



## **Consolidated Interim Financial Statements**

**For the six month period ended June 30, 2020**

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

<b>Directors</b>	Michael J Carrick Justine A Magee Robert N Scott Phillip C Lockyer David A T Cruse	Chairman President and Chief Executive Officer Non-Executive Lead Director Non-Executive Director Non-Executive Director
<b>Company secretary</b>	Ryan R Eadie	
<b>Office</b>	<u>Registered</u> Sea Meadow House Blackburne Highway PO Box 116 Road Town Tortola VG1110 British Virgin Islands	<u>Principal</u> Level 2 338 Barker Road Subiaco, Western Australia, 6008 Australia  Telephone: +61 8 6489 2900 Facsimile: +61 8 6489 2920
<b>Bankers</b>	Westpac Banking Corporation 130 Rokeby Road Subiaco, Western Australia, 6008 Australia	
<b>Auditors</b>	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco, Western Australia, 6008 Australia	
<b>Share registry</b>	<u>Australian Register</u> Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth, Western Australia, 6000 Australia  Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033	<u>Canadian Register</u> Computershare Investor Services Inc. 8 <sup>th</sup> Floor, 100 University Avenue Toronto, Ontario, M5J2Y1 Canada  Telephone: +1 416 263 9200 Facsimile: +1 888 453 0330
<b>Stock Exchange</b>	<u>Australia</u> Australian Securities Exchange Limited Exchange Code: RTG – Chess Depositary Interests (CDI's)	<u>Canada</u> Toronto Stock Exchange Inc. Exchange Code: RTG – Fully paid shares
<b>Lawyers</b>	Gilbert and Tobin Level 16, Brookfield Place Tower 2 123 St Georges Terrace Perth, Western Australia, 6000 Australia  Corrs Chambers Westgarth Level 2, MRDC Haus National Capital, District 111 Papua New Guinea	Blake, Cassels & Graydon LLP 595 Burrard Street Suite 2600, 3 Bentall Centre Vancouver, BC, V7X 1L3, Canada
<b>Website</b>	<a href="http://www.rtgmining.com">www.rtgmining.com</a>	

## **RTG MINING INC. DIRECTORS' REPORT**

The Directors of RTG Mining Inc. ("the Company" or "RTG") present their report on the consolidated entity consisting of RTG and the entities it controlled during the period ended June 30, 2020 (the "Consolidated Entity" or "the Group"). The Company's functional and presentation currency is USD (\$).

### **DIRECTORS AND COMPANY SECRETARY**

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

<b>Name</b>	<b>Position</b>	<b>Appointment date</b>
Michael J Carrick	Chairman	March 28, 2013
Justine A Magee	President and Chief Executive Officer	March 28, 2013
Robert N Scott	Non-Executive Lead Director	March 28, 2013
Phillip C Lockyer	Non-Executive Director	March 28, 2013
David A Cruse	Non-Executive Director	March 28, 2013
Ryan R Eadie	Company Secretary	October 2, 2017

### **REVIEW OF OPERATIONS AND RESULTS**

#### **Operating Results**

RTG holds a 40% interest in Mt. Labo Exploration and Development Corporation ("Mt. Labo") which holds the high-grade Copper and Gold Mabilo Project in the Philippines. During the quarter ending June 30, 2020, Mt. Labo received written confirmation that the Mines and Geosciences Bureau ("MGB") had approved the expansion of the current Mineral Production Sharing Agreement ("MPSA") No. MLC-MRD-459 for the Nalesbitan Project to include the Mabilo Project, which has already secured an approved Declared Mine Feasibility Study and Environmental Clearance Certificate.

Subsequent to the period, on August 21, 2020, the Tribunal handed down a favourable Final Award to Mt. Labo in the international arbitration against Galeo Equipment Corporation ("Galeo") in the Singapore International Arbitration Centre ("SIAC"). Mt. Labo prevailed on all matters considered important including a determination that the Joint Venture Agreement ("JVA") with Galeo was validly terminated, the compromise agreement was validly rescinded, Galeo is not entitled to any shares in Mt. Labo, Galeo was not a co-permittee of the Mt. Labo Exploration Permit and Galeo is not the operator of the project. The Tribunal ordered Galeo to pay damages of approximately US\$18.6m (plus interest at 6% from various dates) and legal costs, including the Tribunal's fees of approximately S\$7.45m. Interest payable is currently in excess of US\$4m on top of the damages and costs awards.

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"), who to date has not yet supported the Landowner's proposal.

On May 22, 2020, the Company announced that it had received commitments of approximately US\$6 million (circa A\$9.2 million) in a private placement to Australian and international institutional and sophisticated investors ("Private Placement") for approximately 162 million new Chess Depository Instruments ("Securities") to be issued through two tranches. On May 29, 2020, 60,128,550 Securities were issued at a price of A\$0.057 per Security to Australian and international institutional and sophisticated investors pursuant to tranche one of the Private Placement, raising proceeds of circa US\$2.2 million (before costs).

Subsequent to the period, on July 7, 2020, Shareholders approved tranche two of the Private Placement at the Annual General Meeting, for the issue of approximately 102,422,120 Securities at a price of A\$0.057 per Security to Australian and international institutional and sophisticated investors, raising proceeds of circa US\$3.8 million (before costs), with settlement successfully completed on July 15, 2020.

Net loss after tax for the period ended June 30, 2020 was \$3,404,470 (June 30, 2019 loss: \$6,886,116).

## **RTG MINING INC. DIRECTORS' REPORT**

### **Response to the COVID-19 Pandemic**

The Company continues to assess the wide reaching impacts of COVID-19, responding decisively on several fronts:

- our offices in Perth and Manila have commenced returning to normal working arrangements in compliance with country-specific recommendations. The head office and project teams are operating at full capacity with reduced staff and working remotely where available, which has to date been both efficient and effective;
- the Company undertook a review of costs and has made significant adjustments reducing overheads across the board, including executive salaries. This initiative resulted in the reduction of total overheads in the order of half of the pre-existing level;
- despite the very challenging times for most, it is noted that we have had a significant improvement in both copper and gold commodity prices, with the net present value of the Mabilo Project, a near term development opportunity, having increased by 146% to US\$384 million (July 24, 2020: Cu US\$6,523/t, Au US\$1,878/oz) since the Feasibility Study was first completed and announced; and
- our focus for now is directed primarily at advancing the Mabilo Project to start-up with the project having a very significant advantage in these times, where access to capital will be more limited. With the first phase being a Direct Shipping Operation, the capital requirements upfront are nominal (less than US\$25 million) which should be able to be financed primarily with debt, given the first 12 months of operations can deliver cashflows in excess of US\$105 million at current commodity prices of US\$6,523/t of Cu and US\$1,878/oz Au (subject to movements in commodity prices) (i.e. payback in less than 12 months).

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 21, which forms part of the Directors' Report.

This report is made in accordance with a resolution of the Directors on August 26, 2020.



Justine Alexandria Magee  
**President and Chief Executive Officer**  
Perth  
August 28, 2020

**RTG MINING INC.**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

		<i>REVIEWED</i>	
		<i>6 MONTH PERIOD ENDED</i>	
		<b>June 30</b>	<b>June 30</b>
		<b>2020</b>	<b>2019</b>
<b>Note</b>		<b>US\$</b>	<b>US\$</b>
<b>Continuing operations</b>			
	Other income	755	26,677
	Exploration and evaluation expenditure	(86,120)	-
	Business development expenses	(647,475)	(1,686,994)
	Fair value loss on financial asset at fair value through profit or loss	(856,548)	(2,793,710)
	Impairment expense	(232,893)	(1,222,853)
	Foreign exchange loss	(520,222)	(55,774)
	Administrative expenses	(1,061,967)	(1,153,462)
	<b>Loss before income tax from continuing operations</b>	<b>(3,404,470)</b>	<b>(6,886,116)</b>
	Income tax benefit	-	-
	<b>Loss for the period from continuing operations</b>	<b>(3,404,470)</b>	<b>(6,886,116)</b>
<b>Other comprehensive income / (loss)</b>			
	Exchange differences on translation of foreign operations	158,274	444
	Net gain on financial assets at fair value through other comprehensive income	282,668	209,945
	<b>Total comprehensive loss for the period</b>	<b>(2,963,528)</b>	<b>(6,675,727)</b>
<b>Loss attributable to:</b>			
	Equity holders of the Company	(3,262,191)	(6,502,532)
	Non-controlling interest	(142,279)	(383,584)
		<b>(3,404,470)</b>	<b>(6,886,116)</b>
<b>Total comprehensive loss attributable to:</b>			
	Equity holders of the Company	(2,821,249)	(6,292,143)
	Non-controlling interest	(142,279)	(383,584)
		<b>(2,963,528)</b>	<b>(6,675,727)</b>
<b>Loss per share attributable to ordinary shareholders</b>			
	Basic loss per share (cents)	(0.66)	(1.36)

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

**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2020**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		<i>REVIEWED</i>	<i>AUDITED</i>
		<b>June 30</b>	<b>December 31</b>
		<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>US\$</b>	<b>US\$</b>
<b>Current assets</b>			
Cash and cash equivalents	<b>6</b>	2,944,118	3,927,667
Receivables		145,495	33,247
Prepayments		53,122	113,392
<b>Total current assets</b>		<b>3,142,735</b>	<b>4,074,306</b>
<b>Non-current assets</b>			
Property, plant and equipment		216,559	236,663
Financial assets at fair value through other comprehensive income	<b>7</b>	2,229,287	1,946,619
Exploration and evaluation assets	<b>8</b>	2,560,746	2,929,501
Right-of-use Asset		240,078	298,468
<b>Total non-current assets</b>		<b>5,246,670</b>	<b>5,411,251</b>
<b>Total assets</b>		<b>8,389,405</b>	<b>9,485,557</b>
<b>Current liabilities</b>			
Trade and other payables	<b>10</b>	400,463	663,865
Provisions		241,808	220,376
Lease liability		114,990	105,510
Loan	<b>11</b>	2,650,000	2,650,000
<b>Total current liabilities</b>		<b>3,407,261</b>	<b>3,639,751</b>
<b>Non-current liabilities</b>			
Lease liability		139,852	194,328
<b>Total non-current liabilities</b>		<b>139,852</b>	<b>194,328</b>
<b>Total liabilities</b>		<b>3,547,113</b>	<b>3,834,079</b>
<b>Net assets</b>		<b>4,842,292</b>	<b>5,651,478</b>
<b>Shareholder's equity</b>			
Issued capital	<b>12</b>	170,567,250	168,412,908
Reserves		10,475,264	10,034,322
Accumulated losses		(175,211,654)	(171,949,463)
<b>Parent shareholder's equity</b>		<b>5,830,860</b>	<b>6,497,767</b>
Non-controlling interest		(988,568)	(846,289)
<b>Total shareholder's equity</b>		<b>4,842,292</b>	<b>5,651,478</b>

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

**RTG MINING INC.**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<i>Issued capital</i>	<i>Asset revaluation reserve</i>	<i>Share based payment reserve</i>	<i>Other capital reserve</i>	<i>Foreign currency translation reserve</i>	<i>Accumulated losses</i>	<i>Non-controlling interest</i>	<i>Total</i>
<i>Six months to June 30, 2020</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
<b>Balance at January 1, 2020</b>	<b>168,412,908</b>	<b>446,619</b>	<b>8,696,142</b>	<b>30,662</b>	<b>860,899</b>	<b>(171,949,463)</b>	<b>(846,289)</b>	<b>5,651,478</b>
Loss for the period	-	-	-	-	-	(3,262,191)	(142,279)	<b>(3,404,470)</b>
Currency translation differences	-	-	-	-	158,274	-	-	<b>158,274</b>
Net gain on financial assets at FVOCI	-	282,668	-	-	-	-	-	<b>282,668</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>282,668</b>	<b>-</b>	<b>-</b>	<b>158,274</b>	<b>(3,262,191)</b>	<b>(142,279)</b>	<b>(2,963,528)</b>
Shares issued during the period	2,239,143	-	-	-	-	-	-	<b>2,239,143</b>
Share issue expenses	(84,801)	-	-	-	-	-	-	<b>(84,801)</b>
<b>Balance at June 30, 2020</b>	<b>170,567,250</b>	<b>729,287</b>	<b>8,696,142</b>	<b>30,662</b>	<b>1,019,173</b>	<b>(175,211,654)</b>	<b>(988,568)</b>	<b>4,842,292</b>
	<i>Issued capital</i>	<i>Asset revaluation reserve</i>	<i>Share based payment reserve</i>	<i>Other capital reserve</i>	<i>Foreign currency translation reserve</i>	<i>Accumulated losses</i>	<i>Non-controlling interest</i>	<i>Total</i>
<i>Six months to June 30, 2019</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
<b>Balance at January 1, 2019</b>	<b>167,858,807</b>	<b>483,145</b>	<b>8,696,142</b>	<b>30,662</b>	<b>853,617</b>	<b>(158,528,797)</b>	<b>(534,419)</b>	<b>18,859,157</b>
Loss for the period	-	-	-	-	-	(6,502,532)	(383,584)	<b>(6,886,116)</b>
Currency translation differences	-	-	-	-	444	-	-	<b>444</b>
Net gain on financial assets at FVOCI	-	209,945	-	-	-	-	-	<b>209,945</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>209,945</b>	<b>-</b>	<b>-</b>	<b>444</b>	<b>(6,502,532)</b>	<b>(383,584)</b>	<b>(6,675,727)</b>
Shares issued during the period	-	-	-	-	-	-	-	-
Share issue expenses	(10,408)	-	-	-	-	-	-	<b>(10,408)</b>
<b>Balance at June 30, 2019</b>	<b>167,848,399</b>	<b>693,090</b>	<b>8,696,142</b>	<b>30,662</b>	<b>854,061</b>	<b>(165,031,329)</b>	<b>(918,003)</b>	<b>12,173,022</b>

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



**RTG MINING INC.**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

		<i>REVIEWED</i>	
		<i>6 MONTH PERIOD ENDED</i>	
		<b>June 30</b>	<b>June 30</b>
		<b>2020</b>	<b>2019</b>
<b>Note</b>		<b>US\$</b>	<b>US\$</b>
	<b>Operating activities</b>		
	Payments to suppliers and employees	(1,929,539)	(3,991,008)
	Interest received	505	1,555
	Exploration and evaluation expenditure	(86,120)	-
	<b>Net cash flows used in operating activities</b>	<b>(2,060,154)</b>	<b>(3,989,453)</b>
	<b>Investing activities</b>		
	Payments for property, plant and equipment	(6,660)	-
	Advances to associate entities	(1,043,634)	(2,587,452)
	<b>Net cash flows used in investing activities</b>	<b>(1,050,294)</b>	<b>(2,587,452)</b>
	<b>Financing activities</b>		
	Repayment of borrowings	-	-
	Proceeds from shares issued	2,239,143	-
	Share issue expenses	(84,800)	(10,409)
	Lease liability payments	(44,996)	(65,698)
	<b>Net cash flows from financing activities</b>	<b>2,109,347</b>	<b>(76,107)</b>
	Net decrease in cash and cash equivalents	(956,101)	(6,653,012)
	Cash and cash equivalents at the beginning of the period	<b>3,927,667</b>	<b>16,469,474</b>
	Net foreign exchange difference	(27,448)	(41,458)
	<b>Cash and cash equivalents at end of the period</b>	<b>2,944,118</b>	<b>9,775,004</b>
	<b>6</b>		

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

**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION**

The consolidated interim financial statements of RTG are presented as at June 30, 2020 for the period January 1, 2020 to June 30, 2020.

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

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

***Basis of preparation***

The consolidated interim financial statements are a general purpose condensed financial report which has been prepared in accordance with the requirements of International Accounting Standard 34 ("IAS 34") as issued by the International Accounting Standards Board.

The consolidated interim financial statements have 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.

***Significant accounting policies***

The consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the annual audited financial statements. It is recommended that these consolidated interim financial statements be read in conjunction with the annual financial report for the year ended December 31, 2019, and any public announcements made by the Company during the period.

*(i) Significant accounting judgments*

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

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

*(ii) Significant accounting estimates and assumptions*

***Expected credit losses of financial asset at amortised cost***

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

***Impairment of investment in Joint Venture***

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

**RTG MINING INC.**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

*IFRS 16 Leases*

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

The subsequent recognition comprises of the Company recognising a lease liability based on the discounted payments required under the lease. The lease liability is measured with reference to an estimate of the lease term, including optional lease periods if RTG is reasonably certain to exercise an option to extend the lease. RTG uses the cost model to recognise the ROU asset and amortise it over the remaining years of its term. Refer to note 9 for more details.

*COVID-19*

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

**3. CHANGES IN ACCOUNTING POLICIES**

There were no changes in accounting policies during the period.

**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2020**

**4. OTHER INCOME**

	<i>REVIEWED</i>	
	<i>6 MONTH PERIOD ENDED</i>	
	<b>June 30 2020 US\$</b>	<b>June 30 2019 US\$</b>
Interest income	755	26,677
	<b>755</b>	<b>26,677</b>

**5. EXPENSES**

**Exploration and evaluation expenditure**

Exploration and evaluation expenditure	86,120	-
	<b>86,120</b>	<b>-</b>

**Business development expenses**

Conferences	6,852	20,688
Employee and director fees	200,677	188,713
Project analysis	10,257	42,775
Travel expenses	109,043	281,222
Legal fees	156,862	481,061
Consultants fees	138,015	641,382
Other expenses	25,770	31,173
	<b>647,475</b>	<b>1,686,994</b>

**Administrative expenses**

Accounting, tax services and audit fees	32,822	43,414
Computer support fees	6,846	7,843
Consultants fees	194,141	169,868
Depreciation expenses	24,295	20,420
Employee and directors' fees	393,029	577,912
Insurance expenses	51,939	38,584
Legal expenses	9,197	6,426
Listing and shareholder reporting costs	46,784	38,341
Occupancy expenses	61,773	65,487
Travel expenses	7,087	128,863
Finance costs	9,197	-
Other expenses	224,857	56,304
	<b>1,061,967</b>	<b>1,153,462</b>

**Share of Philippines Associate loss**

Share of net losses of Philippines Associates	-	-
	<b>-</b>	<b>-</b>

**Fair value loss on financial asset at fair value through profit or loss**

Fair value loss on advances to Philippines Associates	(i) 856,548	2,793,710
	<b>856,548</b>	<b>2,793,710</b>

- (i) 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 10 for further information.

**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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**5. EXPENSES – continued**

	<i>REVIEWED</i>	
	<i>6 MONTH PERIOD ENDED</i>	
	<b>June 30 2020 US\$</b>	<b>June 30 2019 US\$</b>
<b>Impairment expense</b>		
Impairment of investment in joint venture	(i) 232,893	1,222,583
	<b>232,893</b>	<b>1,222,583</b>

(i) The recoverable amount of the investment in the joint venture was assessed to be nil and the asset was fully impaired as at June 30, 2020.

**6. CASH AND CASH EQUIVALENTS**

	<i>REVIEWED</i>	<i>AUDITED</i>
	<b>June 30 2020 US\$</b>	<b>December 31 2019 US\$</b>
Cash on hand	47	38
Cash at bank	(i) 2,944,071	3,927,629
	<b>2,944,118</b>	<b>3,927,667</b>

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

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

**Non-current**

Financial assets at fair value through other comprehensive income	2,229,287	1,946,619
	<b>2,229,287</b>	<b>1,946,619</b>

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

Opening balance	1,946,619	1,983,145
Additions	-	-
Gain on fair value measurement	282,668	(36,526)
Closing balance	<b>2,229,287</b>	<b>1,946,619</b>

**8. EXPLORATION AND EVALUATION ASSETS**

Opening balance	2,929,501	-
Acquisition of exploration and evaluation assets		2,913,588
Foreign exchange gain/(loss)	(368,755)	15,913
	<b>2,560,746</b>	<b>2,929,501</b>

(i) Exploration and evaluation expenditure after acquisition has been expensed to the statement of profit or loss and other comprehensive income. Refer to note 5 for further details.

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**9. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<i>REVIEWED</i> <b>June 30</b> <b>2020</b> <b>US\$</b>	<i>AUDITED</i> <b>December 31</b> <b>2019</b> <b>US\$</b>
<b>Advances to Philippines Associates</b>		
Opening balance	-	-
Advances to Philippines Associates	856,548	6,645,657
Fair value loss	(856,548)	(6,645,657)
	<u>-</u>	<u>-</u>

The Group determines the fair value of the advances in consideration of the investments in associates. Considering the investments were held at nil valuation as at June 30, 2020, and the status of the relevant opportunities and credit risk, there was no recognised fair value of the advances to Philippines Associates.

**10. TRADE AND OTHER PAYABLES**

**Current liabilities**

Trade creditors	369,822	428,176
Accrued expenses	30,641	235,689
	<u><b>400,463</b></u>	<u><b>663,865</b></u>

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.

**11. LOANS AND BORROWINGS**

Opening balance	2,650,000	-
Facility fee	-	150,000
Interest-bearing loan facility	-	2,500,000
Closing balance	<u><b>2,650,000</b></u>	<u><b>2,650,000</b></u>

The loan is an interest-bearing unsecured facility with repayment extended to June 30, 2021. Subsequent to period end, the proceeds of the placement were used in part to repay US\$1 million of the facility, with fees and interest to 16 April 2020 satisfied by an issue of shares, as approved by shareholders at the Annual General Meeting.

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**12. ISSUED CAPITAL AND RESERVES**

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

	<b>June 30 2020 Number</b>	June 30 2019 Number	<b>June 30 2020 US\$</b>	June 30 2019 US\$
<b>Issued and paid up capital</b>	<b>550,782,016</b>	478,940,889	<b>170,567,250</b>	167,848,399

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

**Movements in contributed equity during the period were as follows:**

	<b>Number</b>	<b>US\$</b>
Opening balance at January 1, 2020	490,653,466	168,412,908
Shares issues	60,128,550	2,239,143
Shares issue costs	-	(84,801)
<b>Total shares on issue at June 30, 2020</b>	<b>550,782,016</b>	<b>170,567,250</b>
Opening balance at 1 January 2019	478,940,889	167,858,807
Shares issues	-	-
Shares issue costs	-	(10,408)
<b>Total shares on issue at June 30, 2019</b>	<b>478,940,889</b>	<b>167,848,399</b>

**(b) Reserves**

	<i>REVIEWED</i> <b>June 30 2020 US\$</b>	<i>AUDITED</i> <b>December 31 2019 US\$</b>
Asset revaluation reserve	729,287	446,619
Share based payment reserve	8,696,142	8,696,142
Foreign currency translation reserve	1,019,173	860,899
Other reserves	30,662	30,662
	<b>10,475,264</b>	<b>10,034,322</b>

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

	<b>Number</b>
Opening balance at January 1, 2020	12,715,201
Granted during the period	-
<b>Total options on issue at June 30, 2020</b>	<b>12,715,201</b>

**13. DIVIDENDS**

No dividends have been paid or provided for during the period. (June 30, 2019: nil).

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**14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

**Fair value**

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the Company's accounting policies. All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, is described as follows:

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

*Recognised fair value measurements*

The following table presents the Group's assets measured at fair value at June 30, 2020 and December 31, 2019:

<b>At June 30, 2020</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Financial asset at fair value through other comprehensive income	2,229,287	-	-	2,229,287
<b>Total</b>	<b>2,229,287</b>	<b>-</b>	<b>-</b>	<b>2,229,287</b>
<b>At December 31, 2019</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Financial asset at fair value through other comprehensive income	1,946,619	-	-	1,946,619
<b>Total</b>	<b>1,946,619</b>	<b>-</b>	<b>-</b>	<b>1,946,619</b>

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

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



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**15. 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:

**June 30, 2020**

Operating segment	Philippines	Australia	Kyrgyz	Other	Consolidated total
	June 30 2020 US\$	June 30 2020 US\$	June 30 2020 US\$	June 30 2020 US\$	June 30 2020 US\$
<b>Revenue</b>					
Revenue from external customers	-	-	-	-	-
Interest income	-	755	-	-	755
Other	-	-	-	-	-
<b>Total revenue</b>					<b>755</b>
<b>Results</b>					
Segment profit / (loss) before tax	(856,548)	(1,783,569)	(693,576)	(70,777)	(3,404,471)
Revenue	-	755	-	-	755
Administrative expenses	-	(863,060)	(125,349)	(73,558)	(1,061,967)
Foreign exchange	-	(52,114)	(470,888)	2,781	(520,222)
Impairment expense	-	(232,893)	-	-	(232,893)
Fair value loss on financial assets through profit or loss	(856,548)	-	-	-	(856,548)
Other expenses	-	(647,475)	(86,120)	-	(733,595)
<b>Segment loss before income tax from continuing operations</b>					<b>(3,404,470)</b>
<b>Operating segment</b>	<b>Philippines</b>	<b>Australia</b>	<b>Kyrgyz</b>	<b>Other</b>	<b>Consolidated total</b>
	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Segment assets</b>					
Corporate assets	-	5,703,589	2,662,809	23,006	8,389,405
<b>Total assets</b>					<b>8,389,405</b>
<b>Segment liabilities</b>					
Corporate liabilities	-	(3,351,971)	(180,346)	(14,796)	<b>(3,547,113)</b>

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June 30, 2019

Operating segment	Philippines	Australia	Other	Consolidated total
	June 30	June 30	June 30	June 30
	2019	2019	2019	2019
	US\$	US\$	US\$	US\$
<b>Revenue</b>				
Revenue from external customers	-	-	-	-
Interest income	-	26,677	-	26,677
Other	-	-	-	-
<b>Total revenue</b>				<b>26,677</b>
<b>Results</b>				
Segment profit / (loss) before tax	(2,793,710)	(4,015,250)	(77,156)	(6,886,116)
Revenue	-	26,677	-	26,677
Administrative expenses	-	(1,078,003)	(75,459)	(1,153,462)
Foreign exchange	-	(54,077)	(1,697)	(55,774)
Share of associate loss	-	-	-	-
Impairment expense	-	(1,222,853)	-	(1,222,853)
Fair value loss on financial assets through profit or loss	(2,739,710)	-	-	(2,793,710)
Other expenses	-	(1,686,994)	-	(1,686,994)
<b>Segment loss before income tax from continuing operations</b>				<b>(6,886,116)</b>
<b>Operating segment</b>	<b>Philippines</b>	<b>Australia</b>	<b>Other</b>	<b>Consolidated total</b>
	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Segment assets</b>				
Corporate assets	-	13,116,539	51,782	13,168,321
<b>Total assets</b>				<b>13,168,321</b>
<b>Segment liabilities</b>				
Corporate liabilities	-	(986,243)	(9,056)	(995,299)

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**16. COMMITMENT AND CONTINGENCIES**

**a) Commitments**

As at June 30, 2020, the Group recognised the following commitments:

*Chanach Licence Costs*

As at June 30, 2020, there was approximately US\$40,735 remaining in licence fees to be paid to maintain the licence that expires at the end of 2020.

**b) Contingencies and contingent liabilities**

As at June 30, 2020, the Group recognised the following contingent liabilities:

**Associate**

*Investment in Philippines Associates*

As at June 30, 2020, Mt. Labo and Galeo had estimated contingent liabilities relating to the legal proceedings for both the civil case in the Philippines and arbitration through the Singapore International Arbitration Centre. Galeo's claims against Mt. Labo were for PHP1,500,000 under the civil case and USD309,519.05 under arbitration, plus legal costs and costs of arbitration of USD1,968,469.57, SGD545,208.34 and PHP54,317,362.50 (plus pre and post award interest). The Associates had no other contingent liabilities or capital commitments as at June 30, 2020 (nil: December 31, 2019). Subsequent to the period end, Mt. Labo received a favourable Final Award in the SIAC with the Tribunal dismissing all of Galeo's counterclaims and awarding all costs to Galeo for all costs. Refer to Note 18 for further details on the damages and costs awards handed down in favour of Mt. Labo.

**Subsidiary**

*Central Exploration Pty Ltd*

In 2018, the Group acquired A2V Mining Inc. ("A2V"), a non-listed company with a direct interest in Central Exploration Pty Ltd ("Central"). Through the conversion of loan funding into shares in Central, the Group's total interest in Central increased to 69%. The acquisition gave rise to a contingent liability of \$1,333,257 relating to Duncan Mining Pty Ltd's (a related entity of Central) acquisition of URM (South Pacific) Pty Ltd. Repayment of the liability is dependent on the development of Central's Bougainville interests. Given the current status of the project, repayment of the liability is not considered probable. At balance date, the value of the liability increased to \$1,742,881 (December 31, 2019: \$1,661,545), however repayment is still not considered probable. This is not a liability of the Company but Central and is not guaranteed by RTG.

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**17. RELATED PARTY DISCLOSURE**

**Controlling entity**

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

**Other transactions with related parties**

Transactions with related parties consist of companies with Directors and Officers in common and companies owned in whole or in part by Executives and Directors as follows for the three and six months ended June 30, 2020 and 2019:

<b>Name</b>	<b>Nature of transactions</b>
Coverley Management Services Pty Ltd	Consulting as Director

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

	<i>UNAUDITED</i>		<i>REVIEWED</i>	
	<i>3 MONTH PERIOD ENDED</i>	<i>3 MONTH PERIOD ENDED</i>	<i>6 MONTH PERIOD ENDED</i>	<i>6 MONTH PERIOD ENDED</i>
	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Directors fees	12,743	13,267	12,743	13,267
<b>Total</b>	<b>12,743</b>	<b>13,267</b>	<b>12,743</b>	<b>13,267</b>

**Advances to Philippines Associates**

During the period ended June 30, 2020 the Group entered into transactions with related parties:

- Loans of \$856,548 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.

**18. EVENTS AFTER REPORTING PERIOD**

On July 7, 2020, Shareholders approved tranche two of the Private Placement at the Annual General Meeting, for the issue of approximately 102,422,120 Securities at a price of A\$0.057 per Security to Australian and international institutional and sophisticated investors, raising proceeds of circa US\$3.8 million (before costs), with settlement successfully completed on 15 July 2020.

On July 7, 2020, Shareholders also approved the issue of 6,806,612 unlisted advisor options, which were issued to the US Placement Agent on 15 July 2020.

On July 7, 2020, the Company announced that it had finalised agreements for the sale of its remaining interests in Thor Explorations Ltd ("Thor"), received in consideration for the sale of the Segilola Gold Project in Nigeria some years ago. The Company sold its interests for a total consideration of C\$3.35 million: the shareholding for a total consideration of C\$2.45 million and the royalty for a further C\$0.65 million in cash and C\$0.25 million in Vox Royalty Corp. (TSXV:VOX) shares. The Company received full consideration for the sale of the shareholding on 14 July 2020 and the sale of the royalty is expected to settle by approximately the first week of September due to notice periods.

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

The full impact of the COVID-19 pandemic continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during 2020. Management continues to actively monitor the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2020 financial year.

Other than these matters, 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 June 30, 2020 and of its performance for the six month period ended June 30, 2020; and
  - (ii) comply with International Accounting Standards and other mandatory professional reporting standards; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



Justine Alexandria Magee  
**President and Chief Executive Officer**  
Perth  
August 28, 2020

**DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF RTG MINING INC.**

As lead auditor for the review of RTG Mining Inc. for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

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

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



**Dean Just**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 28 August 2020

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RTG Mining Inc.

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of RTG Mining Inc. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of the Group does not present fairly, in all material respects, the financial position of the Group as at 30 June 2020, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with AASB 134 *Interim Financial Reporting*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Company. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Responsibility of the directors for the financial report

The directors of the Group are responsible for the preparation and fair presentation of the half-year financial report in accordance with AASB 134 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the 30 June 2020 financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects, the financial position of the Group as at 30 June 2020 and of its financial performance and its cash flows for the half-year ended on that date, accordance with AASB 134 *Interim Financial Reporting*.



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

**BDO Audit (WA) Pty Ltd**

BDO  


**Dean Just**

**Director**

Perth, 28 August 2020