Annual Financial Report

For the year ended December 31, 2018

CONTENTS

Directors	Michael J Carrick	Chairman
	Justine A Magee	President and Chief Executive Officer
	Robert N Scott	Non-Executive Lead Director
	Phillip C Lockyer	Non-Executive Director
	David A T Cruse	Non-Executive Director
Company secretary	Ryan R Eadie	
Office	Registered Sea Meadow House Blackburne Highway PO Box 116 Road Town Tortola VG1110 British Virgin Islands	Principal Level 2 338 Barker Road Subiaco, Western Australia, 6008 Australia Telephone: +61 8 6489 2900 Facsimile: +61 8 6489 2920
Bankers	Westpac Banking Corporation 130 Rokeby Road Subiaco, Western Australia, 6008 Australia	
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco, Western Australia, 6008 Australia	
Share registry	Australian Register Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth, Western Australia, 6000 Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033	Canadian Register Computershare Investor Services Inc. 8th Floor, 100 University Avenue Toronto, Ontario, M5J2Y1, Canada Telephone: +1 416 263 9200 Facsimile: +1 888 453 0330
Stock Exchange	Australia Australian Securities Exchange Limited Exchange Code: RTG – Chess Depositary Interests (CDI's)	Canada Toronto Stock Exchange Inc. Exchange Code: RTG – Fully paid shares
	United States OTCQB Venture Market Exchange Code: RTGGF	
Lawyers	Corrs Chambers Westgarth Level 6, 123 St Georges Terrace Perth, Western Australia, 6000 Australia	Blake, Cassels & Graydon LLP 595 Burrard Street Suite 2600, 3 Bentall Centre Vancouver, BC, V7X 1L3, Canada
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Website	www.rtgmining.com	

The Directors of RTG Mining Inc. ("the Company" or "RTG") present their report on the consolidated entity consisting of RTG and the entities it controlled during the year ended December 31, 2018 (the "Consolidated Entity" or "the Group"). The Company's functional and presentation currency is USD ($).

A description of the Company's operations and its principal activities is included on page 7.

DIRECTORS AND COMPANY SECRETARY

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

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.

DIRECTORS AND COMPANY SECRETARY – continued

Robert N Scott
Non-Executive Lead Director

Mr. Scott was appointed a Non-Executive Director of the Company in March 2013. He is a Fellow of the Institute of Chartered Accountants in Australia with over 35 years' experience as a corporate advisor. Mr. Scott is a former senior partner of the international accounting firms of KPMG and Arthur Andersen.

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

Other current directorships:	
Sandfire Resources NL	appointed July 2010
Castillo Copper Limited	appointed December 2018

Former directorships in the last 3 years:	
Lonestar Resources US Inc.	appointed 1996 and resigned March 2017
Homeloans Limited	appointed 2000 and resigned November 2018

Phillip C Lockyer
Non-Executive Director

Mr. Lockyer was appointed a Non-Executive Director of the Company in March 2013. He is a Mining Engineer and Metallurgist with more than 40 years' experience in the mining industry, with an emphasis on gold and nickel, in both underground and open pit mining operations. Mr. Lockyer was employed by WMC Resources for 20 years reaching the position of General Manager of Western Australia responsible for that company's gold and nickel divisions.

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

Other current directorships:	
Swick Mining Services Limited	appointed February 2008
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.

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	1,277,734
Justine A Magee	1,165,299
Robert N Scott	830,770
Phillip C Lockyer	265,385
David A Cruse	1,894,280

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

CORPORATE INFORMATION

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

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

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, 2018 and the number of meetings attended by each Director. There were three committees of Directors in existence during the financial year, these being, the Risk and Audit Committee, Remuneration and Nomination Committee and the Disclosure Committee. We refer you to our Corporate Governance Statement for more information.

Committee Meetings	Directors' Meetings	Risk and Audit	Remuneration and Nomination	Disclosure
Number of meetings held	4	3	2	3
Number of meetings attended				
Michael J Carrick	3	N/A	N/A	N/A
Justine A Magee	4	N/A	N/A	N/A
Robert N Scott	3	3	1	3
Phillip C Lockyer	3	2	2	2
David A Cruse	4	3	2	3

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 led consortium to secure an exploration licence at the high tonnage copper-gold Panguna Project within the Autonomous Region of Bougainville, Papua New Guinea ("PNG"), mineral exploration and development through its investment in its Philippines Associates as well as investigating a number of new 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.

EMPLOYEES

	2018	2017
The number of full time equivalent people employed by the Consolidated Entity (including consultants).	6	6

REVIEW OF OPERATIONS AND RESULTS

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

RTG continues to work with the SMLOLA team to progress discussions with the ABG on the redevelopment proposal of the Landowner Led Consortium, who to date are supporting an alternative proposal and undertake and support local community and social programs and reconciliations in the lead up to the important Referendum on Independence.

RTG holds a 40% interest in Mt. Labo Exploration and Development Corporation ("Mt. Labo"). 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.

Mt. Labo is focussed 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.

During the year, Mt. Labo successfully secured the second renewal of EP-014-2013-V for a further 2 year period. Mt. Labo continues to work with the MGB and DENR to finalise permitting for commencement of the Mabilo Project.

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, 2018 was $27,627,804 (December 31, 2017 - Net loss after tax of $11,361,728).

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended December 31, 2018.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

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

Executive Directors	
Michael Carrick	Chairman
Justine Magee	President and Chief Executive Officer
Non-Executive Directors	
Robert Scott	Non-Executive Lead Director
Phillip Lockyer	Non-Executive Director
David Cruse	Non-Executive Director
Executives	
Mark Turner	Chief Operating Officer (resigned on December 31, 2018)
Jason Greive	Chief Operating Officer (appointed on November 5, 2018)

Remuneration Governance

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

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to Executive Directors and Executives (the Executive team), including key performance indicators;
- Remuneration levels of Executives; and
- Non-Executive Director fees.

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

Remuneration Policy

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

REMUNERATION 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 reviews of the Board, employees and Directors undertaken in March and December 2018.

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.

REMUNERATION REPORT (Audited) – continued

STI Bonus for December 31, 2018 Financial Period and for December 31, 2017 Financial Year
For December 31, 2018 and December 31, 2017 financial period's there were no STI payments made to Executives. No STI bonus amounts have been forfeited during the December 31, 2018 and December 31, 2017 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 ("LFSP" or "the Plan"). Shares are granted to Executives based on their role and responsibilities. The shares may be granted on varying vesting terms designed to align the individuals' role and responsibilities with the vesting terms. Shares granted as remuneration are determined as part of the overall review of performance and compensation. Criteria which are measured included relative share price performance over the period leading up to their grant. Details of 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 rated up to and including the date of termination. The Executive Directors have a reciprocal twelve month notice of termination clause. These contracts are for 3 years to February 1, 2022. Mr. Greive has a four month notice of termination clause and his contract expires on December 5, 2020. Details of the nature and amount of each element of the emolument of each Director and Key Management Personnel of the Company and each of the Executives of the Company and the Consolidated Entity receiving the highest emolument for the financial year are as follows:

Contractual provisions for Executive Directors and Executives

Name and job title	Contract term	Notice period	Base salary
Mr Michael Carrick *Chairman*	Fixed term – expiry 1 February 2022 subject to extension	12 months	A$200,000
Ms Justine Magee *President and Chief Executive Officer*	Fixed term – expiry 1 February 2022 subject to extension	12 months	A$370,000
Mr Jason Greive *Chief Operating Officer*	Fixed term – expiry 5 December 2020 subject to extension	4 months	A$325,000

REMUNERATION REPORT (Audited) – continued

Details of remuneration

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

12 months ended **December 31, 2018**	**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$**	**Total performance related %**	**Annual leave movement * US$**
Directors								
Mr Michael Carrick	149,831	-	50,888	17,980	-	218,699	-	-
Ms Justine Magee	277,187	-	26,919	26,333	-	330,440	-	483
Mr Robert Scott	48,012	-	-	-	-	48,012	-	-
Mr Phil Lockyer	42,156	-	-	4,005	-	46,161	-	-
Mr David Cruse	42,156	-	-	4,005	-	46,161	-	-
Executives								
Mr Mark Turner [1]	355,510	-	59,897	26,333	-	441,741	-	(75,268)
Mr Jason Greive [2]	36,514	-	-	3,469	-	39,983	-	2,743
Total	**951,366**	-	**137,704**	**82,125**	-	**1,171,197**	-	**(72,042)**

* Provision for annual leave movements and does not reflect cash payments.
[1] Mr Turner resigned from the role of Chief Operating Officer on December 31, 2018.
[2] Mr Greive was appointed to the role of Chief Operating Officer on November 5, 2018.

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$**	**Total performance related %**	**Annual leave movement* US$**
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 [3]	153,908	-	-	12,439	-	166,347		(16,678)
Total	**999,430**	**-**	**122,467**	**92,370**	**-**	**1,214,267**	**-**	**33,711**

[3] Mr Day resigned on October 2, 2017.

REMUNERATION REPORT (Audited) – continued

Equity instruments held by Key Management Personnel

(i) Shares issued to Directors and Executives

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

December 31, 2018	Opening balance January 1, 2018	Movement	Closing balance December 31, 2018	Share issue price ($C)	Vested % to the end of December 31, 2018
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%
Mr Jason Greive [1]	-	-	-	-	-

[1] Subsequent to December 31, 2018, 2,500,000 Loan Funded Shares were issued to Mr Greive

On March 28, 2013, shares were issued to Key Management Personnel of the Company under the Plan that was approved by Shareholders at the March 21, 2013 special shareholders meeting of Ratel Group Limited. The shares were issued to employees under the following terms (refer to note 27 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 27.

Loan funded share 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 is to motivate and retain employees, attract quality employees to the Group, create commonality of purpose between the employees and the Group, create wealth for shareholders by motivating the employees, and enable the employees to share the rewards of the success of the Group. Where the Company offers to issue incentive shares to a Director or employee, the Company may offer to provide the recipient with a limited recourse, interest free loan to be used for the purposes of subscribing for the shares in the Company. The Company's recourse to repayment of the loans is limited to the lesser of:

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

REMUNERATION REPORT (Audited) – continued

(ii) Options or warrants granted to Directors and Executives

There were no options or warrants granted to Executives of the Company during the period ended December 31, 2018 (December 31, 2017: nil).

(iii) Share holdings

December 31, 2018	Opening balance January 1, 2018	Acquired [1]	Movements	Closing balance December 31, 2018
Directors				
Mr Michael Carrick	527,734	750,000	-	1,277,734
Ms Justine Magee	790,299	375,000	-	1,165,299
Mr Robert Scott	80,770	750,000	-	830,770
Mr Philip Lockyer	65,385	200,000	-	265,385
Mr David Cruse	894,280	1,000,000	-	1,894,280
Executives				
Mr Mark Turner	250,000	285,000	-	535,000
Mr Jason Greive	-	-	-	-

[1] Issue of placement shares approved by shareholders at the Company's EGM on April 24, 2018

Other transactions with Key Management Personnel

Transactions with related parties consist of companies with Key Management Personnel in common and companies owned in whole or in part by Key Management Personnel as follows for the twelve months ended December 31, 2018 and 2017:

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

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

	December 31 2018 US$	December 31 2017 US$
Director fees	48,012	44,450
	48,012	**44,450**

End of Remuneration Report (Audited)

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company has paid insurance premiums of $66,437 (2017: $42,604) in respect of Directors' and Officers' liability contracts, for current and former Directors and Officers, including Directors, Executives and Secretaries of its Company and controlled entities. The insurance premiums relate to:

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

INDEMNIFICATION OF AUDITORS

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

INDEMNIFICATION OF DIRECTORS

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

ENVIRONMENTAL REGULATION

The Consolidated Entity has a policy of complying with its environmental performance obligations. No material environmental issues have occurred during the year ended December 31, 2018 or up to the date of this report.

AUDITOR'S INDEPENDENCE DECLARATION AND NON-AUDIT SERVICES

Throughout the year, the Auditors performed non-audit services for the Company in addition to their statutory duties. A total of $23,168 (December 31, 2017: $98,669) was paid for these services (refer to note 21 for further details).

	December 31 2018	**December 31 2017**
	US$	**US$**
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
• An audit or review of the financial report of the entity and any other entity in the consolidated group.	42,110	53,128
• Other services in relation to the entity and any other entity in the consolidated group		
- Tax compliance	16,944	93,264
- Other assurance services	6,224	5,405
	65,278	**151,797**

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 59 of the financial report and forms part of this report.

This report is made in accordance with a resolution of the Directors on March 20, 2019.

JUSTINE A MAGEE
President and Chief Executive Officer

Perth, March 29, 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	December 31 2018 US$	December 31 2017 US$
Continuing operations			
Other income	**4**	220,678	103,228
Business development expenses	**5**	(3,606,226)	(1,782,344)
Share of Philippines Associates loss	**5**	(374,892)	(1,494,102)
Fair value loss on financial asset at fair value through profit or loss	**5**	(9,124,824)	-
Impairment expense	**5**	(11,073,269)	(5,860,153)
Foreign exchange gain / (loss)		(1,286,763)	200,144
Administrative expenses	**5**	(2,382,508)	(2,528,501)
Loss before income tax from continuing operations		**(27,627,804)**	**(11,361,728)**
Income tax benefit	**6**	-	-
Loss for the year from continuing operations		**(27,627,804)**	**(11,361,728)**
Other comprehensive (loss) / income			
Items that may be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		320,200	70,756
Items that will not be reclassified subsequently to profit or loss			
Net gain on financial assets at fair value through other comprehensive income		233,660	240,730
Total comprehensive loss for the year		**(27,073,944)**	**(11,050,242)**
Loss attributable to:			
Equity holders of the Company		(27,052,545)	(11,361,728)
Non-controlling interest		(575,259)	-
		(27,627,804)	**(11,361,728)**
Total comprehensive loss attributable to:			
Equity holders of the Company		(26,498,685)	(11,050,242)
Non-controlling interest		(575,259)	-
		(27,073,944)	**(11,050,242)**
Loss per share attributable to ordinary shareholders			
Basic loss per share (cents)	**22**	(7.16)	(6.78)

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

RTG MINING INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	December 31 2018 US$	December 31 2017 US$
Current assets			
Cash and cash equivalents	**7**	16,469,474	4,123,973
Receivables	**8**	108,117	2,251,553
Financial asset at amortised cost	**9**	524,646	-
Prepayments	**10**	110,296	81,833
Total current assets		**17,212,533**	**6,457,359**
Non-current assets			
Property, plant and equipment	**11**	238,897	163,036
Financial assets at fair value through other comprehensive income	**12**	1,983,145	-
Available-for-sale financial asset	**13**	-	1,749,484
Investment in associates	**14**	-	9,477,934
Total non-current assets		**2,222,042**	**11,390,454**
Total assets		**19,434,575**	**17,847,813**
Current liabilities			
Trade and other payables	**16**	427,693	565,816
Provisions	**17**	147,725	206,989
Loans and borrowings	**18**	-	1,590,387
Total current liabilities		**575,418**	**2,363,192**
Total liabilities		**575,418**	**2,363,192**
Net assets		**18,859,157**	**15,484,621**
Shareholder's equity			
Issued capital	**19**	167,858,807	138,376,685
Reserves	**19**	10,063,566	8,384,187
Accumulated losses	**19**	(158,528,797)	(131,276,251)
Parent shareholder's equity		**19,393,576**	**15,484,621**
Non-controlling interest		(534,419)	-
Total shareholder's equity		**18,859,157**	**15,484,621**

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

RTG MINING INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Twelve months to December 31, 2018	*Issued capital*	*Asset revaluation reserve*	*Share based payment reserve*	*Other capital reserve*	*Foreign currency translation reserve*	*Accumulated losses*	*Non-controlling interest*	*Total*
	US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*
Balance at January 1, 2018	**138,376,685**	**249,485**	**7,601,285**	**-**	**533,417**	**(131,276,252)**	**-**	**15,484,620**
Change in accounting policy *	-	-	-	-	-	(200,000)	**-**	**(200,000)**
Restated total equity at January 1, 2018	**138,376,685**	**249,485**	**7,601,285**	**-**	**533,417**	**(131,476,252)**	**-**	**15,284,620**
Loss for the year	-	-	-	-	-	(27,052,545)	(575,259)	**(27,627,804)**
Currency translation differences	-	-	-	-	320,200	-	-	**320,200**
Net gain on financial assets at FVOCI	-	233,660	-	-	-	-	-	**233,660**
Total comprehensive income / (loss) for the year	**-**	**233,660**	**-**	**-**	**320,200**	**(27,052,545)**	**(575,259)**	**(27,073,944)**
Shares issued during the year	32,903,440	-	-	-	-	-	-	**32,903,440**
Share issue expenses	(3,421,318)	-	1,094,857	-	-	-	-	**(2,326,461)**
Acquisition of non-controlling interest	-	-	-	30,662	-	-	40,840	**71,502**
Balance at December 31, 2018	**167,858,807**	**483,145**	**8,696,142**	**30,662**	**853,617**	**(158,528,797)**	**(534,419)**	**18,859,157**

Twelve months to December 31, 2017	*Issued capital*	*Asset revaluation reserve*	*Share based payment reserve*	*Other capital reserve*	*Foreign currency translation reserve*	*Accumulated losses*	*Non-controlling interest*	*Total*
	US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*
Balance at January 1, 2017	**138,376,685**	**8,755**	**7,601,285**	**-**	**462,661**	**(119,914,523)**	**-**	**26,534,863**
Loss for the 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 December 31, 2017	**138,376,685**	**249,485**	**7,601,285**	**-**	**533,417**	**(131,276,251)**	**-**	**15,484,621**

** See note 2 for details regarding the restatement as a result of a change in accounting policy.*

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	December 31 2018 US$	December 31 2017 US$
Operating activities			
Payments to suppliers and employees		(7,263,334)	(3,941,447)
Interest received		157,080	43,026
Other receipts		58,825	65,578
Net cash flows used in operating activities	**7**	**(7,047,429)**	**(3,832,843)**
Investing activities			
Payments for property, plant and equipment		(7,495)	(538)
Proceeds from sale of properties	**9**	1,350,000	-
Advances to associates	**15**	(9,124,824)	(4,387,785)
Acquisition of subsidiary	**20**	(500,000)	(722,368)
Net cash flows used in investing activities		**(8,282,319)**	**(5,110,691)**
Financing activities			
Proceeds from borrowings	**18**	-	1,590,387
Repayment of borrowings		(1,584,045)	-
Proceeds from shares issued		32,903,440	-
Share issue expenses		(2,326,461)	-
Net cash flows from financing activities		**28,992,934**	**1,590,387**
Net increase / (decrease) in cash and cash equivalents		13,663,186	(7,353,147)
Cash and cash equivalents at the beginning of the year		4,123,973	11,207,422
Net foreign exchange difference		(1,317,685)	269,698
Cash and cash equivalents at end of the financial year	**7**	**16,469,474**	**4,123,973**

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

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 20, 2019.

Basis of preparation

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

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

The Company is a for profit entity.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its controlled entities, referred collectively throughout these financial statements as the "Consolidated Entity" or "the Group", as at December 31, 2018. Transactions between companies within the Consolidated Entity have been eliminated on consolidation. For a description of the Company's subsidiaries, refer to note 23.

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

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

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

(i) Significant accounting judgments

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

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

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").

Under IFRS 10, an investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. Based on this, the Board control and voting rights in the Philippines Associates, RTG has determined that there is an absence of control over the Philippines Associates and that they will be equity accounted in line with IAS 28.

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

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

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

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

Share based payment transactions
The Group measures the costs of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The Group measures the cost of cash-settled share based payments at fair value at grant date taking into account the terms and conditions upon which the instruments were granted, as discussed in note 27.

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.

Asset acquisition
The Group has determined that the acquisition of a controlling interest in A2V Mining Inc. and Central Exploration Pty Ltd is not deemed a business acquisition. The transaction has been accounted for as an asset acquisition. In assessing the requirements of IFRS 3 Business Combinations, the Group has determined that the assets acquired do not constitute a business. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under IAS 12 applies. No goodwill will arise on the acquisition and transactions costs of the acquisition are included in the capitalised cost of the asset.

The net assets acquired are disclosed in note 20.

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 prior year, therefore requiring an impairment assessment in accordance with IAS 28 Investment in Associates and Joint Ventures. This assessment requires judgement in analysing possible impacts caused by factors such as the price of gold and copper, operating and capital estimates, ownership relationships and the political risk in which the project operates.

Expected credit losses of financial asset at amortised cost
Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 2.

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 14) 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.

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

c) Plant and equipment

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

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

Office, plant and equipment – over 1 to 13 years

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.

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.

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.

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 Philippines Associates is the Philippine Peso.

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

i) Share based payment transactions

The Company provides benefits to Directors, consultants and employees of the Group in the form of share-based payment transactions, whereby eligible recipients render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of equity-settled transactions with Directors and employees is measured by reference to fair value at the date at which they are granted. The fair value is determined using a Black & Scholes model, further details of which are given in note 27.

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.

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.

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.

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

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

o) Borrowing costs

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

p) Revenue recognition

Revenue will be recognised to depict the transfer of promised goods to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. The following specific recognition criteria must also be met before revenue is recognised:

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

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.

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 24, has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiaries which are accounted for at cost in the financial statements of RTG Mining Inc.

t) Financial Assets

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

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

Classification
From January 1, 2018, the Group classifies its financial assets in the following measurement categories:
- those measured subsequently at fair value (either through OCI, or through profit or loss), and
- those measured at amortised cost.

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

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

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

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

Equity instruments at FVOCI do not recycle gains or losses to profit or loss on derecognition. This category only includes equity instruments which are not held-for-trading and which the Group has irrevocably elected to so classify upon initial recognition or transition. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. For this category there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payment is established. The Group has irrevocably elected to classify all of its quoted equity instruments as equity instruments at FVOCI.

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

Details of how the fair value of financial instruments is determined are disclosed in notes 2 and 26.

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

u) Investment in Philippines Associates

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

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

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

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

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.

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

v) Fair value – continued

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

w) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

x) Accounting policy choice for non-controlling entities

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

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

2. CHANGES IN ACCOUNTING POLICIES

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

Impact on the financial statements

As a result of the changes in the Company's accounting policies, IFRS 9 and IFRS 15 were adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the balance sheet as at December 31, 2017 but are recognised in the opening balance sheet on January 1, 2018.

IFRS 9 Financial Instruments – Impact of adoption

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

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

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

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

The investment in an equity instrument held was reclassified from available-for-sale to FVOCI as the Company elected to present subsequent changes in fair value in other comprehensive income, in accordance with IFRS 9. Refer to note 12 for further information.

Impairment of other financial asset at amortised cost

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

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

The Company notes that financial assets at amortised cost are subject to the new expected credit loss model under IFRS 9. During the year ended December 31, 2018, a $130,000 allowance for expected loss was recognised based on a probability of default rate of 20%. Refer to note 9 for further information.

2. CHANGES IN ACCOUNTING POLICIES – continued

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

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

The Group determines the fair value of the advances in consideration of the investments in associates (refer to note 15). Considering the investments were held at nil valuation as at December 31, 2018, and the status of the relevant opportunities and credit risk, there was no recognised fair value of the advances to associates.

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

Investments and other financial assets

Classification
From January 1, 2018, the Group classifies its financial assets in the following measurement categories:
- those measured subsequently at fair value (either through OCI, or through profit or loss), and
- those measured at amortised cost.

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

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

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

IFRS 15 Revenue from Contracts with Customers – Impact of adoption

The Group has adopted IFRS 15 Revenue from Contracts with Customers from January 1, 2018 which has no material impact to the amounts recognised in the financial statements.

2. CHANGES IN ACCOUNTING POLICIES – continued

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

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

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

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

3. 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, 2018. 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 16 Leases
IFRS 16 eliminates the operating and finance lease classifications for lessees currently accounted for under IAS 17 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 IAS 17. 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 January 1, 2019 and based on an initial impact assessment the new standard is not expected to significantly impact the balance sheet.

4. OTHER INCOME

	December 31 2018 US$	December 31 2017 US$
Interest income	161,853	37,650
Research and development tax credit received	-	65,578
Other	58,825	-
	220,678	**103,228**

5. EXPENSES

		December 31 2018 US$	December 31 2017 US$
Business development expenses			
Conferences		50,317	22,379
Employee and director fees		461,296	427,230
Project analysis		47,575	44,033
Travel expenses		936,901	518,694
Legal expenses		2,006,676	451,522
Other expenses		103,461	318,486
		3,606,226	**1,782,344**
Administrative expenses			
Accounting, tax services and audit fees		76,649	148,279
Computer support fees		16,089	25,177
Consultants fees		271,563	194,961
Depreciation expenses		24,356	24,813
Employee and director fees		1,245,612	1,470,219
Insurance expenses		65,924	55,962
Legal expenses		63,899	51,528
Listing and shareholder reporting costs		156,097	106,085
Occupancy expenses		158,508	148,226
Travel expenses		128,072	197,185
Other expenses		175,739	106,066
		2,382,508	**2,528,501**
Share of Philippines Associates loss			
Share of net losses of Philippines Associates		374,892	1,494,102
		374,892	**1,494,102**
Fair value loss on financial asset at fair value through profit or loss			
Fair value loss on advances to Philippines Associates	(i)	4,555,269	-
Fair value loss on advances to Associates (Central)	(ii)	4,569,555	-
		9,124,824	**-**

(i) Upon adoption of IFRS 9, advances to Philippines Associates have been classified as a financial asset at fair value through profit or loss. The fair value is calculated using the expected cashflow to be received from the underlying project of the associate, discounted using a risk adjusted discount rate relating to the loan. Refer to notes 14 and 15 for further information.

(ii) Upon adoption of IFRS 9, advances to Associates (Central) have been classified as a financial asset at fair value through profit or loss. The fair value loss was assessed in consideration of the high credit risk resulting in the loans having a nil valuation. These advances relate to the period prior to the acquisition when Central was still an associate of RTG. Refer to notes 14 and 15 for further information.

5. EXPENSES – continued

		December 31 2018 US$	December 31 2017 US$
Impairment expenses			
Impairment of investment in Associates (Central)		-	1,472,368
Impairment of investment in the Philippines Associates	(i)	9,535,581	-
Impairment of loans to the Philippines Associates		-	4,387,785
Impairment of investment in joint venture	(ii)	1,407,566	-
Other receivables		200,122	-
Expected credit loss provision	(iii)	(70,000)	-
		11,073,269	**5,860,153**

(i) The recoverable amount of the investment in the Philippines Associates was assessed to be nil and the asset was fully impaired as at December 31, 2018. Refer to note 14 for further information.

(ii) The recoverable amount of the investment in joint venture was assessed to be nil and the asset was fully impaired as at December 31, 2018.

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

6. INCOME TAX

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

	December 31 2018 US$	December 31 2017 US$
(a) Income tax expense		
Current Income tax expense / (benefit)	-	-
Adjustments in respect of current income tax of previous years	-	-
Deferred Income tax		
Relating to the origination and reversal of temporary differences	(976,627)	(512,232)
Gain not recognised for income tax purposes	-	-
Deferred tax assets not brought to account	976,627	512,232
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	(27,627,804)	(11,361,729)
At the domestic income tax rate of 27.5% (Australia) (2016: 30%)	(7,597,646)	(3,124,475)
Expenditure not allowable for income tax purposes	6,979,859	3,013,973
Gain not recognised for income tax purposes	-	-
Adjustments in respect of current income tax of previous years	-	-
Deferred tax assets not brought to account	617,787	110,502
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-

6. INCOME TAX – continued

	December 31 2018 US$	December 31 2017 US$
(c) Deferred income tax		
Deferred income tax relates to the following:		
Deferred tax assets		
Accruals	46,445	108,802
Provision for doubtful debts	20,616	20,616
Tax losses available to offset against future taxable income	3,476,665	2,437,681
Assets held for sale	-	-
Foreign exchange losses	-	-
Deferred tax assets not brought to account	(3,543,727)	(2,567,099)
	-	-

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.

7. CASH AND CASH EQUIVALENTS

		December 31 2018 US$	December 31 2017 US$
Cash on hand		9	64
Cash at bank	(i)	16,469,465	4,123,909
		16,469,474	**4,123,973**

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

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

Cash flows from operating activities reconciliation

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

Net loss after related income tax	(27,627,804)	(11,361,728)
Adjustment for non-cash income and expense items:		
Depreciation	24,356	24,813
Share of Associates loss	374,892	1,494,102
Impairment expense	13,955,509	5,860,153
Fair value loss on financial asset at FVTPL	6,242,584	-
Unrealised foreign exchange gains / (losses)	1,220,324	(200,144)
Acquisition accounting	490,059	-
Changes in assets and liabilities:		
(Increase) / decrease in receivables	(1,485,809)	77,022
(Increase) / decrease in prepayments	(28,465)	(40,317)
Increase / (decrease) in payables	(213,075)	313,256
Net cash outflow from operating activities	**(7,047,429)**	**(3,832,843)**

8. RECEIVABLES

	December 31 2018 US$	December 31 2017 US$
Current assets		
GST receivable	31,191	28,658
Other receivables	76,926	222,895
Thor receivable	-	2,000,000
	108,117	**2,251,553**

9. FINANCIAL ASSET AT AMORTISED COST

Financial asset at amortised cost	(i)	524,646	-
		524,646	-
Reconciliation of movements in financial asset at amortised cost:			
Opening balance		2,000,000	-
Reclassification from held-to-maturity to amortised cost	(ii)	(200,000)	-
Opening balance – IFRS 9		1,800,000	-
Additions		26,788	-
Repayments		(1,350,000)	-
Interest received		(22,142)	-
Expected credit loss provision		70,000	-
Closing balance		**524,646**	-
Reconciliation of movement in expected credit loss provision			
Opening balance		-	-
Reclassification from held-to-maturity to amortised cost		(200,000)	-
Opening balance – IFRS 9		(200,000)	-
Expected credit loss provision		70,000	-
Closing balance		**(130,000)**	**-**

(i) As part of the settlement for the sale of the Company's interest in the Segilola Gold Project to Thor Explorations Ltd ("Thor") that occurred in 2016, Thor has agreed to pay the Company $2,000,000, of which $1,350,000 has been paid. To date, the company has recognised expected credit losses of $130,000 using a 20% probability of default rate, on the outstanding $650,000.

(ii) Reclassification as a result in change of accounting policy. Refer to note 2 for further information.

10. PREPAYMENTS

	December 31 2018 US$	December 31 2017 US$
Other	110,296	81,833
	110,296	**81,833**

11. PROPERTY, PLANT AND EQUIPMENT

Office equipment		
Opening balance	163,036	187,311
Additions	7,495	538
Acquisition	92,722	-
Depreciation expense	(24,356)	(24,813)
Closing balance	**238,897**	**163,036**

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Non-current		
Financial assets at fair value through other comprehensive income	1,983,145	-
	1,983,145	**-**
Reconciliation of movements in financial assets at fair value through other comprehensive income:		
Opening balance	1,749,484	-
Gain on fair value measurement	233,661	-
Closing balance	**1,983,145**	**-**

During the year, the available-for-sale financial asset was reclassified to a financial asset at FVOCI as a result of a change of accounting policy. Refer to note 2 for further information.

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

13. AVAILABLE-FOR-SALE FINANCIAL ASSET

	December 31 2018 US$	December 31 2017 US$
Non-current		
Available for sale financial assets	-	1,749,484
	-	**1,749,484**
Reconciliation of movements in available-for-sale financial assets:		
Opening balance	-	1,508,755
Gain on fair value measurement	-	240,729
Closing balance	**-**	**1,749,484**

During the year, the available-for-sale financial asset was reclassified to a financial asset at FVOCI as a result of a change of accounting policy. Refer to note 2 for further information.

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

14. INVESTMENT IN ASSOCIATES

(a) The Philippines Associates

The Group has a direct 40% interest in each of the Philippines Associates. All of these companies are incorporated in the Philippines. The Group's interest in the Philippines Associates is accounted for using the equity method. The following table illustrates summarised financial information relating to the Group's Philippines Associates:

Investment in Philippines Associates		
Opening balance	9,477,934	10,988,032
Share of Philippines Associates net loss	(374,892)	(1,494,102)
Share of foreign currency translation reserve	432,539	(15,996)
Impairment	(9,535,581)	-
	-	**9,477,934**
Advances to Philippines Associates		
Opening balance	-	-
Accounting policy change (note 2)	-	-
Loans to Philippines Associates	-	4,387,785
Impairment	-	(4,387,785)
	-	**-**
Closing balance	**-**	**9,477,934**

The Philippines Associates have a December 31 reporting date.

14. INVESTMENT IN ASSOCIATES – continued

Investment in Philippines Associates

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

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

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

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

(b) Investment in Associate (Central)

In the prior year, the Group recognised a direct 24% interest in Central Exploration Pty Ltd ("Central"), an unlisted Australian proprietary company. In the prior year, the Group's interest in Central was accounted for using the equity method.

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

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

Investment in Associate (Central)

During the year, the Group increased its interest in and secured control of Central. Refer to note 20 for further information.

15. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2018 US$	December 31 2017 US$
Advances to Philippines Associates		
Opening balance	-	-
Advances to Philippines Associates	4,555,269	-
Fair value loss	(4,555,269)	-
	-	**-**
Advances to Associate (Central)		
Opening balance	-	-
Advances to Associate (Central)	4,569,555	**-**
Fair value loss	(4,569,555)	**-**
	-	**-**

The Group determines the fair value of the advances in consideration of the investments in associates (refer to note 14). Considering the investments were held at nil valuation as at December 31, 2018, and the status of the relevant opportunities and credit risk, there was no recognised fair value of the advances to associates.

16. TRADE AND OTHER PAYABLES

Current liabilities			
Trade creditors	(i)	406,527	393,412
Accrued expenses		21,166	172,404
		427,693	**565,816**

(i) Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms. There are no amounts that are expected to be settled greater than 12 months. Refer to note 26 for further information on trade and other payables.

17. PROVISIONS

Employee entitlements	147,725	206,989
	147,725	**206,989**

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

18. LOANS AND BORROWINGS

	December 31 2018 US$	December 31 2017 US$
Interest-bearing loan facility	-	1,590,387
	-	**1,590,387**

The loan was an interest-bearing unsecured facility repayable at call. Refer to note 26 for further information on loans and borrowings.

19. ISSUED CAPITAL AND RESERVES

(a) Issued and paid up share capital

	December 31 2018 Number	December 31 2017 Number	**December 31 2018 US$**	December 31 2017 US$
Issued and paid up capital	**478,940,889**	167,585,577	**167,858,807**	138,376,685

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

Movements in contributed equity during the year were as follows:

	Number	US$
Opening balance at January 1, 2018	167,585,577	138,376,685
Shares issues	311,355,312	32,903,440
Shares issue costs	-	(3,421,318)
Total shares on issue at December 31, 2018	**478,940,889**	**167,858,807**
Opening balance at January 1, 2017	167,585,577	138,376,685
Shares issues	-	-
Shares issue costs	-	-
Total shares on issue at December 31, 2017	**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.

19. ISSUED CAPITAL AND RESERVES – continued

(b) Reserves

Movements in reserves during the year were as follows:

	December 31 2018 US$	December 31 2017 US$
Asset revaluation reserve	483,145	249,485
Share based payment reserve	8,696,142	7,601,285
Foreign currency translation reserve	853,617	533,417
Other reserves	30,662	-
	10,063,566	**8,384,187**

Movements in options during the year were as follows:

	Number
Opening balance at January 1, 2018	-
Granted during the period	12,715,201
Total options on issue at December 31, 2018	**12,715,201**

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

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

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

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 a financial asset through other comprehensive income.

Share based payment reserve
The share based payment reserve is used to record the value of share based payments provided to employees, including Key Management Personnel and Directors as part of remuneration. The notional value attributed to the shares issued under the Loan Share Plan is included in this reserve as accounting standards deem the non-recourse loan to contain an embedded option (refer to note 27).

Foreign currency translation reserve ("FCTR")
Exchange differences arising on translation of the controlled entity and the Company's share of Associates FCTR are recorded in other comprehensive income as described in note 14 and accumulated in a reserve within equity. The cumulative amount is reclassified to profit of loss when the net investment is disposed of.

19. ISSUED CAPITAL AND RESERVES – continued

(c) Accumulated losses

	December 31 2018 US$	December 31 2017 US$
Balance at the beginning of the financial year	(131,276,251)	(119,914,523)
Change in accounting policy	(200,000)	-
Loss attributable to equity holders of the Company	(27,052,545)	(11,361,728)
Balance at the end of the financial year	**(158,528,797)**	**(131,276,251)**

(d) Dividends

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

Refer to note 26 for information on capital risk management.

20. ASSET ACQUISITION AND ACQUISITION OF NON-CONTROLLING INTERESTS

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

The fair values of the assets and liabilities of A2V and Central as at the date of acquisition were:

	Fair value recognised on acquisition US$
Assets	
Cash and cash equivalents	47,306
Receivables	4,629
Property, plant and equipment	97,371
	149,306
Liabilities	
Payables	(16,474)
	(16,474)
Total net assets	**132,831**
Non-controlling interest	69,072
	63,759
Purchase consideration	500,000
Joint venture expenses	436,241

Non-controlling interests in the acquisition have been recognised at fair value.

The acquisition gives rise to a contingent liability of $1,333,257 relating to Duncan Mining Pty Ltd's (a related entity of Central) acquisition of URM (South Pacific) Pty Ltd. Repayment of the liability is dependent on the development of Central's Bougainville interests. Given the current status of the project, repayment of the liability is not considered probable. At balance date, the value of the liability increased to $1,506,697, however repayment is still not considered probable.

21. AUDITOR'S REMUNERATION

	December 31 2018 US$	December 31 2017 US$
The Auditor of the Company is BDO Audit (WA) Pty Ltd.		
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.	42,110	53,128
Other services in relation to the entity and any other entity in the consolidated group		
Tax compliance	16,944	93,264
Other assurance services	6,224	5,405
	65,278	**151,797**

22. LOSS PER SHARE

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

(a) Loss used in calculating earnings per share	December 31 2018 US$	December 31 2017 US$
Loss attributable to ordinary equity holders of the parent		
- Continuing operations	(27,052,545)	(11,361,728)
Loss attributable to ordinary equity holders of the parent	**(27,052,545)**	**(11,361,728)**

(b) Weighted average number of shares	Number of shares	Number of shares
Weighted average number of shares used in calculating basic loss per share	377,806,307	167,585,577
Effect of dilutive options	-	-
Weighted average number of shares used in calculating diluted loss per share	**377,806,307**	**167,585,577**

23. RELATED PARTY DISCLOSURE

The Consolidated Entity consists of RTG and its subsidiaries and joint ventures listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest (%) December 31 2018	Equity Interest (%) December 31 2017
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	100
CGX Limited	British Virgin Islands	100	100
Ilesha Mining Holdings Limited	British Virgin Islands	100	100
Ilesha Mining Co-operative	The Netherlands	100	100
Ilesha Mining Limited	The Netherlands	100	100
A2V Mining Inc.	British Virgin Islands	100	-
Central Exploration Pty Ltd	Australia	69	24
Origold Mining Limited	British Virgin Islands	100	-

(a) Controlling Entity

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

(b) Other transactions with related parties

Transactions with related parties

Transactions with related parties consist of companies with Directors and Officers in common and companies owned in whole or in part by Executives and Directors as follows for the twelve months ended December 31, 2018 and 2017:

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

23. RELATED PARTY DISCLOSURE – continued

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

	December 31 2018 US$	December 31 2017 US$
Director fees	48,012	44,450
	48,012	**44,450**

During the year ended December 31, 2018 the Group entered into transactions with related parties:

- Loans of $126,147 were advanced to subsidiaries from short term inter-company accounts, and
- Loans of $6,242,584 were advanced on to the associates of the Company.

These transactions were undertaken on the following terms and conditions:

- Loans are repayable at call, and
- No interest is payable on the loans at present.

(c) Key Management Personnel compensation

Short term employee benefits	1,089,070	1,121,897
Post-employment benefits	82,125	92,370
Long term benefits	(72,042)	33,711
	1,099,153	**1,247,978**

Detailed remuneration disclosures are provided in the remuneration report on pages 9 to 14.

24. PARENT ENTITY INFORMATION

Information relating to RTG:	December 31 2018 US$	December 31 2017 US$
Current assets	16,665,233	4,237,018
Total assets	16,894,289	14,500,059
Current liabilities	(1,387,821)	(1,664,289)
Total liabilities	(1,387,821)	(3,254,676)
Issued capital	167,858,807	138,376,685
Share option reserve	8,696,142	7,601,285
Asset revaluation reserve	483,145	249,484
Accumulated losses	(161,531,626)	(134,982,071)
Total shareholders' equity	**15,506,468**	**11,245,383**
Loss of the parent entity	(21,508,712)	(10,623,954)
Total comprehensive loss of the parent entity	**(21,508,712)**	**(10,623,954)**

25. COMMITMENTS AND CONTINGENCIES

(a) Commitments

December 31, 2018	Payments due by period			
Contractual obligations	**Total**	**Within one year**	**One year and not later than five years**	**More than 5 years**
Lease obligations [1]	73,170	73,170	-	-
Total contractual obligations	**73,170**	**73,170**	**-**	**-**

[1] Corporate office lease payments due.

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	239,781	158,816	80,965	-
Total contractual obligations	**239,781**	**158,816**	**80,965**	**-**

(b) Contingencies

As at December 31, 2018, the Group recognised the following contingent liabilities:

- Investment in Philippines Associates – refer to note 14
- Acquisition of A2V Mining Inc. and Central Exploration Pty Ltd – refer to note 20

26. FINANCIAL RISK MANAGEMENT

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

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

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

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

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

Credit risk

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

Receivable balances are monitored on an ongoing basis and to the extent that recovery is deemed to be uncertain the Company raises a provision or impairs the asset against expected recovery. The credit quality of financial assets that are neither past due nor impaired are assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. The Company has a $650,000 receivable from Thor who has no external credit rating. See note 9 for further information.

26. FINANCIAL RISK MANAGEMENT – continued

The Group monitors cash and cash equivalents credit risk through holding its cash through banks and financial institutions with a minimum Standard and Poors credit rating of 'A' or greater. The credit risk associated with cash and cash equivalents is considered negligible by the Group. The Group does not hold collateral as security. The Group does not have any receivables past due or impaired.

Liquidity risk

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

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

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

	December 31 2018 US$	December 31 2017 US$
Due within one month or on demand		
Trade and other payables	427,693	565,816
Borrowings	-	1,590,387
	427,693	**2,156,203**

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

Market rate risk

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates to the interest accruing on the $650,000 receivable from Thor.

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:

	December 31 2018 US$	December 31 2017 US$
Interest-bearing financial assets		
Cash at bank	16,469,474	4,123,973
Financial asset at amortised cost	524,646	-
	16,994,120	**4,123,973**

The Group's cash at bank and financial assets at amortised cost had a weighted average floating interest rate at December 31, 2018 of 0.02% (December 31, 2017: 0.13%)

26. FINANCIAL RISK MANAGEMENT – continued

	December 31 2018 US$	December 31 2017 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%. The Group had no borrowings at December 31, 2018.

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 $15,871 (December 31, 2017: $13,672), a 1% decrease would be a movement of $2,830 (December, 31 2017: $11,622).

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:

	December 31 2018 US$	December 31 2017 US$
Financial Assets		
Cash and cash equivalents	15,910,075	1,058,005
Trade and other receivables	108,117	30,112
	16,018,192	**1,088,117**
Financial Liabilities		
Trade and other payables	257,678	555,659
	257,678	**555,659**
Net exposure	**15,760,514**	**532,458**

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.

26. FINANCIAL RISK MANAGEMENT – continued

	Change in AUD rate	Impact on profit or loss before tax and equity US$
2018		
	+10%	2,043,035
	-10%	(2,497,043)
2017		
	+10%	104,076
	-10%	(127,204)

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 2018:

At December 31, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
	US$	**US$**	**US$**	**US$**
Financial assets at fair value through other comprehensive income	1,983,145	-	-	
Total	**1,983,145**	**-**	**-**	

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

Fair value of other financial instruments not measured at fair value
The carrying amounts of trade receivables, 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 $184,328,280 at December 31, 2018 (December 31, 2017: $142,500,658).

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.

27. SHARE BASED PAYMENTS

Loan funded share plan

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

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

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

Loan Funded Share Plan Shares issued at December 31, 2018

Name	Date of issue	Share issue price ($C)	Balance at January 1 2018	Other Changes	Granted during the period	Forfeited during the period	Balance at December 31 2018
Michael Carrick	March 28, 2013	1.65	300,000	-	-	-	300,000
Justine Magee	March 28, 2013	1.65	300,000	-	-	-	300,000
David Cruse	March 28, 2013	1.65	50,000	-	-	-	50,000
Philip Lockyer	March 28, 2013	1.65	50,000	-	-	-	50,000
Robert Scott	March 28, 2013	1.65	50,000	-	-	-	50,000
Mark Turner	March 28, 2013	1.65	250,000	-	-	-	250,000
Other employees	March 28, 2013	1.65	250,000	-	-	-	250,000

Loan Funded Share Plan Shares issued at 31 December 2017

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

28. SEGMENT REPORTING NOTE

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

The Company operates in a single segment, being mineral exploration and development.

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

December 31, 2018

Operating segment	**Philippines**	**Australia**	**Other**	**Consolidated total**
	2018	**2018**	**2018**	**2018**
Revenue	**US$**	**US$**	**US$**	**US$**
Revenue from external customers	-	-	-	-
Interest income	-	161,853	-	161,853
Other	-	58,825	-	58,825
Total revenue				**220,678**
Results				
Segment profit / (loss) before tax	(14,465,741)	(13,063,954)	(98,108)	(27,627,804)
Revenue	-	220,678	-	220,678
Administrative expenses	-	(2,286,316)	(96,192)	(2,382,508)
Foreign exchange	-	(1,284,847)	(1,916)	(1,286,763)
Share of associate loss	(374,892)	-	-	(374,892)
Impairment expense	(9,535,581)	(4,419,928)	-	(13,955,509)
Fair value loss on financial assets through profit or loss	(4,555,269)	(1,687,315)	-	(6,242,584)
Other expenses	-	(3,606,226)	-	(3,606,226)
Segment loss before income tax from continuing operations				**(27,627,804)**

28. SEGMENT REPORTING NOTE – continued

December 31, 2018

Operating segment	**Philippines**	**Australia**	**Other**	**Consolidated total**
	2018	**2018**	**2018**	**2018**
	US$	**US$**	**US$**	**US$**
Segment assets				
Corporate assets	-	19,417,882	16,693	19,434,575
Total assets				**19,434,575**
Segment liabilities				
Corporate liabilities	-	(575,418)	-	**(575,418)**

December 31, 2017

Operating segment	**Philippines**	**Australia**	**Other**	**Consolidated total**
	2017	**2017**	**2017**	**2017**
Revenue	**US$**	**US$**	**US$**	**US$**
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)**

28. SEGMENT REPORTING NOTE – continued

December 31, 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)**

29. EVENTS AFTER REPORTING DATE

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

DIRECTORS' DECLARATION

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

(a) the financial statements and notes of the Consolidated Entity:

(i) give a true and fair view of the Consolidated Entity's financial position as at December 31, 2018 and of its performance for the twelve month period ended December 31, 2018; and

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

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

On behalf of the Board.

JUSTINE A MAGEE
President and Chief Executive Officer

Perth, March 29, 2019

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

As lead auditor of RTG Mining Inc. for the year ended 31 December 2018, 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 2019

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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 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 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, 2018, 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.

Accounting for the Acquisition of Central Exploration Pty Ltd (“CEPL”) and A2V Mining Inc.

Key audit matter	*How the matter was addressed in our audit*
During the year ended 31 December 2018, the Group acquired A2V Mining Inc. and Central Exploration Pty Ltd as disclosed in Note 20 in the Financial Statements. The Group treated the transactions as asset acquisitions, rather than business combinations, as disclosed in Note 1(ii) of the financial report. Accounting for these transactions is complex and requires management to exercise judgement to determine the appropriate accounting treatment, including whether the acquisitions should be accounted for as asset acquisitions or business combinations, estimating the fair value of net assets acquired and the determination of the non-controlling interest. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining an understanding of the transaction, including an assessment of whether the transaction constituted an asset acquisition or business combination; • Reviewing the sale and purchase agreement to understand key terms and conditions; • Agreeing the consideration to supporting documentation; • Evaluating management’s calculation of the non-controlling interest; and • Assessing the adequacy of the related disclosures in Note 1(ii) and Note 20 to the financial report.

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 2018, 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 2018.

In our opinion, the Remuneration Report of RTG Mining Inc. for the year ended 31 December 2018 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

BDO

Jarrad Prue

Director

Perth, 29 March 2019

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 15 March 2019.

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	2
5,000	-	9,999	-
10,000	and over		10
			15

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

SUBSTANTIAL SHAREHOLDERS

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

Name	Number of equity securities	Power %
Hains Family	70,739,905	14.77%
Franklin Resources Inc.	56,567,516	11.81%
Sun Valley Gold	45,787,546	9.56%
Carpe Diem Asset Management Pty Ltd	45,000,000	9.40%
Sprott Inc.	27,472,528	5.74%
Equinox Partners	27,472,528	5.74%

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	435,818,446	91.00
2.	CDS & CO	38,752,242	8.09
3.	MARK SAVAGE REVOCABLE TRUST	1,846,200	0.39
4.	JAYVEE & CO TR FRANKLIN GOLD AND PRECIOUS METALS FUND	1,397,790	0.29
5.	JAYVEE & CO TR FRANKLIN GOLD AND PRECIOUS METALS FUND	1,000,000	0.21
6.	JUSTINE ALEXANDRIA MAGEE	45,404	0.01
7.	GUNDYCO TR SALIM SHARIFF	30,000	0.01
8.	EXCHANGES CONTROL FOR CLASS M01	21,246	0.00
9.	CASTLE SPRINGS PTY LTD	13,889	0.00
10.	MARIE MARTHE JOSEE BONIEUX	11,250	0.00
11.	EMILY KATE PINNIGER + PHILIP JAMES RICHARDSON JT TEN	3,000	0.00
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	**478,940,889**	**100**
	Total Number of Shares on Issue	**478,940,889**	**100**

TOP 20 QUOTED CHESS DEPOSITARY NOMINEE (CDI) HOLDERS

Rank	Name	Units	% of Units
1.	CITICORP NOMINEES	116,698,165	26.78
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	99,710,182	22.88
3.	CARPE DIEM ASSET MANAGEMENT PTY LTD<LOWE FAMILYA/C>	45,000,000	10.33
4.	YUKATA CREEK LIMITED	42,196,546	9.68
5.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – GSCO ECA	27,807,811	6.38
6.	J P MORGAN NOMINEES AUSTRALIA LIMITED	11,301,296	2.59
7.	ARREDO PTY LTD	6,252,500	1.43
8.	BNP PARIBAS NOMS PTY LTD <DRP>	5,115,000	1.17
9.	MR MARK STUART SAVAGE <MARK SAVAGE REVOCABLE A/C>	4,578,755	1.05
10.	ANNABELLE BITS SUPERANNUATION FUND PTY LTD <ANNABELLE BITS S/FUND A/C>	3,000,000	0.69
11.	MR ANGUS WILLIAM JOHNSON + MRS LINDY JOHNSON <DENA SUPER FUND A/C>	2,019,850	0.46
12.	MR IAN MIDDLEMAS	1,920,000	0.44
13.	MAXIMO SARA	1,717,515	0.39
14.	JAMPLAT PTY LTD	1,700,000	0.39
15.	MINTURN PTY LTD <PRIMA SUPERANNUATION FUND AC>	1,646,778	0.38
16.	CANTORI PTY LTD <CANTORI P/L SUPER FUND A/C>	1,617,798	0.37
17.	MAMBAT PTY LTD	1,500,000	0.34
18.	MR JOHANNES RAADSMA	1,449,739	0.33
19.	MR MARK STUART SAVAGE	1,400,000	0.32
20.	RTG MINING INC <EMPLOYEE SHARE A/C>	1,399,985	0.32
	Total Top Holders Balance	**378,031,920**	**86.74**
	Total Remaining Holders Balance	**57,786,526**	**13.26**
	Total Chess Depositary Nominee (CDI) Holders	**435,818,446**	**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	45
1,001	-	5,000	147
5,001	-	10,000	95
10,001	-	100,000	298
100,001	and over		148
			733

There are 170 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	*Nalesbitan Project*	40%	40%
APSA-002-V	Philippines		40%	40%
Exploration Permit ("EP") 014-2013-V	Philippines	Approved 2nd EP renewal *Mabilo Project*	40%	40%
EXPA-000209-V	Philippines	*Mabilo Project*	40%	40%
EXPA-000188-V	Philippines	*Mabilo Project*	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 1st Renewal EP	40%	40%
EP-001-06-XI	Philippines		40%	40%
EP-01-10-XI	Philippines	RTG's interest is held through its interest in its associate entity Oz Metals Exploration & Development Corporation. (Both EP-02-10-XI and EP-01-10-XI are subject to 2nd 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, 2018, 2017, 2016 and 2015, reported in accordance with the 2012 Edition of the JORC Code, are as follows:

Classification	Weathering	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Contained Au ('000s Oz)	Contained Cu ('000s t)	Contained Fe ('000s t)
Indicated	Oxide + Supergene	0.78	4.1	2.7	9.7	41.2	67.1	32.1	320.8
Indicated	Fresh	8.08	1.7	2.0	9.8	46.0	510.5	137.7	3,713.7
Indicated	**Total All Materials**	**8.86**	**1.9**	**2.0**	**9.8**	**45.6**	**577.6**	**169.8**	**4,034.5**
Inferred	Oxide + Supergene	0.05	7.8	2.3	9.6	26.0	3.5	3.7	12.3
Inferred	Fresh	3.86	1.4	1.5	9.1	29.1	181.5	53.3	1,121.8
Inferred	**Total All Materials**	**3.91**	**1.5**	**1.5**	**9.1**	**29.0**	**184.9**	**57.0**	**1,134.1**
Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralised geological units. The Mineral Resource is quoted from all classified blocks above a lower cut-off grade 0.3 g/t Au within these wireframe solids. Differences may occur due to rounding									

Annual Review of Resources

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

Summary of Reserves

The Company’s Reserves as at December 31, 2018, reported in accordance with the 2012 Edition of the JORC Code, are as follows**:**

<table>
<tr><th colspan="7">Ore</th><th>Waste</th><th rowspan="2">Strip Ratio</th></tr>
<tr><th>Class</th><th>Type</th><th>Mt</th><th>Fe %</th><th>Au g/t</th><th>Cu %</th><th>Ag g/t</th><th>Mt</th></tr>
<tr><td rowspan="4">Probable</td><td>Gold Cap</td><td>0.351</td><td>40.1</td><td>3.11</td><td>0.38</td><td>3.26</td><td rowspan="5">77.713</td><td rowspan="5">10.0</td></tr>
<tr><td>Supergene</td><td>0.104</td><td>36.5</td><td>2.20</td><td>20.7</td><td>11.9</td></tr>
<tr><td>Oxide Skarn</td><td>0.182</td><td>43.6</td><td>2.52</td><td>4.17</td><td>19.9</td></tr>
<tr><td>Fresh</td><td>7.155</td><td>45.9</td><td>1.97</td><td>1.70</td><td>8.73</td></tr>
<tr><td colspan="2">Total Probable Ore</td><td>7.792</td><td>45.5</td><td>2.04</td><td>1.95</td><td>8.79</td></tr>
</table>

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

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

Governance of Resources and Reserves

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

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

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

Competent Person Statement

The information in this release that relates to exploration results at the Mabilo Project is based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr Ayres is a member of the Australian Institute of Geoscientists and a 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 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 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).