme Court of Victoria made by BCL which seeks from parties including the Company, inspection of certain documents so as to determine if it has a potential claim.

Political Risks in the Republic of the Philippines

The 1987 Philippine Constitution restored a Presidential-style republican government to the Philippines. The President heads the executive branch of government and can serve no more than a single 6-year term. While the Presidency commands great prestige and moral authority, executive powers are constrained by constitutional safeguards designed to avoid a repetition of Marcos-era excesses. Personality and patronage form the basis of the Philippines' political system, and the bureaucracy suffers from insufficient transparency. Demonstrations against incumbent governments are a feature of Filipino life and reflect voter disaffection.

From time to time, the New People's Army that is located near RTG's mining tenements impose demands (by way of access fee or contribution) which can increase exploration risk. The Australian Department of Foreign Affairs maintains a travel advisory level of 'high degree of caution' for travel to the Philippines as a whole and a 'reconsider your need to travel' advice warning for Eastern Mindanao.

While RTG will be operating exploration projects in Eastern Mindanao, its properties are not located in high risk areas.

Exchange Rate Risk

RTG reports its financial results and maintains its accounts in United States dollars. RTG's activities in Australia, Philippines, and Canada, as well as any future foreign countries make it subject to foreign currency fluctuations. RTG does not at present, nor does it plan in the future, to engage in foreign currency transactions to hedge exchange rate risks. There can be no assurance that RTG will not be materially and adversely affected thereby.

Uncertainty of Mineral Reserve and Mineral Resource Estimates

RTG's figures for mineral Reserves and mineral Resources presented in its public documents filed by RTG on the SEDAR website are estimates based on limited information acquired through drilling and other sampling methods. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realised. The ore grade actually recovered may differ from the estimated grades of the mineral Reserves and mineral Resources. Such figures have been determined based upon assumed gold, silver, iron, or copper prices and operating costs. Future production could differ dramatically from mineral Reserve estimates for, among others, the following reasons: mineralisation or formations could be different from those interpreted by drilling and sampling; increases in operating mining costs and processing costs could adversely affect mineral Reserves; the grade of the mineral Reserves may vary significantly from time to time and there is no assurance that any particular level of gold or copper may be recovered from the mineral Reserves; and declines in the market price of gold or copper may render the mining of some or all of the current mineral Reserves uneconomic. Any of these factors may require RTG to reduce its mineral Reserves estimates or increase its costs.

Mineral Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Mineral Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, mineral Resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

Share Market Conditions

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of RTG Shares. Neither RTG nor its Directors warrant the future performance of the Company or any return on an investment in the Company.

Changes to Tax Environment

As a company incorporated in BVI, should there be any changes in BVI tax law, in particular, if BVI imposes a dividend withholding tax regime, this could have an adverse cash impact on shareholders of RTG.

Exploitation, Exploration and Mining Licences

Exploration and mining activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining licence will be granted with respect to exploration territory. There can also be no assurance that any exploration licence will be renewed or if so, on what terms. These licences place a range of past, current and future obligations on the Company. In some cases there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract.

In addition, there are risks attaching to exploration and mining operations in a developing country which are not necessarily present in a developed country. These include economic, social or political instability or change, hyperinflation, currency instability and changes of law affecting foreign

ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties as well as government control over mineral properties. Any future material adverse changes in government policies, representatives or legislation that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of combined group's or rights to title or tenure.

Nature of Mineral Exploration and Mining

Mineral exploration and development is a speculative business, characterised by a number of significant uncertainties, these include failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

Unprofitable efforts may result not only from the failure to discover mineral deposits but also from finding mineral deposits that are insufficient in quantity and/or quality to return a profit from production. Even deposits that could be sufficient to provide a profit from production are not guaranteed to do so because management of the mining operation may fail to perform adequately. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and metals, and environmental protection, a combination of which may result in the Company not receiving an adequate return on invested capital.

While the discovery of a mineral structure may result in substantial rewards, few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures may be required to establish mineral Reserves by drilling, constructing, mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary feasibility studies or full feasibility studies on the Company's projects or the current or proposed exploration programmes on any of the properties in respect of which the Company will have exploration rights will result in a profitable commercial mining operation.

The Company's operations are subject to all of the hazards and risks normally incidental to the exploration, development and production of precious metals and base metals, any of which activities could result in damage to life or property, environmental damage and possible legal liability for any or all such damage caused. The Company's activities may be subject to prolonged disruptions due to adverse weather conditions. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material.

Development and operation of mines and production and processing facilities may also be affected by mechanical difficulties, operational errors, labour disputes, damage to or shortage of equipment, earthquakes, fires or other natural disasters, civil unrest, leaks or pollution. These events are largely beyond the control of the Company.

Whether a precious metal or a base metal deposit will be commercially viable depends on a number of factors, some of which are particular attributes of the deposit (such as its size and grade), proximity to infrastructure, financing costs and governmental regulations (including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of precious metals or base metals and environmental protection). The effect of these factors cannot be accurately predicted.

Operations in countries like the Philippines or Bougainville may involve an exposure to security related issues such as rebel activity which may cause physical damage to property or other damage to the assets of the Company or employees and others. The basis for this activity may be personally motivated, or motivated by ideology or for commercial gain and the Company may have limited control

over or warning (if any) of such actions. Such actions could have an adverse effect on the Company or perceptions thereof.

Payment Obligations

Under its exploration permits and licences and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become subject to payment and other obligations. In particular, permit holders are required to expend the funds necessary to meet the minimum work commitments attaching to the permits and licences. Failure to meet these work commitments will render the permit liable to be cancelled. Furthermore, failure to comply with any contractual obligations when due, in addition to any other remedies which may be available to other parties, could result in dilution or forfeiture of interests held by the Company.

Commercial Risks of Mineral Exploration and Extraction

Even if the Company recovers quantities of minerals, there is a risk the Company will not achieve a commercial return. The Company may not be able to sell the minerals to customers at a price and quantity which would cover its operating and other costs.

The Company may be subject to all of the risks inherent in the establishment of a new mining operation with respect to the Company's mineral assets that in the future move to, the development phase. No assurances can be given to the level of viability that the Company's operations may achieve.

Commodity Price Volatility

It is anticipated that any revenues derived from mining will primarily be derived from the sale of precious and base metals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements which the Company enters into.

Metal prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for minerals and metals, forward selling by producers, and production cost levels in major mineral-producing regions.

Moreover, metal prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the metal as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Dependence on Key Personnel

The Company will be reliant on a number of key personnel. The loss of one or more of its key personnel could have an adverse impact on the business of the Company.

Furthermore, it may be particularly difficult for the Company to attract and retain suitably qualified and experienced people, given the current high demand in the industry and relative size of the Company, compared with other industry participants.

Insurance

While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or that certain risks could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting the Company's earnings and competitive position in the future and, potentially, its financial position. In addition, the potential costs that could be associated with compliance with applicable laws and regulations may also cause substantial delays and require significant capital outlays, adversely affecting the Company's earnings and competitive position in the future and, potentially, its financial position.

New Projects and Acquisitions

The Company proposes to actively seek acquisitions that may add value. The acquisition of new business opportunities (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Board of Directors of the Company ("Board") will need to re-assess, at that time, the funding allocated to current projects and new projects and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with mining and exploration activities will remain.

Dilution

The Company may require additional funds to fund its exploration and development programs and potential acquisitions. If the Company raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of RTG shareholders.

Furthermore, future RTG agreements may, and a number of RTG's existing agreements do, provide for additional issuances of RTG Shares that may result in dilution to shareholders. Issuances of substantial amounts of RTG's securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for RTG's securities. A decline in the market prices of RTG's securities could impair RTG's ability to raise additional capital through the sale of securities should it desire to do so.

On February 27, 2018, the Company announced that it had received commitments of approximately \$34 million in a private placement to Australian and international institutional and sophisticated investors ("Private Placement"). The Private Placement will result in the issue of approximately 311 million Chess Depository Instruments ("Securities") to be listed on the ASX at an issue price of A\$0.14 per security. The Securities will be issued in two tranches, with 25,137,836 Securities issued on March 9, 2018, raising approximately \$2.8 million and 286,217,476 Securities to be issued on or around May 3, 2018, raising approximately \$31.2 million, subject to shareholder approval at a meeting of shareholders scheduled for April 24, 2018. Subject to shareholder approval at the meeting on April 24, 2018, 12,715,201 unlisted advisor options will be issued to the US Placement Agent.

Environmental Risk

The exploration for minerals, development of mines and production of metals can be hazardous to the environment and environmental damage may occur that is costly to remedy. If the Company is responsible for any environmental damage, then it may incur substantial remediation costs or liabilities to third parties.

The Company may be involved in operations that may be subject to environmental and safety regulation (including regular environmental impact assessments and permitting). This may include a wide variety of matters, such as prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The regulations may change in a manner that may require stricter or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from exploration and development activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential clean-up costs and obligations and liability for toxic or hazardous substances for which the Company may become liable as a result of its activities may be impossible to assess against the current legal framework and current enforcement practices. There is no assurance that future changes in environmental regulation will not adversely affect the activities of the Company.

More specifically, the operations of the Company are subject to extensive environmental, health, and safety regulation relating to the safety and health of employees, the protection of air and water quality, hazardous waste management, and mine reclamation in the jurisdictions in which they operate. These

regulations establish limits and conditions on the ability of a mining company to conduct its operations. The cost of compliance with these regulations can be significant. The regulatory environment could change in ways that would substantially increase its liability or the costs of compliance and that could have material effect on operations or financial position of the Company.

Exploration in the Republic of the Philippines

The Philippines is a developing country with a democratic system of government, and well established and expanding mining industries. The recent appointment of a new Department of Environment and Natural Resources Secretary, General Cimat, has had a positive impact on the mining industry to date.

There are, however, risks attaching to exploration and mining operations in a developing country which are not necessarily present in a developed country. These include economic, social or political instability or change, security concerns, hyperinflation, currency non-convertibility or instability and changes of law effecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties and government control over mineral properties.

Any future material adverse changes in government policies or legislation in the Philippines that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of RTG.

General Title Risks in the Republic of the Philippines

New mining legislation was introduced in the Philippines in 1995, which involved converting previous mineral tenements to the new title system. There are significant delays in the tenement approval process and some of the properties that RTG will be exploring are still in the application stage. All companies investing in mineral exploration in the Philippines have to operate under similar conditions with the possibility of an application being rejected or challenged.

Moreover, the constitutionality of the fiscal regime between the Philippine government and mining investors in a Mineral Production Sharing Agreement under the Philippine Mining Act of 1995 is being assailed before the Philippine Supreme Court. It is alleged that under the current fiscal regime for Mineral Production Sharing Agreements, the State is not receiving its just share in the development, use and exploitation of natural resources. Should the petitioners in the aforementioned Supreme Court case prevail, it is possible that a new fiscal regime will be adopted, resulting in a greater government share.

Regulations in the Philippines

The Philippines Constitution provides that all natural resources are owned by the State which may enter into a co-production, joint venture or production sharing agreement with citizens of the Philippines or corporations or associations whose capital is at least 60% owned by Philippine citizens.

Commonwealth Act No. 108, as amended (the "Anti-Dummy Act"), provides penalties for, amongst others: (a) Filipinos who permit aliens to use them as nominees or dummies so that the aliens could enjoy privileges otherwise reserved for Filipinos or Filipino corporations, and (b) aliens or foreigners who profit from the adoption of these dummy relationships. It also penalises the act of falsely simulating the existence of minimum stock or capital as owned by citizens of the Philippines or any other country in cases in which a constitutional or legal provision requires that, before a corporation or association may exercise or enjoy a right, franchise or privilege, not less than a certain percentage of its capital must be owned by such citizens.

The Anti-Dummy Act likewise prohibits aliens from intervening in the management, operation, administration or control of nationalised business or enterprises, whether as officers, employees or labourers, with or without remuneration, except that aliens may take part in technical aspects only, provided (a) no Filipino can do such technical work, and (b) it is with express authority from the Secretary of Justice. The Anti-Dummy Act also allows the election of aliens as members of the boards of directors or governing bodies of corporations or associations engaged in partially nationalised activities in proportion to their allowable participation or share in the capital of such entities. Although

the Company believes its structure complies with all Philippine regulations, there is a risk that, given the limited precedents to date in the country, it could be changed or challenged.

Land Access in the Republic of the Philippines

Immediate access to mineral tenements in the Philippines cannot in all cases be guaranteed. In the Philippines, RTG through its local associates may be required to seek consent of land holders or other persons or groups with an interest in real property encompassed by, or adjacent to, RTG's associates' tenements. Compensation may be required to be paid by RTG's associates to land holders and occupiers so that RTG's associates may carry out exploration and/or mining activities. Native title exists in the Philippines and is governed by law. In the Philippines the free prior and informed consent of the affected indigenous groups have to be in place before a mineral tenement can be granted.

Joint Venture Risks

Certain properties in which RTG has an interest are or were operated through joint ventures with other companies. Any failure of such companies to meet their obligations under the joint venture or to third parties, or any disputes with respect to the parties' respective rights and obligations, or failure to act in the best interests of the joint venture, could have a material adverse effect on the joint ventures or their properties. In addition, RTG may be unable to exert control over strategic decisions made in respect of such properties. Any or all of the above circumstances may have a materially adverse effect the operations and performance of RTG. Please refer to the summaries outlined in this document with regard to the actions of Galeo Equipment Corporation.

Bougainville Risks

RTG holds an indirect interest in a joint venture company, established by the SMLOLA and Central, that has applied for an exploration license in Bougainville. If the exploration license is granted, the joint venture company will have to secure consent from landowners to conduct exploration related activities. The decision as to who will secure an exploration licence over the old Panguna Mine is in the hands of the landowners and ABG and RTG has no control over the outcome.

Common Risk Factors

Investment in Publicly Quoted Securities

Prospective investors should be aware that the value of RTG Shares may go down as well as up and that the market price of RTG Shares may not reflect the underlying value of RTG. Investors may therefore realise less than, or lose all of, their investment.

Potentially Volatile Share Price and Liquidity

The share price of emerging companies quoted on the TSX and ASX can be highly volatile and shareholdings illiquid. The price at which RTG Shares are quoted and the price at which investors may realise their RTG Shares may be influenced by a significant number of factors, some specific to RTG and its operations and some which affect quoted companies generally. These factors could include the performance of RTG, large purchases or sales of RTG Shares, legislative changes and general, economic, political or regulatory conditions.

Market Perception

The market price of RTG Shares is subject to significant fluctuations due to a change in sentiment in the market. Any such fluctuations could result from national and global economic and financial conditions, the market's response to changes in metal prices, market perceptions of RTG, regulatory changes affecting RTG's operations, variations in RTG's operating results, business developments of RTG companies or their competitors and liquidity of financial markets. The operating results and prospects of RTG from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of RTG Shares.

Economic Risk

Changes in the general economic climate in which RTG operates may adversely affect the financial performance of the combined group. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the combined group, industrial disruption, the rate of growth of gross domestic product in Australia and the Philippines or any other country in which the combined group will operate, interest rates and the rate of inflation.

Changes in Government Policies and Legislation

Any material adverse changes in government policies or legislation of Australia, Bougainville, PNG and the Philippines or any other country where the combined group may acquire economic interests may affect the viability and profitability of the combined group.

Future Capital Needs and Additional Funding

The future capital requirements of the combined group will depend on many factors including the results of future exploration and work programs. Should the combined group require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the combined group's business and its financial condition and performance. If the combined group is unable to secure capital through credit facilities or other arrangements, it may have to finance projects using equity financing which will have a dilutive effect on the combined group shares.

5. CURRENT MATERIAL PROJECT

Mabilo Project National Instrument 43-101 Technical Report

Lycopodium, CSA Global, Orelogy, Behre Dolbear Australia Pty Ltd and Knight Piesold were retained by RTG to complete the most recent independent technical report titled "RTG Mining Inc. Mabilo Project National Instrument 43-101 Technical Report" dated May 2, 2016, on the Mabilo Copper-Gold-Iron Property (the "Mabilo Property") and authored by Mr. D. Gordon, Manager of Process, Lycopodium Minerals Pty Ltd, Dr. N. Reynolds, Principal Geologist, CSA Global Pty Ltd, Mr. A. Green, Principal Resource Geologist, CSA Global Pty Ltd, Mr. C. Moormann, Principal Mining Consultant, Orelogy Consulting Pty Ltd, Mr. R. Frew, Senior Associate, Behre Dolbear Australia Pty Ltd, Mr. J. McIntyre, Director, Behre Dolbear Australia Pty Ltd, Mr. A. Brett, Senior Associate, Behre Dolbear Australia Pty Ltd, Ms. J. Epps, Senior Associate, Behre Dolbear Australia Pty Ltd, Mr. D. Morgan, Managing Director, Knight Piesold Pty Ltd, filed in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects to support RTG's public disclosure about the Mabilo Property (the "Technical Report"). The Technical Report was filed on May 3, 2016 and is incorporated by reference into this AIF. The Technical Report is available on under the Company's profile on SEDAR (www.sedar.com). The following is a summary of the Technical Report in accordance with disclosure required under NI 51-102F2.

Project Description, Location and Access

Location

The Mabilo Property is located in the Paracale district of the Pacific Cordillera magmatic arc belt of the Philippines archipelago. The Paracale district has a long history of gold and iron mining. The Mabilo Property comprises one granted exploration permit (EP-014-2013-V) and two exploration permit applications (EXPA-000188-V and EXPA-000209-V). The applications have been processed with the DENR with conversion to exploration permits expected in due course. The Property area is relatively flat lying and is accessed by 15 km of all-weather road from the nearby town of Labo.

Description

The Mabilo Project is a proposed open pit mining and processing project based previously upon an unincorporated Joint Venture between Mt. Labo Exploration and Development Corporation (64% - 'Mt. Labo'); and Galeo Equipment Corporation (36% - 'Galeo') signed on 10 May, 2013 and titled the

Mabilo JV (MJV). The primary tenement is held by Mt. Labo. The unincorporated joint venture agreement with Galeo was terminated on January 31, 2017.

Rights, Royalties and Encumbrances

Eldore Royalty Agreements

On 11 November, 2011, El Dore Mining Corporation (EMC), represented by Manuel G. Acenas, entered into a Royalty Agreement with Mining Consultants Limited of Australia (MC), represented by Timothy Edgar Collver. The Royalty Agreement called 'Heads Agreement' provides that EMC shall pay MC, one percent (1%) royalty of Net Mining Revenue (NMR). In the agreement, Net Mining Revenue means the Gross Output for a quarter less deductible expenses.

As stated above, on 5 November, 2011, Mt. Labo completed its one hundred percent (100%) acquisition of EMC.

Galeo Equipment Corporation Joint Venture Partner

On May 10, 2013 Mt. Labo, Sierra and Galeo entered into an unincorporated Joint Venture Agreement wherein Galeo could earn up to a 36% share of the Project from surface down to 200m by fulfilling certain obligations. The parties would jointly prospect, explore and possibly develop all minerals within the tenements held by Mt. Labo down to 200 m below surface. The parties entered into an agreement on November 19, 2013 to remove the depth restriction.

Galeo fulfilled all of the earn-in obligations on August 19, 2015 so held a 36% interest in the Joint Venture. The parties also entered into a Memorandum of Understanding on November 22, 2013 whereby Galeo could increase its holdings to 42% by meeting certain criteria. In order to settle disputes that had arisen, on June 10, 2016, Mt. Labo and Galeo entered into a Memorandum of Agreement (the "MOA"), on June 10, 2016, which was conditional on the fulfilment by the parties of certain obligations. Galeo failed to comply with its reciprocal obligations provided in the MOA and the MOA was rescinded in late 2016. On January 31, 2017, the JVA was terminated. Mt. Labo has referred the matter to arbitration in Singapore, which is ongoing as of the date of this report. Refer to Section 4 and 11 for further details.

Water Rights

MJV will apply for water rights and stream diversion rights with the National Water Resources Board as part of its statutory requirements for operation. As the project is net water positive, it is not expected to compete for water resources with current downstream or deep well users.

History

The only significant previous exploration on the Mabilo Property was by Gold Fields Philippines Corporation ("GFPC") in 1988-89. GFPC conducted regional stream sediment sampling, base of soil profile sampling on 50m intervals, channel sampling of pits and trenches, and a ground magnetic survey over an 800m by 300m area centered on and including the Venida pit (Delfin and Tauli, 1990).

GFPC subsequently drilled 10 diamond drillholes (totalling 892.75m) in the garnet-magnetite skarn surrounding the magnetite zones previously mined in the Venida pit. A number of gold-silver-copper mineralized intersections were reported. GFPC concluded that their drill pattern had not closed off the southern extension of the shallowly dipping deposit and recommended that at least two further holes be completed, but these were not drilled. Detailed information regarding drilling at Venida is not available.

In 1995, GFPC was acquired by Triarx Gold Corporation and the company name was changed to Eldore Mining Corporation ("Eldore"). Eldore conducted an extensive ground magnetic survey in the area in 2007. The survey was initially conducted on 100m spaced east-west lines and then infilled on 50m spaced lines over a section of a large magnetic anomaly located to the south of Venida.

The survey used company staff and equipment hired from Alpha Geoscience in New South Wales, Australia. Modeling and drill targeting was completed by Dr Clive Foss of Encom Technology

("Encom"), in Sydney, Australia (Maude, 2012). Encom noted that the magnetic susceptibilities in the area to the south of Venida were extremely high and that the strong anomalous "lows" (indicating highly magnetic rocks) were indicating magnetite mineralization. Encom modelled seven target bodies interpreted as the sources for the magnetite anomalies but Eldore did not drill the targets.

Mt. Labo commenced a drill programme at Mabilo in 2012, initially targeting magnetic bodies modelled from the magnetic survey completed by previous owners. Mt. Labo subsequently completed its own ground magnetic surveys and revised the magnetic models. Mt. Labo drilled 12 holes in late 2012, completed a new magnetic survey in early 2013, and commenced a second phase of drilling after the grant of the tenement in July 2013. Initial drilling encountered broad intersections of magnetite skarn with significant copper-gold-silver mineralization.

Geological Setting, Mineralization and Deposit Types

The Mabilo Property occurs in the Paracale district of the Pacific Cordillera arc belt of the Philippines archipelago. The geology of the Philippine archipelago is dominated by a complex sequence of juxtaposed and superimposed island arcs formed by multiple episodes of subduction, arc-magmatism, ocean basin closure, collision, ophiolite accretion and lateral translation of terranes through regional strike-slip faulting. The economically most important mineralization in the Philippines occurs within porphyry copper-gold and epithermal gold-silver deposits, mostly of Pliocene age.

In the Paracale district, Pre-Pliocene arc magmatism is related to eastward subduction on the Luzon trench which was followed by collision, ophiolite obduction, and initiation of westward subduction. The Paracale Granodiorite (trondhjemite) intrudes the Cretaceous ultramafic basement. The ophiolite basement is unconformably overlain by Eocene sediments overlain by the Oligocene Larap Volcanics. Late Miocene-Pliocene dacitic intrusions cut the sedimentary belt. All these units are overlain to the south by Pliocene andesitic and dacitic pyroclastics and tuffs of the Macogon Formation, covered in turn by southeast-thickening lahar and tuff deposits of the Quaternary Labo Volcanic Complex.

Total historical gold production from the Paracale Mining District is estimated to have been five million ounces, predominantly from narrow quartz-sulphide veins and including alluvial gold. The Eocene sedimentary sequence hosts a number of magnetite skarns and base metal occurrences within the base metal or iron belt, including the historical Larap mine. The mineralization is anomalous in copper, gold, and molybdenum. Low-grade porphyry copper mineralization is also reported in the same belt.

The Mabilo skarn deposit lies about 20 km southeast of Larap and appears to be of the same style and association, although with higher grades of copper and gold. The deposit is 500 m south of the small Venida pit, concealed under cover of the Labo volcanics. The Mabilo deposit occurs in two bodies, the North Mineralized Zone ("NMZ") and South Mineralized Zone ("SMZ"), separated by an offsetting fault. The magnetite skarn is hosted by marble and calcareous sediments in the hornfelsed contact zone of a quartz-diorite intrusion. The main skarn horizon replaces a clean limestone or marble unit and has a true thickness of up to 40 to 90 m, dipping west to southwest at 20 to 40 degrees.

Primary mineralization comprises massive magnetite intergrown with minor calc-silicate minerals, chalcopyrite and late interstitial calcite. Copper and gold grades are closely correlated and commonly reach 5% Cu and 5 g/t Au in hypogene mineralization. The copper-gold grade of magnetite skarn is variable and barren magnetite also occurs. The magnetite skarn is variably overprinted by quartz-pyrite-arsenopyrite veining and brecciation. This event may be associated with high-grade hypogene bornite.

The upper part of the skarn is strongly oxidized with associated supergene alteration to hematite and secondary copper minerals. The oxide zone may be up to 20 m to 30 m thick and a supergene zone of high-grade sooty chalcocite locally occurs at its base. This weathering event pre-dates the Labo volcanic unconformity.

Exploration

The only significant previous exploration on the Mabilo Property was by Gold Fields Philippines Corporation ("GFPC") in 1988-89. GFPC conducted regional stream sediment sampling, base of soil profile sampling on 50m intervals, channel sampling of pits and trenches, and a ground magnetic survey over an 800m by 300m area centered on and including the Venida pit (Delfin and Tauli, 1990).

Drilling

The Mabilo MRE is based on the data obtained from 99 diamond drillholes for 18,188.5 m as of end September 2015 in the SMZ and NMZ areas. Holes are drilled on a nominal 40 m by 40 m drill pattern along strike, with infill to a nominal 20 m by 20 m in parts. Approximately 30% of the holes have been drilled vertically. Roughly 40% of the holes have been drilled at 60° and the remainder drilled at angles between 45° and 80°. The direction of these holes is broadly perpendicular to the mineralization, with a number of holes drilled in directions intended to help with the understanding and interpretation of structures, which appear to be offsetting the mineralization.

Sampling, Analysis and Data Verification

Drill-core handling, sampling and security were reviewed and concluded to be of good industry standard. Sampling is to geological boundaries with half-core cut using a diamond saw, with core wrapped in plastic when broken or friable. Where the core is very broken or predominantly clay, material from half of the 'core' is collected using a small plastic scoop. Samples are placed in numbered plastic sample bags with sample tickets and sealed with a cable tie. The sealed samples are placed in plastic drums with Chain of Custody, Sample Dispatch and Sample Submission Forms and sent directly to the ISO-accredited Intertek Mcphar laboratory in Manila using either company vehicles or a local transport company. Remaining core is kept in the fenced and guarded company core yard in Daet. Gold was analyzed by 50 g fire assay and the other elements after 4-acid digestion by ICP-MS (Inductively Coupled Plasma Mass Spectrometry) or ICP-OES.

Bulk dry density determinations were conducted on selected samples of core from all the different types of mineralization and lithologies using the wax-coated, water immersion method. Earlier density determinations were completed before half core sampling, but are now completed prior to cutting which is more appropriate. There is a risk of positive density bias resulting from measurement bias towards intact core rather than broken core which may result from open cavities associated especially with the late pyrite overprint and partial oxidation.

Quality control completed by Mt. Labo has included analysis of standards, blanks, duplicates, and external umpire analyses. In addition, Intertek conducted their own extensive check sampling as part of their own internal QA processes which are reported in the assay sheets. Pulp samples have been sent to three independent laboratories for umpire assay checks. Examination of all the QAQC data indicates that the laboratory performance has been generally satisfactory with good performance of standards, blanks and field duplicates. Although umpire assay results appear to indicate an upward bias in the primary laboratory assay results compared to the umpire assay laboratories, this is not considered to be a significant failure as all other measures tested have performed well. Therefore the original assay results are considered suitable for use in a Mineral Resource estimate.

Mineral Processing and Metallurgical Testing

The metallurgical testwork for the Mabilo Project was conducted in two stages: a scoping stage (Phase I) to identify a potential treatment route and a definitive testing programme (Phase II) to optimize parameters and define data required for engineering design.

The original testwork (Phase I, completed in 2014 at ALS Metallurgy (ALS)) established that a bulk sulphide flotation route was appropriate for the magnetite skarn to maximize the copper recovery. Regrinding of the rougher concentrate and cleaning at high pH to depress the pyrite achieved readily saleable copper concentrate grades. The bulk sulphide flotation route had additional benefits, allowing separate containment of the acid generating pyrite tails and preserving this

fraction with elevated gold grades for potential future treatment or sale. The definitive testwork programme (Phase II) focused on optimizing the processing route for the bulk sulphide flotation and cleaning to upgrade the copper concentrate.

Metallurgical Recoveries

Metallurgical recoveries were based on the flotation recoveries for the variability samples since the samples selected appear to reflect the range of mineralization styles in the mineral resource with much of the magnetite skarn being overprinted with pyrite to some degree. However, only limited variability samples were selected, which did not allow separate recovery relationships with geological domains to be developed.

It was noted that the S:Cu ratio in the head sample correlates with much of the observed process behaviour. Models were fitted to the testwork data to allow copper, gold and silver recoveries to be estimated by on the sample head grades. It was necessary to exclude some low grade, very high pyrite and clay altered samples to achieve representative recovery relationships for pit optimization, as these samples did not follow the trends.

Metal recovery with head grade relationships were formulated and applied to all the blocks in the mineral resource model to generate metal recoveries in each case for the optimization exercise. Average copper recovery to the concentrate for the mineral resource was estimated to be 82.6% at a concentrate grade of 26% Cu. Gold recovery to the copper concentrate was 52.9%. These estimates are lower than the master composite recoveries of 86.5% copper to the concentrate and 63.6% gold. This was then modified based on the algorithm supplied to provide data for the mineral reserves used in the financial model. Resulting averages were 83.7% for copper, 55.1% for gold and 60.7% for silver. Iron recovery to magnetite was 60.7% of total iron. It should be noted that this approach does not provide recovery relationships with geological domains and further work should be completed to improve understanding in this area.

The magnetite recovery (iron in feed reporting to magnetite product) must first take into account the Fe reporting to the pyrite and chalcopyrite concentrates. Thereafter a simple linear head grade recovery correlation is used to estimate recovery. The iron grade feeding the magnetic separation section is estimated assuming all the feed sulphur is distributed as pyrite and chalcopyrite with associated iron. It was estimated that 42.4% of the feed mass would be recovered as magnetite.

Mineral Resources and Mineral Reserve Estimates (“MRE”)

Mineral Resources

The MRE is based on data obtained from 98 diamond core drill holes (18,200.90m) drilled across the two mineralised zones NMZ and SMZ. Drill holes are located on a nominal 40m by 40m spacing across primary magnetite zones with good geological continuity. Oxide and chalcocite zones were drilled at 25m by 20m nominal spacing with drilling oriented approximately north-west to south-east across the strike of mineralisation.

A geological model was provided by Mt. Labo, based on implicit modelling of the logged lithology using LeapFrog software and understanding of deposit geometry developed over time. The model includes interpreted structures, the boundary contact surface of the overlying Labo volcanic sequence and an oxide weathering boundary surface. This model formed the basis for the interpretation of 41 separate 3-D mineralized lithological envelopes that were constructed using CAE Studio 3 ('Datamine') software. The smoothed Leapfrog generated Labo and Oxide boundary surfaces were also modified to better fit the actual drill logging data.

Modelled magnetite skarn envelopes were interpreted based on drillhole lithological logging, since this unit is high in magnetite content. The unit was limited against interpreted structures. Within the magnetite skarn unit small zones along sections of the edges are not mineralized with Au and Cu above the selected 0.3 g/t Au or 0.3% Cu grade cut-off. Separate Au / Cu mineralized magnetite skarn envelopes were generated to ensure that the grade continuity can be more accurately represented during grade estimation. Other lithological units modelled in the system are also not necessarily mineralized to potentially economic levels of Au, Cu and Fe throughout their full extent.

These envelopes were modelled using lithological logging and nominal lower cut-off grades of 0.3 g/t Au or 0.3% Cu. The 3-D envelopes representing the mineralized zones were grouped into 14 domains based on lithology type and deposit location for estimation and reporting.

A block model constrained by the interpreted mineralized envelopes and boundary surfaces was constructed using Datamine. A parent cell size of 10 m E by 10 m N by 5 m RL was adopted. 1 m composited samples were used to interpolate Cu, Au, Ag and Fe grades into the block model. Block grades validated by means of swath plots, overlapping histograms of sample and block model data and comparison of mean sample and block model grades for each domain. Cross sections showing the block model and drillhole data were also reviewed.

Density was assigned to the model based on linear regression formulas determined for the weathered and unweathered zones. The regression formulas are based on the correlation between density and Fe which followed statistical analysis. The overall average density of the mineralized weathered zones is 2.96 t/m³ compared to 3.70 t/m³ for the unweathered zones. The average density from measured samples taken outside the interpreted mineralized zones was assigned to waste blocks: 2.2 t/m³ was assigned in the Labo volcanic sequence, 2.33 t/m³ was assigned in the weathered zone and 2.71 t/m³ was assigned in the unweathered zone.

Table 9 Mabilo Project Mineral Resource Estimate Results as at November 2015

Weathering State	Classification	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Cu Metal (Kt)	Au Oz ('000s)	Fe Metal (Kt)
Oxide + Supergene	Indicated	0.78	4.1	2.7	9.7	41.2	32.1	67.1	320.8
	Inferred	0.05	7.8	2.3	9.6	26	3.7	3.5	12.3
Fresh	Indicated	8.08	1.7	2	9.8	46	137.7	510.5	3,713.70
	Inferred	3.86	1.4	1.5	9.1	29.1	53.3	181.5	1,121.80
Combined	Indicated (Total)	8.86	1.9	2	9.8	45.6	169.8	577.6	4,034.50
Combined	Inferred (Total)	3.91	1.5	1.5	9.1	29	57	184.9	1,134.10
Note: Differences may occur due to rounding. All elements reported as total estimated in-situ for blocks above 0.3 g/t Au lower cut-off, no recovery factors have been considered. Mineral resources that are not mineral reserves do not have demonstrated economic viability.									

The MRE was classified according to the JORC Code 2012 Edition. Classification of the MRE considered geological understanding of the deposit, and confidence in geological and grade continuity based on drillhole logging, sample quality, density data and drillhole spacing.

Mineral Reserve Estimating Approach

The key activities in estimating the mineral reserves were:

- Pit Optimization – Whittle-4X™ pit optimization software was used to identify the optimum pit shell in terms of value and tonnage, using the parameters and the shell selection process described in Section 15 of the Technical Report.
- Mine Design – An ultimate pit was designed in MineSight™ general mine planning software, with the guidance of the selected shell, and pit design inputs summarized in Section 15 of the Technical Report. Internal stages were designed to target higher value areas in accordance with the intermediate Whittle-4X shell information, pit design criteria and an iterative process using mine scheduling feedback.
- Mine Scheduling – Maptek's Evorelution™ software was used to generate a practical Life of Mine (LOM) production schedule aimed at meeting all scheduling objectives and constraints. The scheduling process is detailed in Section 16 of the Technical Report.
- Mining Cost Estimation – The mining costs were estimated, for a contract mining operation from first principals using the physicals generated by the LOM schedule. The assumptions in the mining cost estimate have been outlined in Section 15 and 16 of the

Technical Report and the resulting cost estimates have been provided in Section 21 of the Technical Report.

- Economic Verification of the Feasibility Study – Overall project cash flow projections were reviewed to confirm that the Project is economically viable.
- Risk Assessment – A risk assessment was undertaken to identify the factors that could materially impact the mineral reserve estimate.

Mineral Reserves

The Mineral Reserves are summarized in Table 10.

Table 10 Mabilo Mineral Reserve Summary (dated 2 May 2016)

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
	Oxide Skarn	0.182	43.6	2.52	4.17	19.9		
	Supergene	0.104	36.5	2.20	20.7	11.9		
	Fresh	7.155	45.9	1.97	1.70	8.73		
Total Probable Ore		7.792	45.5	2.04	1.95	8.79		

Risks

During the study the participants have identified a number of risks. The key items are presented below.

- The domains in the resource model have been developed based on geology and grade distribution, however they do not take into account all the variability in mineralization type that is significant for metallurgical performance. This importantly includes the degree of clay-silica-pyrite overprint and brecciation, as well as hypogene bornite domains. An initial geometallurgical model has been developed using a combination of logging and multi-element analytical data but requires further refinement in tandem with metallurgical optimization.
- Access Risk - Tenement Rights. Approval needs to be obtained via a Mineral Production Sharing Agreement (MPSA), this is the mechanism to secure the Mabilo 'Contract Area' which is a term comparable to a mining lease in other jurisdictions. MPSA approval for the oxide mining phase (no processing) to secure the Mabilo 'Contract Area' has been entered into but not yet granted. During this phase ore and waste are mined and all ore is transported away without onsite treatment.
- Wall failure risk – slope angles. Pit optimization sensitivity indicates that the ultimate pit size is relatively sensitive to slope angle variation and that the cash flow is moderately sensitive. Slope failure will result in higher costs due to additional excavating requirements and/or delays in ore supplies causing revenue delays. Both will affect cash flow but are unlikely to affect the viability of the Project.
- Geotechnical Conditions – Slightly steeper wall angles have been used in the pit design than those specified in the Geotechnical report. The risks can be managed by:
 - ensuring that the slopes are adequately drained
 - adopting appropriate mining practices
 - utilization of slope monitoring radars for example.

Mining Operations

Mining Method

Open pit mining is the method selected for the Mabilo mining operation. Pit optimization has demonstrated that application of this method results in favorable project economics. The method deploys conventional drilling, blasting, loading and hauling techniques to excavate and transport ore and waste materials.

Mining activities also include clearing of land, stripping and storage of topsoil, ore rehandle, pit dewatering, dust suppression and dump rehabilitation. All activities will be performed by mining contractors except for grade control, mine planning and mine management being undertaken by the mine owners.

Pit Optimization

Pit optimizations were based on the November 2015 mineral resource model, geotechnical guidelines and estimates for costs, dilution and oreloss, processing recoveries, concentrate grades, excise tax and metal prices. Key assumptions were as follows:

- The mineral resource model used in the optimization process was generated by CSA Global Pty Ltd (CSA) in February 2016 with 10 m x 10 m x 5 m (x, y, z) parent block sizes and 2.5 m x 2.5 m x 2.5 m sub-cells.
- Geological zones were defined and allocated a process stream and cost. Four ore types were defined and processing costs and recoveries assigned.
- Slope angle criteria were provided by Chris Orr of George, Orr and Associates based on reviews and reports. Allowances were made for surface and ground water management.
- Oreloss and dilution were estimated in two steps. Step 1 estimates oreloss and dilution along the ore-waste boundary, this is referred to as 'edge dilution' while Step 2 estimates the oreloss and dilution within the ore zones (Internal Dilution) due to mixing from blasting movement and grade control delineation of ore types.
- The mining costs were derived based on IMC's Mabilo Mine Operating Cost Estimate report followed by a review by Orelogy Consulting.

Metal prices and selling costs were advised by MJV. Discount rate was set at 10%.

The shell selection was made by MJV on the basis that the following objective were met:

- Minimum 8 year mine life.
- Economic at 30% lower revenues.
- Strip ratio of 10:1 or less.

This objective is best met by selecting Base Case Shell 21 (i.e. the shell at Revenue Factor 0.7).

Mine Design

The pit design was based on shells generated with Indicated mineral resource materials only (there were no Measured materials in the mineral resource model and Inferred materials were deemed waste). The final pit design is shown in Figure 8. The pit design is in accordance with the pit optimization inputs such as slope angles and bench heights and matches the selected equipment size.

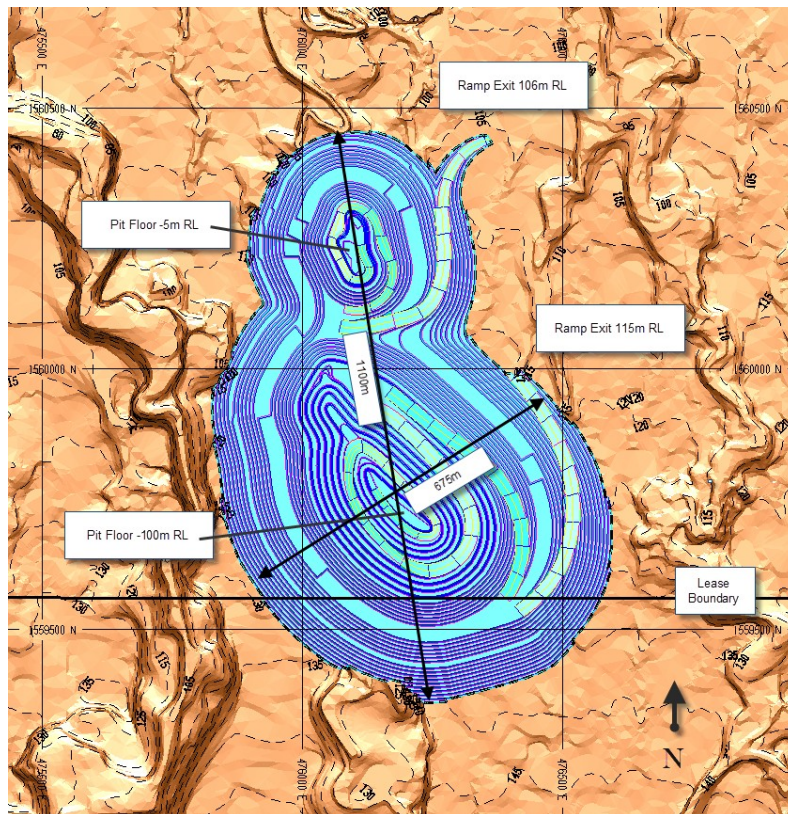


Figure 8 - Ultimate Pit Design

Mining Schedule

Mining and processing schedules were generated within Maptek Evolution™ software. Ore types considered in the scheduling process are Gold Cap Ore, Supergene Copper Ore and Fresh Ore. Oxide Skarn Ore, a relatively low value product, is recovered as it is exposed. Several schedule iterations were performed to refine the match between production by period and the required equipment fleet necessary to produce a realistic schedule. The results are summarized in Table 11.

- Total mine life is approximately 10 years.
- There is a four month pre-strip period.
- All high grade Supergene Copper Ore and the vast majority of the Gold Cap Ore are mined in a 10 month period starting Month 5.
- There is a waste mining period of nine months from Month 15 to the start of Year 3 with fresh Ore mined continuously from that point onwards.
- Oxide Skarn Ore is mined predominantly in three periods; the first batch is mined during Months 7 to 11, the second batch is mined in Month 23 to Month 25, and the third batch is mined from Stage 3 in Month 53 to Month 57.

Table 11 Ore Mined - Tonnages and Grades by Year

Year	Supergene			Gold Cap		Oxide Skarn				Fresh				
	Ore kt	Au g/t	Cu %	Ore kt	Au g/t	Ore kt	Au g/t	Cu %	Ag g/t	Ore kt	Au g/t	Cu %	Fe %	Ag g/t
1	70.9	2.2	22.4	302.0	3.3	80.2	3.51	4.74	29.10	18.1	2.8	4.3	49.7	13.1
2	32.9	2.1	16.9	36.4	2.0	4.0	1.05	2.84	8.98	30.2	1.9	3.1	43.9	8.3
3	0.0			7.5	2.6	9.1	3.32	6.76	13.60	659.6	2.2	2.6	45.7	9.9
4	0.0			5.2	1.5	88.6	1.60	3.46	12.73	996.8	1.8	1.8	49.3	7.9
5	0.0			0.0		0.0				1,000.3	2.0	1.7	48.1	6.5
6	0.0			0.0		0.0				1,000.6	2.3	1.6	48.9	5.0
7	0.0			0.0		0.0				1,001.8	1.8	1.4	46.4	4.8
8	0.0			0.0		0.0				1,003.5	1.8	1.5	42.6	7.6
9	0.0			0.0		0.0				1,002.0	1.8	1.5	41.2	15.1
Total	103.8	2.2	20.7	351.2	3.1	181.9	2.52	4.17	19.91	7,155.4	2.0	1.7	45.9	8.7

Processing and Recovery Operations

The proposed process plant design for the Mabilo Project is based on a robust metallurgical flowsheet designed for optimum recovery with minimum operating costs. The flowsheet is constructed from unit operations that are well proven in industry.

The key criteria for equipment selection are the suitability for duty and the mine life of the operation while considering reliability and ease of maintenance. The plant layout provides ease of access to all equipment for operating and maintenance requirements while maintaining a compact footprint to minimize construction costs.

The Mabilo plant will process a range of ore types with variable ore characteristics, copper, magnetite and pyrite levels and metallurgical treatment requirements.

Ores will be mined in the following sequence:

- Gold cap ores will be mined, crushed and shipped to a local processing facility (14 months).
- Supergene and oxide skarn ores will be mined, crushed and shipped to an offsite processing facility (18 months).

Primary ores will be mined after completion of these operations and will be processed on site at the Mabilo process plant.

The key project and ore specific design criteria that the plant design must meet are as follows:

- 1,000,000 t/y of primary ore.
- Crushing plant mechanical availability of 80%.
- Mechanical availability for the remainder of the plant of 91.3% supported by crushed ore storage and stand-by equipment in critical areas.
- Sufficient automated plant control to minimize the need for continuous operator intervention and allow manual override and control if and when required.

A process design criteria document has been prepared incorporating the engineering and key metallurgical design criteria derived from the results of metallurgical testwork and comminution circuit modelling. The design document forms the basis for the design of the processing plant and required site services.

Selected Process Flowsheet

The treatment plant design incorporates the following unit process operations:

- Single stage open circuit primary crushing to produce a crushed product size of 80% passing (P80) 120 mm.
- A crushed ore surge bin with a nominal capacity of 120 t. Surge bin overflow will be conveyed to a dead stockpile of 20,000 tonnes. Ore from the dead stockpile will be reclaimed by front end loader (FEL) to feed the mill during periods when the crushing circuit is off-line.
- Grinding of ore in a SAG mill circuit in closed circuit with hydrocyclones to produce a P80 grind size of 90 µm.
- Bulk sulphide flotation to recover copper sulphides and gold bearing pyrite.
- Two-stage cleaner flotation to recover copper sulphides into a copper concentrate and pyrite.
- Concentrate thickening and pressure filtration to produce a copper concentrate filter cake.
- Pyrite thickening and either pressure filtration to produce a pyrite concentrate filter cake or discharge direct to tailings.
- Magnetic separation of the bulk sulphide tails to recover magnetite into concentrate.
- Concentrate thickening and pressure filtration to produce a magnetite concentrate filter cake.
- Combined tailings pumping to the tailings storage facility (TSF).

Processing Upside

An upside case of 1.35 Mtpa was also considered. No specific design allowance for this treatment rate has been made in the base case 1.0 Mtpa facility. However, Lycopodium reviewed the process plant design and costs at a pre-feasibility level of engineering and identified the following:

- Crushing – The capacity of this facility will meet the throughput target. However increases in some conveyor drives will be required.
- Milling - The mill size will need to increase from 3.4 MW to 4.2 MW to treat the increased throughput. An increase in the number of classifying cyclones is required as well as increases in associated pumps.
- Flotation – To maintain residence time an increase in the number of rougher and cleaner flotation cells together with increases in associated pumps.
- Regrind – An increase in the regrind mill size together with increases in associated pumps will be required.
- Filter capacity – An increase in filtration capacity together with increases in associated pumps will be required.

- Services – Increases in water pumps and air systems will be required.
- An indicative capital and operating cost estimate for this scenario sees the capital cost rise by 7.3% and the process operating cost drop by \$1.0/t.

Alternative Mine Schedule – 1.35 Mtpa

An additional upside mine production schedule was developed for a Fresh Ore processing plant with a capacity of 1.35 Mtpa. The oxide phase objectives did not change.

The mining schedule showed that:

- Total mine life is approximately 7.5 years
- The Oxide mining phase targets and results are the same as the 1.0 Mtpa schedule:
 - Four month pre-strip period.
 - Supergene Copper ore and the vast majority of the Gold Cap ore from Month 5 to Month 10.
 - No change to timing of Oxide Skarn ore for the first two batches in Months 7 to 11 and Month 23 to Month 25. The third batch of Oxide Skarn will be mined earlier in Month 34 to Month 40.
 - Mining rates initially require three Komatsu PC1250 excavators for 2.5 months then two Komatsu PC1250 excavators until Month 16.

There is a waste mining period of nine months from Month 15 to the start of Year 3 with Fresh ore mined continuously from that point onwards.

Infrastructure, Permitting and Compliance Activities

Infrastructure

Infrastructure will be developed in two stages:

- The oxide and chalcocite mining operations will require establishment of limited infrastructure. This will include the following:
 - Phase 1 Surface Water Management structures.
 - Port Upgrade.
 - Mining Facilities.
 - Access and export road development.
 - Temporary power and water supplies.
- Remaining infrastructure will be developed for the commencement of primary ore treatment in Year 3.

Seismic Assessment

The Philippines is located in a tectonic region known as the 'Ring of Fire' and Mabilo is located approximately 11 km north of the potentially active Mount Labo. The site is located in an area of high seismic activity.

It is recommended that the following seismic design parameters are used for the Tailing Storage, Facility and Waste Dump:

- Operating basis earthquake (OBE) is based on a 1:1,000 year event, M6.45 and with a peak rock ground acceleration of 0.36 g.
- Maximum design earthquake (MDE) is based on a 1:10,000 year event, M6.5 and with a peak rock ground acceleration of 0.65 g.
- Maximum Credible earthquake (MCE) is an M6.5 and with a peak rock ground acceleration of 0.65 g.

In accordance with the International Building Code (IBC) for structural design, the maximum considered earthquake ground motion has been defined as the ground motion with a 1% probability of exceedance in 50 years (return period of about 5,000 years).

There is presently ongoing geothermal activity at Mount Labo which is considered a potentially active volcano. The last eruption was about 27,000 years ago and produced pyroclastic flows from the summit cone, although it has not erupted since. We cannot preclude future eruptions of Mount Labo, but would consider the potential of resumed activity during the operating life of the facility as having only a very low likelihood.

Surface Water Management

It is critical for the Project that the surface water management structures are complete prior to the oxide mining and Knight Piesold has outlined a phased approach to this as follows:

- Phase 1 – Environmental control structures to the north of the tenement and a single diversion in the south for the starter pit.
- Phase 2 – Diversions on the south side of the main pit and south of the waste dump / TSF.
- Phase 3 – Additional diversion structure to the south to allow for ultimate pit.
- Phase 4 – Final northern ECD.

Following completion of the access tracks to these structures, MJV will contract a local earthmoving contractor to complete these structures using technical support from a geotechnical consultant.

Power Supply and Distribution

Owing to the significant site load requirements and lack of local supply capacity, no current opportunities exist for any major connection of the site to the power utility.

Multiple power generation tenders were received during the feasibility study representing a market spread of providers for diesel (Gasoil) and Heavy Fuel Oil (HFO) solutions, with both capital and contract power economic models evaluated. The low capital outlay requirements of the independent power producer (IPP) option and four year payback compared to a capital HFO capital purchase has led to the selection of the IPP power option being included in the study as the preferred option. This also presents the least technical risk to the Project, removes the

maintenance skill set requirement from the mine operation and provides the quickest implementation time.

Power will be provided by a site power station located to the west (downwind) of the process plant. The power station will utilize high speed generators running on Gasoil (diesel) as this provides the optimum balance of capital and operating cost over life of mine.

The power station will be supplied fuel from the bulk fuel storage facility and will include necessary fuel treatment, day tank storage and ancillary fluid systems to support standalone operation of the facility.

The proposed configuration of the power station is:

- 8 x 1.6 MW 4,160 V high speed generators (6 duty, 2 stand-by).
- Step down auxiliary transformer 4.16 / 0.380 kV.
- Neutral earthing resistor.
- 4.16 kV switchroom and control room.
- The electrical system is based on 4.16 kV distribution and 380 V working voltage. System frequency is designed at 60 Hz. A 4.16 kV feeder from the power station will feed the plant 4.16 kV distribution switchboard, with a second feeder supplying the overhead powerline.
- Within the process plant the 4.16 kV supply will be stepped down from 4.16 kV to 380 V at the switchrooms using four separate 4.16 kV / 380 V distribution transformers fed from the HV switchboard.
- Approximately 5.5 km of 4.16 kV overhead power line between the power station and various remote facilities (raw water supply, mine services, bore pumps and camp) has been allowed. Three off 4.16 / 0.380 kV 500 kVA and five off 4.16 / 0.380 kV 100 kVA transformers are required at the various sites.
- The tailings storage facility decant return pump station will be supplied by local diesel generator owing to its remote location from the plant and the potential for overhead powerline clashes with mining infrastructure.

Telecommunications

The project communications infrastructure is an extension of the existing network infrastructure to allow the integration of the new Mabilo site. This includes provision of data and voice services, CCTV / access control, UHF mine radio and camp entertainment systems.

Tailings Storage

The Tailings Storage Facility (TSF) will comprise a four sided paddock storage facility formed by a multi-zoned earthfill embankment with high density polyethylene (HDPE) liner and compacted soil liner. The TSF will be located towards the northern end of the waste dump in a combined tailings and waste facility. To limit the acid generating potential of the tailings, the tailings deposition will be sub-aqueous. A leachate collection recovery system (LCRS) will be installed beneath the basin composite liner to limit potential seepage from the TSF basin. This consists of a system of 100 mm diameter corrugated polyethylene tubing (CPT) drain coil pipes which will be installed to direct seepage water to the LCRS sump.

It is envisaged that a market may be identified for the pyrite tailings and this will be transported off site. Currently the TSF is sized for co-disposal of both tailings streams. The TSF is designed

with a storage capacity of 3.55 Mt, sufficient for 10 years of operation. The Stage 1 is designed with a two year storage capacity.

Tailings will be deposited using perimeter deposition. The supernatant water will be removed from the TSF via submersible pumps located on a floating pontoon.

Site Water Balance

The main water supply for the process plant will come from surface water management. There are three existing creeks running through the tenement. These streams will need to be modified. The main water source will then be from the most north-westerly of these environmental control dams. A submersible pump and overland pipeline will supply raw water to the process plant raw water tank.

The following is assumed for the water balance of the site:

- The decant and under drainage from the TSF will be returned to the plant site and the plant site will feed excess water to a water treatment plant as required before off site discharge.
- In pit dewatering will be pumped to a wetland facility prior to discharge to the ECDs.
- Water from the waste dump and other operational areas, and any dewatering wells around the pit perimeter will be discharged to the ECDs.
- Areas undisturbed by the mine operations will continue to shed water along their natural drainage path. Disturbed areas shall be kept to a minimum.

A water balance model was set up and a range of climatic conditions were considered to ensure continual operation for design events:

- Average rainfall conditions with 'treatment and release' allowed.
- 100 year ARI, wet year sequence with 'treatment and release' allowed.
- 100 year ARI, dry year sequence with 'treatment and release' allowed.
- 100 year ARI 72 hour storm event with no evaporation, no decant return and no release allowed.

Relocation Housing

Provision has been made to relocate and re-house up to 100 families and housing will be provided. The housing will consist of terraced pre-fabricated units.

Construction Camp

The construction workforce is expected to peak at 800 personnel which will be made up of a mix of expatriate supervision, Philippines supervision and trades and local unskilled labor. Local unskilled labor is expected to be recruited from the local towns and will reside locally. The rates used for developing the construction estimate include provision for accommodation and messing, consequently an allowance has been made for temporary services but no camp accommodation will be provided.

Accommodation Camp

The accommodation camp will be located approximately 3 km south east of the process plant on the outskirts of the Barangay Tulay na Lupa. It will provide accommodation for salaried and security staff not originating from the local area. A new access road will run from the existing main road north approximately 500 meters to the accommodation camp. Costing has been based on the use of container based prefabricated units.

Plant Buildings

The following facilities will be located within the fenced area of the process plant:

- Main entrance gatehouse with turnstile and entry boom gate control (16.5 m x 22 m).
- Plant area gatehouse (3 m x 3.5 m).
- Plant office (26.6 m x 13 m).
- First aid / clinic (10 m x 6 m).
- Training room (12 m x 10 m).
- Plant workshop (24 m x 12 m) with 10 t overhead crane and Warehouse (26 m x 12 m) in combined building.
- Office / ablutions for workshop.
- Process plant ablutions.
- Reagent storage (15 m x 37 m).
- Laboratory building (18 m x 29 m) and associated sample storage (14 m x 12 m).
- Dispatch building (8 m x 53 m).

Mine Service Buildings

The following facilities will be located in the mine services area:

- Heavy vehicle workshop provided by contractor.
- Mine warehouse.
- Mine / Geology office will be a container-based facility approximately 36 m x 14.6 m with a combination of standalone offices and open plan space. It will form the main work area for the geology and mine planning functions.
- Heavy vehicle washdown bay.
- Mine shift change building - container based.
- Fuel storage and refuelling - contractor supplied.

Access and Site Roads

The Mabilo Project will require the construction of seven new road developments. In order to ensure compliance with the Philippines codes and local planning requirements the Department of Public Works and Highways (DPWH) of the Philippines was contracted to provide the preliminary design of the roads for the study. The roads have been designed to comply where possible with the requirements of the DPWH Design Guideline Criteria and Standards.

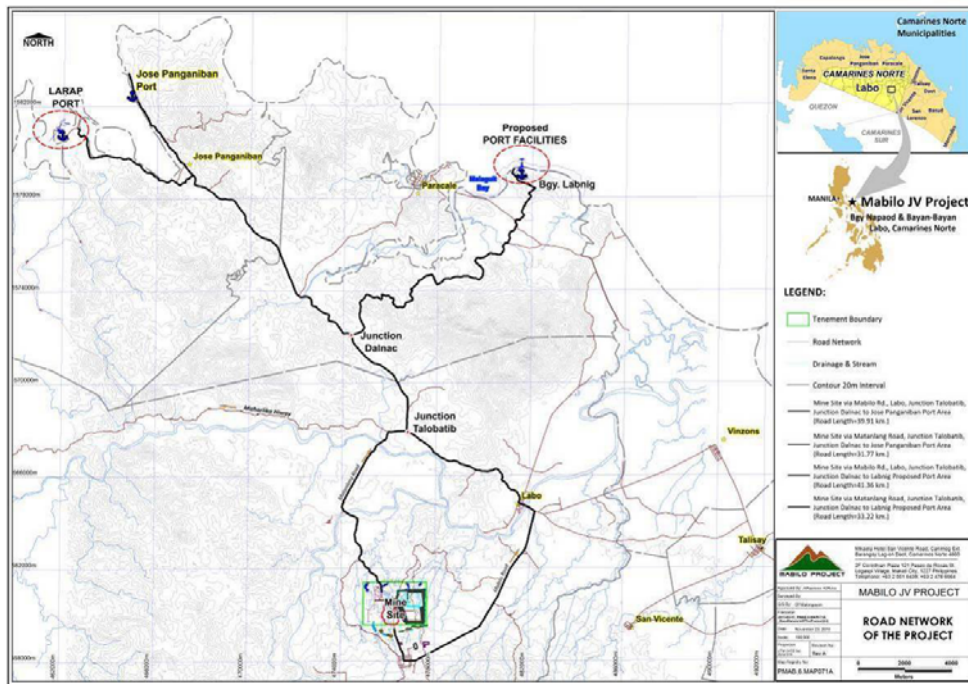


Figure 9 - Road Network of the Project Site

Port Facilities

The Mabilo Port study is primarily based on the volumes of five mine products that are scheduled to go out of the Port area for shipment and secondly the available road access. Five potential port sites were evaluated in this report and it is proposed that Mabilo Joint Venture (MJV) uses the Larap Port in two phases. Phase I – Oxide Mining for Chalcocite and Cu/Au Oxide loading, followed by a Phase II expansion of the Larap Port facilities to cater for the storage and out-loading of its processing plant products for domestic and export destinations. Larap is also suitable for in- bound containers and equipment. An allowance for access road improvement has also been included in this study.

Land Tenure

Mt. Labo is the grantee / lessee / applicant of tenements classified in two distinct projects both covering mining properties located in the Bicol Peninsula in the south of Luzon Island in Municipality of Labo, Camarines Norte Province, Philippines namely the Mabilo and Nalesbitan properties. This Technical Report concerns the Mabilo Property only.

The Mabilo Property at the time of the Technical Report consisted of:

- EP - 014-2013-V ('EP14') covering 497.7 ha. – granted.
- EXPA - 000209-V covering 497.7 ha. – applicant.
- EXPA - 000188-V covering 2,820.4 ha. – applicant.

EP14 is scheduled for renewal in 2018 subject to Mt. Labo satisfying renewal conditions, including agreed work programs and community development projects. EP14 is in good standing and Mt. Labo is positioned to satisfactorily complete all required work programs and conditions to ensure the renewal of EP14 is granted.

Compliance

Environment and Social Impact

The Mabilo Project is located in Barangay Napaod, Municipality of Labo, the Province of Camarines Norte, Philippines (latitude 14°07' North, longitude 122°46'30" East), approximately 190 aerial kilometres east-southeast of Manila or 315 kilometres by the Maharlika Highway from Manila (311 km) and then by 12 kilometres of concreted road from the town of Labo.

Labo is a first class municipality with ten barangays (villages) and a population of 92,041. Its land area is 649 square kilometres and is 25% of Camarines Norte's size. The Mabilo Project directly impacts two barangays and indirectly an additional four barangays.

The project will affect 144 surface lots and 114 households subject to voluntary resettlement. Eleven of the fifteen lots covering the resource have been acquired and the remaining four are available subject to price.

The Project is sparsely populated and is not subject to any indigenous land owner claims. Vegetation is mostly degraded secondary forest cover or cleared land and the terrain is moderately flat with elevation of ~130 m ASL rising to the inactive Mt. Labo volcano at an elevation of 1,572 m ASL. The elevated areas in the locality are forested, given the high precipitation over the region. The lower lands are agricultural and are mainly planted with rice, coconut, abaca, and other fruit trees.

Water and air sampling shows the Project is in environmental compliance except for two contaminated community water bores.

The Mabilo Project is on the foothills of Mt. Labo, a stratovolcanic mound with a peak elevation of over 4,600 meters. The Project has flat to slightly undulating topography that is transected by several north-flowing streams which moderately to deeply incise the soft Quaternary tuffs (pyroclastic rock). Principal drainage meanders for over 10 kilometres through the Labo River which flows out to a delta east of the centre of Daet municipality.

Baseline Monitoring and Data

The project monitoring and gauging stations were established by GAIA South environmental consultants in early 2014 and MJV has continued monitoring these stations and others which were added as required. Once the footprint of the Project is finalized, the Project team will establish permanent stations and expand the monitoring program as proposed in the statutory Environmental Management Plan (EMP).

Capital and Operating Costs

Operating Costs

- Mine operating cost make-up and costing basis is described in detail in Section 15.2 of the Technical Report.
- Concentrate shipping and port operating costs are described in Section 18 of the Technical Report.
- Site general and administration costs are described in Section 21 of the Technical Report.
- Oxide ore treatment is described in Section 21 of the Technical Report.
- Supergene ore treatment is described in Section 21 of the Technical Report.
- Processing costs for fresh ore treatment are discussed in Section 21 of the Technical Report.

The operating cost estimate for primary ore is based on treating 1,000,000 tpa of ore to produce and average product as follows:

- Copper concentrate 51,000 dtpa
- Pyrite concentrate 132,000 dtpa
- Magnetite concentrate 560,000 dtpa
- Total shipping 743,000 dtpa

Table 12 - Summary of Mabilo Site Operating Cost Estimate (1.0 Mt/y) (US\$, 4Q2015)

Cost Centre	(US\$/t)
Mining ¹	18.91
Site G&A	9.02
Oxide Gold Cap processing	44.24
Oxide Skarn and Supergene processing	1.50
Ore transport - haulage (Oxide Skarn and Supergene) ²	10.00
Port handling (Oxide Skarn and Supergene) ²	2.34
Ore shipping (Supergene) ²	16.00
Ore shipping (Oxide Skarn) ²	13.00
Primary Ore processing	17.99
Copper and Pyrite Concentrate haulage ³	10.00
Copper and Pyrite Concentrate shipping/port charges ³	13.41
Magnetite Concentrating ³	0.50
Magnetite Concentrate Haulage ³	10.00
Magnetite Concentrate shipping/port charges ³	7.41

¹ Average cost per tonne milled

² Cost per tonne of Oxide Skarn/supergene ore

³ Cost per tonne of wet concentrate

Detailed shipping costs are presented in Section 19 of the Technical Report.

Mining Operating Costs

The mining costs for the Mabilo Project were compiled using information sourced from the IMC's

Mabilo Mine Operating Cost Estimate report^{R3}:

- Manning levels to suit production fleet requirements derived by Orelogy and pay rates as per IMC report.
- Equipment ownership and operating costs as per IMC report and reviewed by Orelogy.
- Consumables as per IMC report and fuel pricing as advised by MJV.
- Loading fleet productivity based on first principal estimates and Orelogy experience.
- Blasting requirements following geotechnical review, Orelogy experience and discussion with MJV personnel.

Mining costs were derived from first principles with a contractor margin of 13% on direct operating costs plus 5% margin on recovery of capital. Mining costs varied year on year dependent on physicals from the mine schedule developed to deliver ore to the ROM pad at the appropriate time in line with business objectives and the primary process plant feed requirements.

Total mining costs are summarized in Table 13 and Figure 10.

Table 13 - Summary Mabilo Mining Cost Estimate (1.0 Mt/y)

Cost Centre	Total Life of Mine Cost		
	(US\$M)	(US\$/t mined)	(US\$/t milled)
Load & Haul	107	1.25	13.67
Drill & Blast	12	0.14	1.56
Ancillary Works	19	0.22	2.42
Grade Control	1	0.02	0.17
Overheads	8	0.10	1.08
Subtotal - Contract Mining	147	1.72	18.91

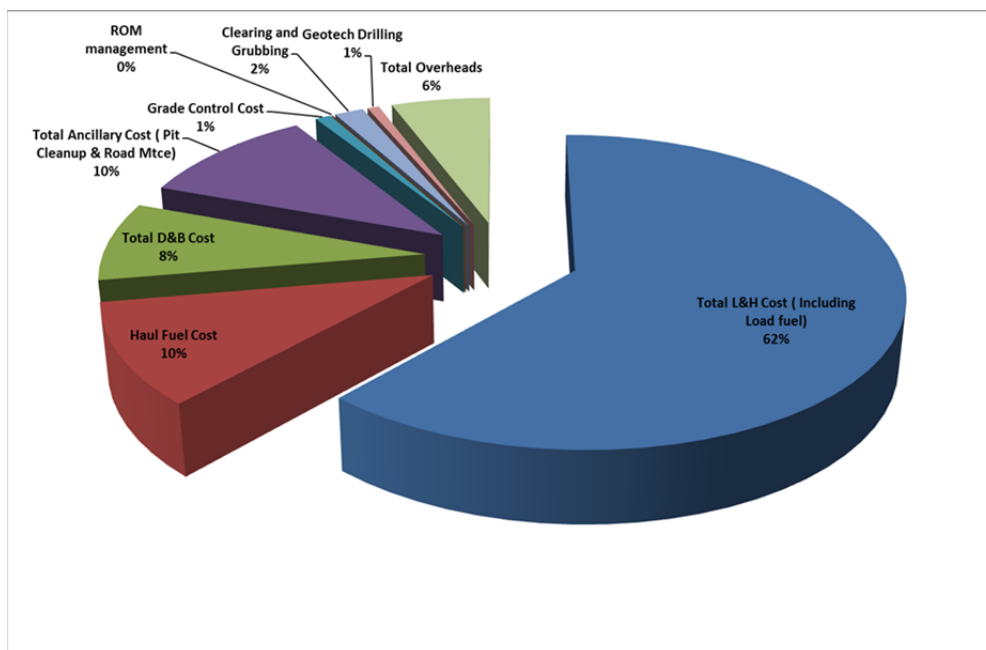


Figure 10 - Breakdown of Total Mining Costs

Processing Costs

Process plant operating costs for the Mabilo Project were compiled from information sourced by Lycopodium and MJV:

- Manning levels and pay rates advised by MJV to suit the proposed process plant unit operations and plant throughput.
- Consumable prices from supplier budget quotations and the Lycopodium database.
- Flotation reagent consumption and metal / concentrate recoveries based on laboratory test work results and the mining schedule.
- Modelling by Orway Mineral Consultants (OMC) for crushing and grinding energy and consumables, based on ore characteristics derived from relevant test work.
- First principle estimates where required based on typical operating experience or standard industrial practice.
- Benchmarking within the Philippines and comparison with costs at other similar operations. Operating cost detail has been sourced in US dollars, Australian dollars and Philippine Pesos. No other currencies were used in the operating cost estimate. The

following exchange rates have been used for the preparation of the operating cost estimate:

- US\$1.00 = A\$1.30 (Australian Dollar)
- US\$1.00 = 44.00 (Philippine Peso)

The operating cost estimate for primary ore is based on treating 1,000,000 tpa of ore to produce and average product as follows:

- Copper concentrate 51,000 dtpa
- Pyrite concentrate 132,000 dtpa
- Magnetite concentrate 560,000 dtpa
- Total shipping 743,000 dtpa

Table 14 - Summary of Mabilo Fresh Ore Processing Operating Cost Estimate (1.0 Mt/y) (US\$, 4Q2015)

Cost Centre	Total Cost		% Fixed	Fixed Cost	Variable Cost	
	(US\$/y)	(US\$/t)		(US\$/y)	(US\$/y)	(US\$/t)
Labor - Process Plant	1,642,483	1.64	100	1,642,483	0	0.00
Power	10,473,479	10.47	45	4,731,380	5,742,099	5.74
Operating	2,527,588	2.53	14	360,330	2,167,259	2.17
Consumables	1,822,000	1.82	63	1,153,200	668,800	0.67
Maintenance	568,576	0.57	80	454,861	113,715	0.11
Materials Mobile	357,248	0.36	66	235,360	121,888	0.12
Equipment Laboratory	600,000	0.60	0	0	600,000	0.60
Subtotal - Process Plant	17,991,375	17.99		8,577,613	9,413,761	9.41

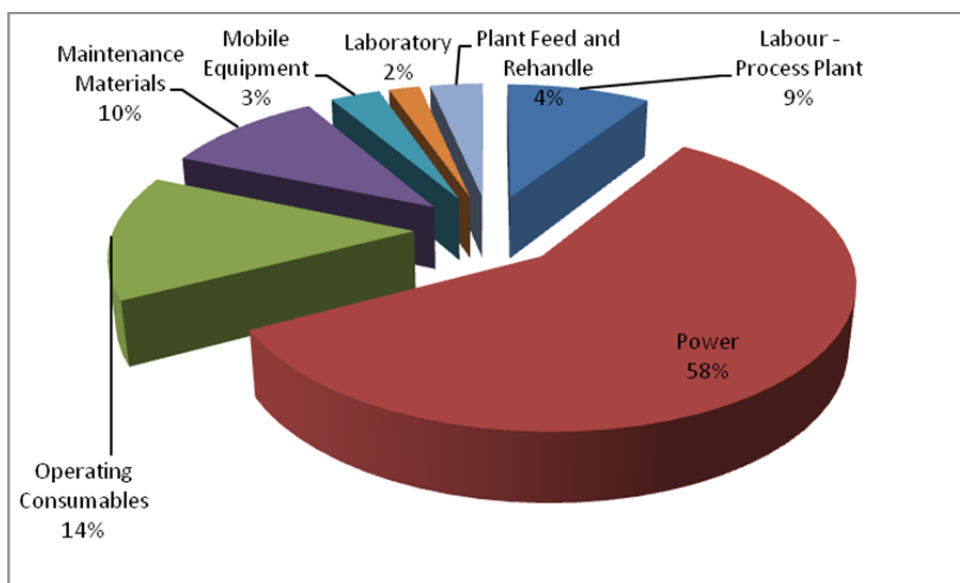


Figure 11 - Process Plant Operating Cost Breakdown

Capital Cost Estimate

The overall study capital cost estimate was compiled by Lycopodium from a number of sources and is presented herewith in summary format. The capital cost estimate reflects the Project scope as described in this study report. The costs for establishment of the oxide mining operations have been separated for clarity.

Knight Piesold provided quantities and estimated construction costs for the TSF and Surface Water Management Structures. MJV supplied costs for oxide mining and for a number of components of infrastructure including all off site facilities.

All costs are expressed in US dollars (\$) unless otherwise stated and based on 4Q2015 pricing. The estimate is deemed to have an accuracy of $\pm 15\%$.

Where costs used in the estimate were provided in other than US dollars the following exchange rates were used:

- 1 US\$ = 1.30 AUD
- 1 US\$ = 0.90 EUR
- 1 US\$ = 0.65 GBP
- 1 US\$ = 13.8 ZAR
- 1 US\$ = 44.0 PHP

The various elements of the Project estimate have been subject to internal peer review by Lycopodium and have been reviewed with MJV for scope and accuracy.

Summary Capital Costs

The capital estimate for oxide mining supplied by MJV is summarized in Table 15.

Table 15 - Oxide Ore Initial Capital Cost Estimate Summary (US\$, 4Q2015, $\pm 15\%$)

Main Area	Initial Capital (USD000)	Source
Directs Pre-strip	3,301	MJV
Mobilization	663	MJV
Site preparation, roads, environment	3,650	MJV
Port upgrade	300	MJV
Buildings, equipment	550	MJV
Mining Facilities	1,400	MJV
Upgrade local plant	710	MJV
Directs Subtotal	10,574	
Indirects		
Land acquisition	5,624	MJV
Contingency	1,164	MJV
Indirects Subtotal	6,788	
Total	17,362	

The capital estimate for primary ore processing is summarized in Table 15. The initial project capital cost (excluding sustaining and deferred) was estimated at US\$135.42 million.

Table 16 - Primary Ore Initial Capital Cost Estimate Summary (US\$, 4Q2015, ±15%)

Main Area	Initial Capital (USD000)	Source
EPCM Scope		
Treatment Plant	37,096	Lycopodium
Reagents and Plant Services	10,601	Lycopodium Lycopodium / Knight
Infrastructure	30,159	Piésold / MJV Lycopodium / Knight
Ground Reinforcement (Geotech)	2,539	Piésold Lycopodium / Knight
Construction Distributables	10,222	Piésold Lycopodium / Knight
Management Costs	11,462	Piésold
EPCM Subtotal	102,079	
Owners Scope		
Access Roads Outside of Tenement	1,604	MJV
Owners Project Costs excl roads	18,834	MJV
Owners Subtotal	20,438	
Contingency – EPCM Controlled scope	11,627	Lycopodium / Knight Piésold
Contingency – Owners scope	2,018	MJV
Other		
VAT	16,317	MJV
Pre-strip	18,115	MJV/Orelogy
Other Subtotal	34,432	
Total	169,850	

The Life of Mine Capital Cost Estimate is summarized in Table 17.

Table 17 - Life of Mine Capital Cost Estimate

	(USD\$'M)
Oxide Ore Capital Cost	17.36
Primary Ore Initial Capital Cost	169.85
Initial Capital Subtotal	187.21
Interest during construction (IDC) costs and capitalized debt fees	9.27
Sustaining Capital	33.75
Capital expenditure (Life-of-Mine)	230.23

Economics

A financial assessment of the Mabilo Project has been conducted using a cash flow model prepared by Corality on behalf of Mt. Labo. The model was structured using an excel workbook.

Input data came from a variety of sources, including the various consultants contributions to this study, pricing obtained from external suppliers and contractors, and exchange rates and project specific financial data such as the expected project taxation regime received from MJV. The assessment was based upon the following:

- The capital costs are based on the estimates presented in Section 21 of the Technical Report.
- Capital cost estimates and expenditure schedules prepared by Lycopodium, Knight Piésold and MJV.
- Owners capital cost estimates prepared by Lycopodium and MJV.

- Sustaining capital cost estimates for the tailings dam calculated using stage development quantities supplied by Knight Piesold.
- The mining, processing and administration costs are presented in Sections 21 of the Technical Report.
- Mine schedule and mining operation cost estimates based on the mining operations being contractor-operated, as developed by Orelogy for the study.
- Process operating costs estimates prepared by Lycopodium, with contributions from MJV and other members of the study team.
- Site general and administration costs prepared by MJV.
- Galeo's obligation to fund 1.5 Mt of initial pre-strip under its joint venture with RTG (Galeo Prestrip).
- Closure costs estimated by Knight Piesold and MJV. A provision for closure and rehabilitation costs of \$8.48M has been allowed.
- Metallurgical performance characterized by testwork conducted for the study (Section 13 of the Technical Report).
- The metal prices were supplied by MJV based on the spot commodity prices at the time of feasibility completion.
- Offtake terms and pricing for the Project's products were supplied by Conrad.
- Refining costs, deductions and penalties have been applied against revenue.
- Royalty, tax, discount rates and other model inputs provided by MJV and SGV & Co.
- The cash flow model assumes full funding through equity and debt.
- The cash flow analysis excludes any effects due to inflation and all dollars are expressed as real United States dollars as at 1Q2016.

Table 18 - Project Financial Measures Summary (1 Mtpa)

	Basis of Estimate	
Revenue from Gold (based on \$1,200/oz)	391.92	\$M
Revenue from Copper (based on \$5,000/t)	532.37	\$M
Revenue from Iron (based on \$50/t)	89.22	\$M
Revenue from Silver (based on \$14/oz)	14.08	\$M
Total Cash Cost (C1)	459.45	\$M
Total Cash Cost (C1)	(0.12)	\$/lb Cu
Total Cash Cost (C2)	689.69	\$M
Total Cash Cost (C2)	0.67	\$/lb Cu
All-in Cost * (C3)	733.06	\$M
All-in Cost * (C3)	0.82	\$/lb Cu
Capital Expenditure (Life-of-Mine)	230.23	\$M
Initial Capital Investment (excl working capital)	187.21	\$M
Deferred and Sustaining Capital	33.75	\$M
Plant and Equipment Salvage	-	\$M
Closure / Rehabilitation Cost	8.55	\$M
<i>Pre-Tax Economics</i>		
Free Cash Flow After Cost Allocation (undiscounted)	294.52	\$M
Annual Free Cash Flow After Cost Allocation (undiscounted)	26.77	\$M
Internal Rate of Return (IRR)	41.48	%
Project NPV (discounted at 5.0%)	216.19	\$M
Payback Period	2.5	Years
<i>After-Tax Economics</i>		
Free Cash Flow After Cost Allocation (undiscounted)	179.05	\$M
Annual Free Cash Flow After Cost Allocation (undiscounted)	16.28	\$M
Internal Rate of Return (IRR)	26.25	%
Project NPV (discounted at 5.0%)	126.71	\$M
Payback Period	2.5	Years

* Total cash cost, including sustaining and deferred capital.

Exploration, Development and Production

At the Mabilo Project, work going forward will be focused on finalising all necessary permits and reducing operating costs while the disputes between Mt. Labo and Galeo are outstanding and the position on new developments in the Philippines is clarified. Environmental and Community Development continues at Mabilo in line with agreed programs with the local community and in line with lease requirements.

6. DIVIDENDS

The Company does not anticipate that it will pay dividends in the foreseeable future. The declaration of dividends on the share capital of the Company is within the discretion of the Board and will depend on their assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company. At the present time, the Company is not in operating phase, hence has not currently declared a profit from which to distribute dividends from.

7. DESCRIPTION OF THE CAPITAL STRUCTURE

The Company is authorised to issue an unlimited number of shares, of which 192,723,413 are issued and outstanding as at the date of this AIF, including the issue of 25,137,836 shares issued on March 9, 2018. Each share entitles the holder to one vote. All shares held in the Company rank equally as to dividends, voting powers and equal participation in assets upon liquidation. The Company also has Chess Depositary Nominee ("CDI") Holders. A CDI represents a beneficial interest in an underlying share. CDIs rank equally in all respects with existing shares in RTG; however, there are certain differences between CDIs and shares (in particular in relation to voting and how other rights are exercised). The Company also has in place a Loan Funded Share Plan ("Plan") which allows the Company to issue shares of up to 10% of the issued and outstanding RTG Shares from time to time on a non-diluted basis, to eligible directors and employees. There are currently 1,400,000 shares on issue under this Plan, post 1:10 share consolidation completed June 2014.

As at 31 December 2017, there were 167,585,577 RTG Shares issued and outstanding and no options. On February 27, 2018 the Company announced it had received commitments to raise approximately US\$34 million in a private placement, increasing the RTG Shares issued and outstanding by approximately 311 million. The new shares are to be issued in two tranches, the first tranche of 25,137,836 shares were issued on March 9, 2018 with the remaining shares to be issued subject to shareholder approval at a meeting of shareholders scheduled for April 24, 2018. Additionally, subject to shareholder approval at the meeting, 12,715,201 unlisted advisor options will be issued.

8. MARKET FOR SECURITIES

The shares of the Company are listed for trading on the ASX and TSX under the trading symbol “RTG”.

Trading Price and Volume

The following table outlines the volume, high and low prices of the RTG Shares on the TSX on a monthly basis from January 1, 2017 through to December 31, 2017.

Table 19 Twelve Months of Trading on the TSX

Year	Month	High (C\$)	Low (C\$)	Volume (No. of RTG Shares)
2017	December	0.55	0.12	723,300
2017	November	0.15	0.10	218,100
2017	October	0.17	0.12	72,600
2017	September	0.14	0.12	303,900
2017	August	0.14	0.14	1,400
2017	July	0.14	0.14	0
2017	June	0.19	0.13	107,900
2017	May	0.16	0.14	78,000
2017	April	0.20	0.16	241,400
2017	March	0.28	0.19	303,800
2017	February	0.30	0.26	17,300
2017	January	0.34	0.24	19,500

The following table outlines the volume, high and low prices of the RTG Shares on the ASX on a monthly basis from January 1, 2017 through to December 31, 2017.

Table 20 - Twelve Months of Trading on the ASX

Year	Month	High (A\$)	Low (A\$)	Volume (No. of RTG Shares)
2017	December	0.39	0.14	26,307,311
2017	November	0.19	0.13	2,874,527
2017	October	0.20	0.13	2,892,474
2017	September	0.15	0.10	1,647,876
2017	August	0.16	0.11	1,067,489
2017	July	0.18	0.14	825,012
2017	June	0.22	0.11	4,984,236
2017	May	0.19	0.12	3,467,118
2017	April	0.19	0.14	3,871,913
2017	March	0.30	0.17	4,979,012
2017	February	0.26	0.21	3,583,500
2017	January	0.30	0.22	1,593,892

Prior Sales

The following table summarizes the issuance by the Company of RTG Shares or options convertible into RTG Shares in the most recent financial year to December 31, 2017.

Table 21 - Prior Issuances of Shares by the Company

Shares	Number	Price per Share (\$A)	Price Per Share (\$C)
Opening balance at January 1, 2017	167,585,577	N/A	N/A
Total shares on issue at December 31, 2017	167,585,577		
Options*	Number	Price Per Options (\$C)	
Opening balance at January 1, 2017	8,784,687		
Expiration of options	(8,784,687)		N/A
Total options on issue at December 31, 2017	8,784,687		

*Expired on or before June 4, 2017.

9. ESCROWED SECURITIES

There are currently no securities under escrow arrangements.

10. DIRECTORS AND OFFICERS

The following table indicates the names of the current directors and executive officers of the Company, place of residence, position within the Company, principal occupations within the 5 preceding years, periods which each has served as a director or officer and the number of shares or options beneficially owned, or controlled and directed, directly or indirectly, by the directors and executive officers as at March 29, 2018. The term of office of each of the directors of the Company expires at the Company's next Annual General Meeting of Shareholders.

Table 22 - Directors and Officers of the Company

Name, Position and Place of Residence	Principal Occupations During Five Preceding Years	Period as a Director or Executive Officer	RTG Shares Beneficially Owned Directly or Indirectly
Mr. Michael Carrick Director and Chairman Perth, Western Australia	Director and Chairman of RTG. Previously Director B2Gold Limited, Director and CEO of CGA Mining Limited, Director of RTG Limited, Director of RTG Mining Inc., AGR Limited, and Chief Executive Officer of Resolute Limited.	March 28, 2013 to present	527,734 shares
Ms Justine Magee Director and Chief Executive Officer Perth, Western Australia	Director and CEO of RTG. Previously Director of AGR Limited and Director and CFO of CGA Mining Limited.	March 28, 2013 to present	790,299 shares
Mr. Robert Scott ⁽¹⁾⁽²⁾⁽³⁾ Independent Lead Director and Chair of Risk & Audit, Disclosure and Remuneration & Nominee Committees Perth, Western Australia	Non-Executive Director of RTG, former Non-Executive Director of CGA Mining Limited. Currently holds directorships on Sandfire Resources NL and Homeloans Limited. Mr Scott was previously a director of Manas Resources Limited, Neptune Marine Services and Lonestar Resources US Inc.	March 28, 2013 to present	80,770 shares
Mr. David Cruse ⁽¹⁾⁽²⁾⁽³⁾ Independent Director Perth, Western Australia	Non-Executive Director of RTG, former Non-Executive Director of CGA Mining Limited, current director of Odyssey Energy Limited.	March 28, 2013 to present	894,280 shares
Mr. Phillip Lockyer ⁽¹⁾⁽²⁾⁽³⁾ Independent Director Perth, Western Australia	Non-Executive Director of RTG, former Non-Executive Director of CGA Mining Limited, Focus Minerals Limited, Perilya Limited and St Barbara Limited and currently holds directorships on Swick Mining Services Limited, Western Desert Resources Limited and GR Engineering Services Limited.	March 28, 2013 to present	65,385 shares
Mr. Mark Turner Chief Operation Officer, Perth, Western Australia	COO of RTG. Previously General Manager Operations for Resolute Mining Limited and has also worked for CGA Mining, Newcrest Mining Ltd and Hamersley Iron.	March 28, 2013	278,000 shares
Mr. Ryan Eadie Company Secretary and Interim Chief Financial Officer, Perth, Western Australia	Interim Chief Financial Officer and Company Secretary.	October 2, 2017 to present	7,000 shares
Mr. Nick Day Company Secretary and Chief Financial Officer Perth, Western Australia	Previously Mr Day was Director, CFO and Company Secretary of Coventry Resources Inc. He has also held Company Secretary and Financial Consultancy positions with Paringa Resources Limited; Black Range Minerals; Birimiam Gold; Ebooks.com; and was CFO and Company Secretary of Antaria and AIM & ASX listed mining company Albion Ltd.	January 21, 2015 to October 2, 2017	N/A

(1) Member of Risk and Audit Committee

(2) Member of Remuneration and Nomination Committee

(3) Member of Disclosure Committee

As of the date of this AIF, approximately 2,636,468 shares of the Company were beneficially owned, or controlled or directed, directly or indirectly, by the current directors and executive officers of the Company as a group, representing approximately, 1.3% of the issued and outstanding shares of the Company on a non-diluted basis.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or has been in the last 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) while that person was acting in that capacity, was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, that was in effect for a period of more than 30 consecutive days; or
- (b) was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, no director or executive officer or shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that while that person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this AIF become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of the Company, no director or executive officer of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

11. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Deferred Consideration Claim

The interest in the Mabilo Project is held through Mt. Labo. On November 2, 2011, Sierra, in conjunction with its Philippine associate, executed a Heads of Agreement with Mining Consultants, Ltd. ("MC") (the "Heads of Agreement") to acquire Mt. Labo, which holds the Nalesbitan Project and Mabilo Project. Consideration for the acquisition included deferred consideration of 1.75M new ordinary Sierra Shares plus cash consideration of A\$125,000 ("Deferred Consideration"). The Deferred Consideration was conditional on receiving approval of the Motion for Reconsideration of a Notice of Denial of the Nalesbitan Project APSA-V-002 within two years from the date of execution of the Heads of Agreement. The two-year period expired on November 2, 2013 and the Motion for Reconsideration had not been approved. Sierra therefore did not pay the Deferred Consideration.

On October 29, 2013, one of the parties to the Heads of Agreement filed with the Makati City Regional Trial Court, Branch 146 ("RTC") a Petition for Declaratory Relief in the Philippines seeking to extend the date for receiving the favourable decision on the Motion for Reconsideration. Should the RTC uphold the Petition, the period within which to receive approval of the Motion for

Reconsideration may be extended by up to 600 days and the Deferred Consideration may still become payable. The value of the current Deferred Consideration, if the action is successful, is currently estimated to be A\$562,500.00.

On December 4, 2015, the RTC issued its Decision dismissing the Petition for Declaratory Relief. Petitioner Timothy E. Collver filed his Motion for Reconsideration to the RTC's Decision, while respondent Mt. Labo filed its Motion for Partial Reconsideration to the RTC's ruling that Executive Order No. 79, Series of 2012, constitutes force majeure with respect to the Heads of Agreement. The RTC denied both Motions. Petitioner Collver and respondent Mt. Labo filed separate appeals with the Philippine Court of Appeals, which has since consolidated them.

On September 18, 2017, the Philippine Court of Appeals issued a Resolution submitting the appeals of petitioner Timothy E. Collver and respondent Mt. Labo for decision.

Claim for Royalty on Small Scale Mining Permit Production

Pursuant to the royalty agreement with regards to the Mabilo Project dated November 2, 2011 (the "Mabilo Royalty Agreement"), a royalty is payable in favour of MC in the amount of 1% of the Net Mining Revenue (defined as Gross Output for a Quarter less Deductible Expenses) over EP-014-2013-V.

In 2012, Mt. Labo granted consent to a Small Scale Mining Permit ("SSMP") holder within the boundaries of EP-014-2013-V. The SSMP entitles the holder to extract a maximum of 50,000 tonnes of ore per annum. Pursuant to the granting of the consent, the SSMP holder is required to pay to Mt. Labo an amount equal to 1% of gross sales. Despite repeated requests, the SSMP holder is yet to pay any amount to Mt. Labo and has not provided any production information. The SSMP and Mt. Labo's consent has subsequently expired, and RTG understands that production has ceased. C-20 Whilst RTG has been unable to quantify the production from the SSMP, there remains a risk that it may be liable to pay a royalty to MC and that legal action may be taken.

APSA-03-XIII – Claims

The Bunawan Project permit APSA-03-XIII is subject to a number of claims including the cases of Valley Mining and Development Corp. vs. Safariland Resources Co. and PICOP Resources, Inc. vs. Safariland Resources Co. APSA- 03-XIII is held by Safariland Resources Co. on behalf of the Bunawan Project by way of an assignment agreement. The Valley Mining and Development Corp. and PICOP Resources, Inc. claims date back to 1998 and have not been progressed since then. Legal counsel for the Bunawan Project (on behalf of Safariland Resources Co.) has entered its appearance in Safariland Resources Co.'s case against PICOP Resources, Inc. The cases involving APSA-03-XIII appear to have been dismissed, based on a previous inquiry with the Philippine Mines and Geosciences Bureau Region XIII.

Watershed Forest Reserve – Mabilo Project EP-014-2013-V

Presidential Proclamation No. 318 established the Abasig-Matogdon-Mananap Watershed Forest Reserve as a protected area in the Province of Camarines Norte. Further, a Labo Municipal Ordinance No. 214 prohibits mining activities within a five (5)- kilometre radius from the designated watershed areas at various barangays of Labo, Camarines Norte, effectively increasing the area off-limits to mining activities. EP-014-2013-V is outside the area declared under Presidential Proclamation No. 318, however, part of the permit is within the five kilometre zone established by Municipal Ordinance No. 214.

In September 2013, Mt. Labo was denied the opportunity to present its work program to the legislative body on the basis that EP-014-2013-V falls partially within the protected area established by Municipal Ordinance No. 214. Sierra received legal advice that the Municipal Ordinance prohibiting mining activities within a five (5)- kilometre radius is without authority.

The local legislative body expressed its concerns at a public hearing regarding the possible effects of the project on the water supply. Mt. Labo has initiated water studies to address these concerns.

Based on the water studies conducted by Aqua-Dyne Technological Service, Inc., mining operations are not expected to affect the performance of the wells and springs.

Galeo Cases

On May 10, 2013, Mt. Labo and Galeo Equipment Corporation entered into a Joint Venture Agreement (the “JVA”). The JVA was subsequently amended and supplemented on August 13, 2013 and September 3, 2015. In the course of implementing the JVA, some disputes have arose among the parties.

In order to settle those disputes, among others, on June 10, 2016, Mt. Labo and Galeo Equipment Corporation entered on June 10, 2016 into a Memorandum of Agreement (the “MOA”), which was conditional on the fulfilment by the parties of certain obligations.

Galeo failed to comply with its reciprocal obligations provided in the MOA. Hence, the MOA was rescinded in late 2016.

Galeo, in turn, has filed a case for Injunction for recognition of Galeo’s alleged status as stockholder with 42% interest in Mt. Labo; nullification (i) of all proceedings resulting in the election of new officers and directors of Mt. Labo and (ii) of the shareholdings of Crispiniano G. Acosta and SageCapital Partners, Inc.; in part in connection with Commonwealth Act No. 108 with a specific complaint against Mt. Labo Director Crispiniano Acosta to stop him from voting, transferring and or exercising any right pertaining to the shares he holds currently in Mt. Labo; and appointment of a Management Committee with the Regional Trial Court of Makati, Branch 141 (“Makati RTC Branch 141”).

At the start of 2017, the Makati RTC Branch 141 issued an Order denying Galeo the issuance of a Writ of Temporary Restraining Order/Writ of Preliminary Injunction.

Galeo then filed a Motion for Reconsideration around the same date. Galeo also filed an Urgent Motion for Inhibition. On March 3, 2017, the Makati RTC Branch 141 issued an Order wherein the Presiding Judge resolved to inhibit herself from further acting on the case. The case was re-raffled to Makati RTC Branch 147.

On May 19, 2017, the Makati RTC Branch 147 issued an Order denying Galeo’s Motion for Reconsideration.

Thereafter, on May 30, 2017, Mt. Labo filed a Motion to Refer to Arbitration. On June 19, 2017, Galeo filed a Comment/Opposition, which prayed that the Makati RTC Branch 147 issue an order restraining Mt. Labo and/or any other defendants from proceeding to arbitration or any other similar proceedings. On June 29, 2017, Mt. Labo filed its Opposition to Galeo’s Application for an Anti-Arbitration Injunction and Interim Measures of Protection dated June 19, 2017.

On July 17, 2017, the Makati RTC Branch 147 issued an Order referring the parties to arbitration.

Galeo has, in addition, filed two criminal complaints against a director and a former director of Mt. Labo for their alleged violation of the Philippine Corporation Code. The respondents continue to defend the charges which they believe are without foundation.

Arbitration proceedings against Galeo commenced in the Singapore International Arbitration Centre, in accordance with the provisions of the JVA as well as the compromise agreement. Mt. Labo seeks a number of reliefs, including a declaration that the JVA was validly terminated and the compromise agreement was validly rescinded. Under the JVA, on termination the innocent party is then given the right to buy out the guilty party at a 10% discount to book value, which for the joint venture is nominal given it was still in the exploration phase of the project.

Kalia Action

RTG was named as a party in the actions against Mr Nik Zuks, Mr David Johnston, Kalia Limited ("Kalia"), Kalia Holdings Pty Ltd ("Kalia Holdings") (a subsidiary of Kalia) and others for alleged breaches of comprehensive non-compete and confidentiality clauses in a Separation Agreement signed in December 2016 by both Mr Zuks and Mr Johnston on behalf of Kalia Holdings, covering their connected persons and colleagues they may assist. The Separation Agreement provided that post signing, Kalia Holdings would focus on their interest in the North of Bougainville and Central would focus on the old Panguna Mine in Central Bougainville and neither party would compete with the other in terms of those interest and each would respect strict confidentiality undertakings.

Each of those parties have been served with detailed papers setting out the issues at hand and Mr Zuks and Mr Johnston and others have now provided comprehensive undertaking that they would refrain from being involved or otherwise directly or indirectly concerned with any business that competes with or involves the interest of Central at Panguna or take any action that would be reasonably regarded to cause detriment to RTG or Central to interfere with the interests at Panguna.

RTG is satisfied with the undertakings now provided by the abovementioned parties and trust that all relevant parties will respect their legal commitments and obligations under the Separation Agreement. A Statement of Claim has now been lodged and the matter is still before the Courts.

Pre-action Discovery

The Company is opposing a pre-action discovery application in the Supreme Court of Victoria made by BCL which seeks from parties, including the Company, inspection of certain documents so as to determine if it has a potential claim. The Company is opposing the application and expects to be successful in such opposition.

12. CONFLICTS OF INTEREST

Certain of the directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The Directors of the Company will be required to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the Board, any director in a conflict will disclose their interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

13. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Interests of entities with more than 10% equity securities in RTG, as at December 31, 2017, are as follows:

Name	Number of equity securities	Power %
Hains Family	24,952,359	14.89%
Franklin Resources Inc.	19,937,479	11.90%

Subsequent to December 31, 2017, RTG announced details of a Private Placement in which the Hains Family and Franklin Resources Inc. participated, with their holdings changing to 14.81% and 11.84% respectively. Further changes to their holdings are expected should the proposed Tranche 2 be approved by shareholders in the upcoming shareholders' meeting. Refer to Section 3 for further information regarding the Private Placement.

Director and Executive Officer shareholding details are provided in Section 10.

Other than the above, no Director or Executive Officer of the Company, no person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of the Company's shares, and no associate or affiliate of the foregoing persons, has or had any material interest, direct or indirect in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

14. TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the Company are:

Australian Register

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth, Western Australia, 6000
Australia

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Canadian Register

Computershare Investor Services Inc.
8th Floor
100 University Avenue
Toronto, Ontario, M5J2Y1
Canada

Telephone: +1 416 263 9200
Facsimile: +1 416 453 0330

15. MATERIAL CONTRACTS

RTG or its subsidiaries have entered into and are currently party to the following contracts which may reasonably be regarded as material:

Share Sale and Purchase Agreement

On June 24, 2016 the Company completed the sale of its interest in the Segilola Gold Project in Nigeria to Thor Explorations Ltd, a TSX-V listed company, for total consideration of US\$8.5M, including US\$3.0M consideration upfront (US\$1.5M in cash and US\$1.5M in Thor Explorations Ltd Thor listed shares). The remaining US\$5.5M, includes:

- US\$2M cash payable on the earlier of closing of the financing for the development of the full scale mine or 24 months after completion; and
- a 1.5% royalty on the Segilola Gold Project, capped at an aggregate of US\$3.5M.

Joint Venture with Galeo

The Company has an interest through its associates in the Joint Venture Agreement dated May 10, 2013 ("the JVA"), previously also with mining contractor and supplier, Galeo, to explore and develop the Mabilo Project and the Nalesbitan Project.

Pursuant to the terms of the unincorporated joint venture, Galeo had earned a 36% interest in the Mabilo Project and the Nalesbitan Project, for conducting drilling services, providing its pro-rata share of funding requirements and providing management services including management of community relations, which had been reflected in an Amendment to the JVA to merge the interests above and below the original 200m limits.

Mt. Labo had also previously entered into a memorandum of understanding with Galeo whereby Galeo could earn an additional 6% interest in the joint venture to take the total interest Galeo could hold and retain up to 42%. The memorandum of understanding, which was subject to a number of conditions precedent, required Galeo to mine the first 1.5Mt of waste ore to earn the additional interest.

On June 10, 2016 Mt. Labo entered into a settlement agreement (Memorandum of Agreement; "MOA") with Galeo. The MOA resolved all open points between the parties and provided Galeo with a 42% interest in Mt. Labo subject to satisfaction of all terms of the agreement.

Mt. Labo has since rescinded the MOA with its then joint venture partner, Galeo due to non-performance. Subsequently, Galeo is no longer a shareholder of Mt. Labo and its interest in the joint venture at 31 December 2016 had reduced to a 36% unincorporated joint venture interest. Galeo was contesting that position in the Philippine Courts which has now been referred to arbitration in Singapore. Following a 60 day notice period pursuant to the Joint Venture Agreement, the joint venture was automatically terminated on January 31, 2017, due to Galeo not remedying the notified breaches of the Joint Venture Agreement, which again it is contesting. As part of the litigation process, Galeo commenced a number of nuisance and harassment actions, including the arrest of 2 officers of Mt. Labo, without proper foundation with the key actions against Mt. Labo now referred to arbitration in Singapore. Mt. Labo has commenced arbitration proceedings against Galeo in the Singapore International Arbitration Centre in accordance with the provisions of the JVA and the compromise agreement. In those arbitration proceedings, Mt. Labo seeks a number of reliefs, including a declaration that the JVA was validly terminated in January 2017 and the compromise agreement was validly rescinded. Under the JVA, on termination the innocent party is then given the right to buy out the guilty party at a 10% discount to book value, which for the joint venture is nominal given it was still in the exploration phase of the project. Mt. Labo obviously does not believe arbitration necessarily results in sensible business outcomes and will likely cause a delay to operational activities, but believes it is the only avenue available to it, to protect its interests from the ongoing misconduct of Galeo and its founder.

Nalesbitan Royalty Agreement

Mt. Labo entered into a royalty agreement in respect of the Nalesbitan Project gold mine tenements (Mining Lease MRD-459 and APSA No-V-0002) with MC on November 2, 2011 (the "Nalesbitan Royalty Agreement"). The Nalesbitan Royalty Agreement was part of the transaction in November 2011 whereby Sierra acquired an interest in Mt. Labo and the existing royalty Sierra agreements were terminated. Pursuant to the new Nalesbitan Royalty Agreement, Sierra agreed to pay MC a royalty of 1% of the net mining revenue from the applicable tenements. There has been no production to date at the Nalesbitan Project and hence no payments have been made under this Nalesbitan Royalty Agreement by Mt. Labo.

Mabilo Royalty Agreement

Mt. Labo entered into the Mabilo Royalty Agreement in respect of the Mabilo Project gold prospect tenements (EP-014-2013-V) with MC on November 2, 2011. The Mabilo Royalty Agreement was part of the transaction in November 2011 whereby Sierra acquired an interest in Mt. Labo and the existing royalty agreements were terminated. Pursuant to the new Mabilo Royalty Agreement, Sierra agreed to pay MC a royalty of 1% of the net mining revenue from the applicable tenements. Other than as discussed below, there has been no production to date at the Mabilo Project and hence no payments have been made under this Mabilo Royalty Agreement by Mt. Labo.

In 2012, Mt. Labo granted consent to a SSMP within the boundaries of EP-014-2013-V. The SSMP entitles the holder to extract a maximum of 50,000 tonne ore per annum. Pursuant to the granting of the consent, the SSMP holder is required to pay to Mt. Labo an amount equal to 1% of gross sales. Despite repeated requests, the SSMP holder is yet to pay any amount to Mt. Labo and has not provided any production information. The SSMP and Mt. Labo's consent has subsequently expired, and RTG understands that production has ceased.

Whilst RTG has been unable to quantify the production from the SSMP, there remains a risk that it may be liable to pay a royalty to MC and that legal action may be taken.

Max Sara Loan Agreement

Sierra entered into a facility agreement with Max Sara, a Director of the Company's Associates, on December 23, 2010 whereby Sierra advanced A\$283,650 to Max Sara to enable Max Sara to exercise 1,525,000 options with an exercise price of \$0.186 and an expiry date of December 31, 2010. Sierra have granted an extension of repayment of the loan to March 31, 2018.

Central Exploration Pty Ltd

RTG is the nominated development partner with the joint venture company established by the SMLOLA and Central in their proposal with respect to the redevelopment of the Panguna Project as detailed above.

During the year, RTG increased its interest in Central to 24% through further direct investment and conversion of loans. Additionally, Michael Carrick was appointed as Chairman of Central and Justine Magee was appointed as a Director of Central. One of RTG's major shareholders (interests represented by Mr Richard Hains, who also independently provided early stage funding to Central), has a 32% interest in Central.

Through a funding agreement with Central, RTG may provide further future advances of funds to Central on a month-by-month basis which, if funds are provided, will result in further increases in its interest in Central via conversion of loans.

Kalia Separation Agreement

RTG entered into a Separation Agreement with Kalia Holdings, signed by Mr Zuks and Mr Johnston on behalf of Kalia Holdings, in December 2016. The Separation Agreement provided that post signing, Kalia Holdings would focus on their interest in the North of Bougainville and Central would focus on the old Panguna Mine in Central Bougainville and neither party would compete with the other in terms of those interest and each would respect strict confidentiality undertakings.

During the year, RTG was named as a party in the actions against Mr Nik Zuks, Mr David Johnston, Kalia, Kalia Holdings and others for alleged breaches of comprehensive non-compete and confidentiality clauses in the Separation Agreement, as detailed in Section 11.

16. INTERESTS OF EXPERTS

BDO Audit (WA) Pty Ltd. is the auditor of the Company. The aforementioned firm held either less than one percent or no securities of the Company or of any associate or affiliate of the Company.

The information in this AIF that relates to exploration results at the Mabilo and Bunawan Projects are based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr Ayres is a member of the Australian Institute of Geoscientists and a consultant of RTG Mining Limited. Mr Ayres has sufficient experience that is relevant to the style of mineralization 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 AIF, including sampling, analytical and test data underlying the information contained in this AIF. Mr. Ayres consents to the inclusion in this AIF of the matters based on his information in the form and the context in which it appears.

The information in this AIF 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 mineralization 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 NI 43-101. Mr. Green has verified the data disclosed in this AIF, including sampling, analytical and test data underlying the information contained in this AIF. Mr Green consents to the inclusion in this AIF of the matters based on his information in the form and context in which it appears.

The information in this AIF 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 NI 43-101. Mr Moormann has verified the data disclosed in this AIF, including sampling, analytical and test data underlying the information contained in this AIF. Mr Moormann consents to the inclusion in this AIF of the matters based on his information in the form and context in which it appears.

The information in this AIF 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 NI 43-101. David Gordon has verified the data disclosed in this AIF, including sampling, analytical and test data underlying the information contained in this AIF. David Gordon consents to the inclusion in this AIF of the matters based on his information in the form and context in which it appears.

The information in this AIF 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 NI 43-101. Mark Turner has verified the data disclosed in this AIF. Mark Turner consents to the inclusion in this AIF 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) and on the ASX, under announcements (www.asx.com.au).

The information in this AIF 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 NI 43-101. Mark Turner consents to the inclusion in this AIF of the matters based on his information in the form and context in which it appears.

The information in this AIF relating to Bunawan exploration results, mineral resources or ore Reserves is based on information provided to Mr Robert McLean by RTG Mining Inc. Mr McLean is an independent consultant geologist and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr McLean has the relevant qualifications, experience, competence and independence to qualify as an “Expert” under the definitions provided in the Valmin Code,

“Competent Person” as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and as a “Qualified Person” under NI 43-101. Mr McLean consents to the inclusion in this AIF of the matters based on the information he has been provided and the context in which it appears.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms currently hold or have received or will receive registered or beneficial interests in any securities or other property of the Company or of one of the Company’s associates or affiliates.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

17. RISK AND AUDIT COMMITTEE

The purpose of the Risk and Audit Committee of the Company is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company and its subsidiaries. It is the objective of the Risk and Audit Committee to maintain a free and open means of communication among the Board of the Company, the independent auditors and senior management of the Company.

The full text of the Charter of the Risk and Audit Committee is included as Schedule A to this AIF.

Composition of the Risk and Audit Committee

The Risk and Audit Committee is comprised of Robert Scott, Phil Lockyer and David Cruse. All members are independent within the meaning of NI 52-110. Each of the members is financially literate under Section 1.5 of NI 52-110.

Relevant Education and Experience

Robert N Scott – Lead Non-Executive Director and Chair of the Risk and Audit Committee

Mr. Scott is a Fellow of the Institute of Chartered Accountants in Australia with over 35 years experience as a corporate advisor. Mr. Scott is a former senior partner of the international accounting firms of KPMG and Arthur Andersen. Mr. Scott currently holds directorships on Sandfire Resources NL and Homeloans Limited.

Mr. Scott was appointed a director of the Company on March 28, 2013 and the Company’s Lead Director on October 30, 2015.

Phil C Lockyer – Non - Executive Director

Mr. Lockyer is a Mining Engineer and Metallurgist with more than 40 years experience in the mining industry, with an emphasis on gold and nickel, in both underground and open pit mining operations.

Mr. Lockyer was employed by WMC Resources for 20 years reaching the position of General Manager of Western Australia responsible for that company’s gold and nickel divisions. Mr. Lockyer holds directorships on Swick Mining Services Limited, Western Desert Resources and GR Engineering Services Limited.

Mr. Lockyer was appointed a director of the Company on March 28, 2013.

Mr. David A Cruse – Non-Executive Director

Mr. Cruse has had a long career in commerce and finance. He was a stockbroker for over 20 years, where he held senior management positions and directorships in the stockbroking industry, with

particular focus on capital markets. Mr. Cruse has been involved in the identification and commercialization of a number of resource (including oil and gas) projects.

Mr. Cruse has held a directorship position on the board of Odyssey Energy Limited since 2008.

Mr Cruse was appointed a director of the Company on March 28, 2013.

Pre-Approval Policies and Procedures

The Risk and Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires the Risk and Audit Committee preapproval of permitted audit and audit-related services.

Since the commencement of the Company's most recently completed financial year, there has not been any recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board of the Company.

External Auditor Services Fees

Audit Fees

The auditor of the Company is BDO Audit (WA) Pty Ltd. Throughout the year, the auditors performed the following services:

Table 23 - Auditor Services

The Auditor of the Company is BDO Audit (WA) Pty Ltd.

	31 December 2017 US\$	31 December 2016 US\$
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
• An audit or review of the financial report of the entity and any other entity in the consolidated group.	53,128	37,475
• Other services in relation to the entity and any other entity in the consolidated group		
- Tax compliance	93,264	31,330
- Other assurance services	5,405	3,171
	151,797	71,976

Additional Information

Copies of all materials incorporated by reference herein and additional information relating to the Company may be obtained on SEDAR, under the Company's profile, at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorised for issuance under equity compensation plans, is contained in the Company's information circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Company's financial statements and Management and Discussion Analysis for the year ended December 31, 2017.

The Company is not relying on any of the exemptions set out in items 4, 5 or 6 of Form 52-110F1.

Schedule A

Risk and Audit Committee Charter (the "Charter")

By appropriate resolution of the Board of Directors of RTG Mining Inc. (the "Board"), the Risk and Audit Committee (the "Committee") has been established as a standing committee of the Board with the terms of reference set forth below. Unless the context requires otherwise, the term "Company" refers to RTG Mining Inc. and its subsidiaries.

1. Purpose

- 1.1 The Committee is appointed by the Board of the Company to assist the Board in fulfilling its financial management oversight responsibilities. The Committee's primary duties and responsibilities are to:

Audit

- (a) monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- (b) identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- (c) monitor the independence and performance of the Company's external auditor; and
- (d) provide an avenue of communication among the external auditor, management and the Board.

Risk

- (e) ensure that the Company has established a policy for the oversight and management of material business risks;
- (f) oversee the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material business risks throughout the Company;
- (g) monitor the action being taken by management in addressing unacceptable levels of internal risk and ensuring that management periodically report to Board as to adherence to policies, guidelines and limits for the management of risk.

2. Authority

The Committee has the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

3. Composition

- 3.1 Committee members shall meet the requirements of the applicable securities regulatory rules and regulations. The Committee shall be comprised of at least three directors, as determined by the Board, each of whom shall be an "independent" director within the meaning of National Instrument 52-110 ("NI 52-110") promulgated by the Canadian Securities Administrators and shall be free from any relationship that would interfere with the exercise of the director's independent judgment. All members of the Committee shall be "financially literate" within the meaning of NI 52-110 and at least one member of the Committee shall have accounting or related financial management expertise.
- 3.2 The members of the Committee shall be appointed by the Board and shall serve until their successors are appointed. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it, subject to the Committee continuing to satisfy the composition requirements mentioned above. The Board shall

designate one member of the Committee as its Chair. If a Chair of the Committee is not designated or present at a meeting, the members of the Committee may designate a Chair for the meeting by majority vote of the Committee membership. The Chair of the Committee must be an independent director and cannot simultaneously hold the position of Chair of the Board.

- 3.3 The relevant members of the Committee and the qualifications and experience of the members of the Committee must be disclosed.

4. Meetings

- 4.1 Except as expressly provided in this Charter or the Articles of the Company, the Committee shall fix its own rules of procedure.
- 4.2 The Committee shall meet as many times a year as circumstances dictate. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the external auditor, and as a Committee to discuss any matter that the Committee or each of these groups believes should be discussed. In addition, the Committee should communicate with management quarterly as part of their review of the Company's interim financial statements and management's discussion and analysis.
- 4.3 At the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings must be disclosed.
- 4.4 At all meetings of the Committee, the presence of a majority of the members will constitute a quorum for the transaction of the business and the vote of a majority of the members present shall be the act of the Committee.
- 4.5 The Chair, any member of the Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Committee by notifying the Company's Corporate Secretary who will notify the members of the Committee. The Chair shall chair all Committee meetings that he or she attends, and in the absence of the Chair, the members of the Committee present may appoint a chair from their number for a meeting.
- 4.6 Members of the Committee may participate in a meeting of the Committee by conference telephone or similar communications equipment by means of which all people participating in the meeting can hear each other and participation in such a meeting will constitute presence in person at such a meeting.
- 4.7 Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if all of its members consent in writing to the action and such writing is filed with the records of proceedings of the Committee.
- 4.8 The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.
- 4.9 Directors not on the Committee may attend meetings at their discretion. At the invitation of the Chair of the Committee, members of management and outside consultants may attend Committee meetings.

5. Responsibilities

Review Procedures

- 5.1 The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these

functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").

- 5.2 Review and update, if applicable or necessary, this Charter annually and submit any amended Charter to the Board for approval.
- 5.3 Review the Company's annual audited financial statements, related management's discussion and analysis ("MD&A") and related documents prior to filing or distribution. This review should include discussion with management and the external auditor of significant issues regarding accounting principles, practices, and significant management estimates and judgments.
- 5.4 Review with financial management the Company's quarterly financial results and related documents prior to the release of earnings and/or the Company's quarterly financial statements, the auditor's review report thereon, related MD&A and related documents prior to filing or distribution. As part of this review, the Committee should discuss any significant changes to the Company's accounting principles.
- 5.5 Review all filings with government agencies in Canada and assess the compliance of the Company in relation to governmental and stock exchange regulations as they apply to the Company respecting processes and controls.
- 5.6 Review all annual and interim earnings press releases before the Company publicly discloses the information.
- 5.7 Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
- 5.8 Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment.
- 5.9 Review the Company's risk management framework annually for purposes of ensuring continually sound risk management framework.
- 5.10 Discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements.
- 5.11 Ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures.

External Auditor

- 5.12 The external auditor is ultimately accountable to the Committee and the Board, as representative of the shareholders. The Committee shall review the independence and performance of the auditor and annually recommend to the Board the appointment of the external auditor or approve any discharge of the external auditor when circumstances warrant.
- 5.13 Approve the fees and other significant compensation to be paid to the external auditor.
- 5.14 At least annually, the Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

- 5.15 Obtain annually, a formal written statement from the external auditor setting forth all relationships between the external auditor and the Company.
- 5.16 On an annual basis, the Committee should review and discuss with the external auditor all significant relationships the auditor has with the Company that could impair the auditor's independence.
- 5.17 Take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- 5.18 Review the external auditor's audit plan, discuss and approve audit scope, staffing, locations, reliance upon management and general audit approach.
- 5.19 Prior to releasing the year-end financial report, the Committee will discuss the results of the audit with the external auditor. The auditor will review with the Committee any matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.
- 5.20 At each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- 5.21 Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and, if applicable, former external auditor of the Company.
- 5.22 Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The authority to pre-approve non-audit services may be delegated by the Committee to one or more independent members of the Committee, provided that such pre-approval must be presented to the Committee's first scheduled meeting following such pre-approval. Pre-approval of non-audit services is satisfied if:
- a. the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company and subsidiaries to the Company's external auditor during the fiscal year in which the services are provided;
 - b. the Company or a subsidiary did not recognize the services as non-audit services at the time of the engagement; and
 - c. the services are promptly brought to the attention of the Committee and approved, prior to completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

Financial Reporting Processes

- 5.23 The Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Committee shall consider and review with management and the auditors:
- (a) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and

regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;

- (b) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (c) any material issues raised by any inquiry or investigation by the Company's regulators;
- (d) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (e) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

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

- 5.24 Review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the Committee's views to the Board.
- 5.25 Review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
- 5.26 Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management.
- 5.27 Review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments.
- 5.28 Following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- 5.29 Review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements.
- 5.30 Review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- 5.31 Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- 5.32 Review the financial disclosures certification process.
- 5.33 Establish procedure for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters or any material violation of

securities laws or other laws, rules or regulations applicable to the Company and the operation of its business. Any such complaints or concerns that are received shall be reviewed by the Committee and, if the Committee determines that the matter requires further investigation, it will direct the Chair of the Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

Other Committee Responsibilities

- 5.34 Annually assess the effectiveness of the Committee against this Charter and report the results of the assessment to the Board.
- 5.35 The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.
- 5.36 As required under Securities Rules, prepare and disclose a summary of the Charter in applicable continuous disclosure documents.
- 5.37 Perform any other activities consistent with this Charter, the Company's articles, and governing law, as the Committee or the Board deems necessary or appropriate.
- 5.38 Maintain minutes of meetings and report to the Board on significant matters arising at Committee meetings at the next scheduled meeting of the Board.

Other Duties

- 5.39 Periodically conduct a self-assessment of Committee performance.
- 5.40 Review financial and accounting personnel succession planning within the Company.
- 5.41 Annually review a summary of director and officers' related party transactions and potential conflicts of interest.

6. No Rights Created

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

7. Charter Review

This Charter was adopted by the Board on August 13, 2015 and the Committee shall review and update this Charter annually and present it to the Board for approval.