



## **Consolidated Interim Financial Statements**

**For the three and nine months ended September 30, 2016**

**RTG MINING INC.  
NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The interim financial report for RTG Mining Inc. ("RTG" or the "Company") is a general purpose condensed financial report which has been prepared in accordance with the requirements of International Accounting Standard 34 ("IAS 34") as issued by the International Accounting Standards Board. The consolidated financial statements have also been prepared on a historical cost basis and are presented in United States Dollars (US\$). These financial statements are the responsibility of management and have not been reviewed by the auditors. The most significant accounting principles have been set out in the audited financial statements and Annual Information Form dated 30 March 2016 for the period ended 31 December 2015 and the related notes thereto. A precise determination of many assets and liabilities is dependent on future events. Therefore, estimates and approximations have been made using careful judgment. Recognising that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

For further information please contact:

Nicholas Day  
Chief Financial Officer and Company Secretary

Telephone: +61 8 6489 2900  
Fax: +61 8 6489 2920

**RTG MINING INC.  
CORPORATE DIRECTORY**

**DIRECTORS:**

Michael J Carrick  
Justine A Magee  
Robert N Scott  
David A T Cruse  
Phillip C Lockyer

**SECRETARY:**

Nicholas F Day

**REGISTERED OFFICE:**

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

**PRINCIPAL OFFICE:**

Level 2  
338 Barker Road  
Subiaco WA 6008

**TELEPHONE:** +61 8 6489 2900

**FACSIMILE:** +61 8 6489 2920

**BANKERS:**

Westpac Banking Corporation  
130 Rokeby Road  
Subiaco WA 6008

**AUDITORS:**

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

**STOCK EXCHANGE:**

Australian Securities Exchange (ASX)  
*Exchange Code:*  
RTG – CHESS Depository Interests (“CDIs”)

Toronto Stock Exchange (TSX)

*Exchange Code:*  
RTG – Fully paid ordinary shares

**SHARE REGISTER:**

Australian Register  
Computershare Investor Services Pty  
Limited  
Level 11  
172 St Georges Terrace  
Perth WA 6000

Telephone: + 61 8 9323 2000

Facsimile: + 61 8 9323 2033

Canadian Register  
Computershare Investor Services Inc.  
100 University Ave, 11th Floor  
Toronto Ontario M5J2Y1  
Canada

Telephone: +1 416 263 9449

Facsimile: +1 416 981 9800

**LAWYERS**

Corrs Chambers Westgarth  
Level 15  
Woodside Plaza  
240 St Georges Terrace  
Perth WA 6000

Blakes, Cassels & Graydon  
Suite 2600  
3 Bentall Centre  
59 Burrard Street  
Vancouver, B.C. Canada  
V7X 1L3

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

**WEBSITE**

[www.rtgmining.com](http://www.rtgmining.com)

**RTG MINING INC.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

UNAUDITED - PREPARED BY MANAGEMENT

	Notes	Consolidated			
		Three months ended		Nine months ended	
		30 Sep	30 Sep	30 Sep	30 Sep
		2016	2015	2016	2015
Continuing operations		US\$	US\$	US\$	US\$
Other income	3	210,262	404	246,744	1,644
Exploration and evaluation expenditure	4(a)	(83,832)	(103,956)	(405,133)	(243,745)
Business development expenses	4(b)	(298,573)	(216,976)	(787,142)	(893,866)
Foreign exchange gains / (losses)		155,818	(197,550)	129,267	(36,415)
Administrative expenses	4(c)	(871,782)	(566,949)	(2,379,802)	(1,682,449)
Share of associate loss		(297,616)	(610,151)	(831,640)	(1,682,530)
Gain on sale of subsidiary		699,843	-	699,843	-
Impairment expense	4(d)	-	-	-	(3,172,081)
<b>Loss from continuing operations</b>		<b>(485,880)</b>	<b>(1,695,178)</b>	<b>(3,327,863)</b>	<b>(7,709,442)</b>
Income tax benefit		-	-	-	-
<b>Loss for the period</b>		<b>(485,880)</b>	<b>(1,695,178)</b>	<b>(3,327,863)</b>	<b>(7,709,442)</b>
<b>Other comprehensive income for the period</b>					
Exchange differences on translation of foreign operations		174,091	140,661	194,085	187,178
Net changes in fair value of financial assets		170,921	-	170,921	-
<b>Total comprehensive loss for the period</b>		<b>(140,868)</b>	<b>(1,554,517)</b>	<b>(2,962,857)</b>	<b>(7,522,264)</b>

**Earnings per share for loss attributable to the ordinary equity holders of the company**

Basic loss per share (cents)	(0.31)	(1.31)	(2.09)	(5.97)
Diluted loss per share (cents)	(0.31)	(1.31)	(2.09)	(5.97)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**RTG MINING INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2016**

UNAUDITED - PREPARED BY MANAGEMENT

	Notes	30 Sep 2016 US\$	31 Dec 2015 US\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	13,694,804	4,561,717
Trade and other receivables		1,091,486	378,679
Prepayments		54,148	42,138
<b>Total Current Assets</b>		<b>14,840,438</b>	<b>4,982,534</b>
<b>Non-Current Assets</b>			
Trade and other receivables		2,000,000	-
Property, plant and equipment		184,648	202,611
Investment in associates	6	79,963,569	80,650,232
Available for sale financial assets		1,670,921	-
Loans to associates	9	9,951,666	7,622,597
<b>Total Non-Current Assets</b>		<b>93,770,804</b>	<b>88,475,440</b>
<b>TOTAL ASSETS</b>		<b>108,611,242</b>	<b>93,457,974</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		350,864	252,537
Provisions		190,962	142,169
<b>Total Current Liabilities</b>		<b>541,826</b>	<b>394,706</b>
<b>TOTAL LIABILITIES</b>		<b>541,826</b>	<b>394,706</b>
<b>NET ASSETS</b>		<b>108,069,416</b>	<b>93,063,268</b>
<b>SHAREHOLDER'S EQUITY</b>			
Issued capital	7(a)	138,377,710	124,708,862
Reserves	7(b)	8,110,734	3,445,571
Accumulated losses		(38,419,028)	(35,091,165)
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>108,069,416</b>	<b>93,063,268</b>

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

**RTG MINING INC.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

UNAUDITED - PREPARED BY MANAGEMENT

<i>Nine months ended 30 September 2016</i>	<b>Issued capital</b>	<b>Acquisition reserve</b>	<b>Asset revaluation reserve</b>	<b>Share based payment reserve</b>	<b>Foreign currency translation reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Balance at 1 January 2015</b>	<b>124,708,862</b>	<b>(4,300,157)</b>	<b>-</b>	<b>7,601,285</b>	<b>144,443</b>	<b>(35,091,165)</b>	<b>93,063,268</b>
<i>Other comprehensive loss</i>							
Loss for the period	-	4,300,157	-	-	194,085	(3,327,863)	1,166,379
Net change in the available-for-sale financial assets	-	-	170,921	-	-	-	170,921
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>4,300,157</b>	<b>170,921</b>	<b>-</b>	<b>194,085</b>	<b>(3,327,863)</b>	<b>1,337,300</b>
Share issue	14,955,390	-	-	-	-	-	14,955,390
Share issue costs	(1,286,542)	-	-	-	-	-	(1,286,542)
<b>At 30 September 2016</b>	<b>138,377,710</b>	<b>-</b>	<b>170,921</b>	<b>7,601,285</b>	<b>338,528</b>	<b>(38,419,028)</b>	<b>108,069,416</b>
<i>Nine months ended 30 September 2015</i>							
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Balance at 1 January 2014</b>	<b>113,900,141</b>	<b>(4,300,157)</b>	<b>-</b>	<b>7,601,285</b>	<b>(101,433)</b>	<b>(25,853,389)</b>	<b>91,246,447</b>
<i>Other comprehensive loss</i>							
Loss for the period	-	-	-	-	187,178	(7,709,442)	(7,522,264)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187,178</b>	<b>(7,709,442)</b>	<b>(7,522,264)</b>
Share issue	11,762,803	-	-	-	-	-	11,762,803
Share issue costs	(954,082)	-	-	-	-	-	(954,082)
<b>At 30 September 2015</b>	<b>124,708,862</b>	<b>(4,300,157)</b>	<b>-</b>	<b>7,601,285</b>	<b>85,745</b>	<b>(33,562,831)</b>	<b>94,532,904</b>

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

**RTG MINING INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

UNAUDITED - PREPARED BY MANAGEMENT

	Notes	Three months ended		Nine months ended	
		30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
		US\$	US\$	US\$	US\$
<b>Cash flows from operating activities</b>					
Payments to suppliers and employees		(1,352,163)	(784,723)	(3,116,820)	(2,442,356)
Payments for exploration and evaluation		(83,832)	(103,956)	(405,133)	(243,745)
Other receipts		207,640	-	241,150	-
Interest received		2,622	404	5,595	1,646
<b>Net cash outflow from operating activities</b>		<b>(1,255,733)</b>	<b>(888,275)</b>	<b>(3,275,208)</b>	<b>(2,684,455)</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant & equipment		(269)	-	(2,433)	-
Loans to associated entities		(1,324,349)	(1,025,380)	(3,079,070)	(2,879,260)
Proceeds from sale of subsidiary		1,450,000	-	1,450,000	-
<b>Net cash inflow / (outflow) from investing activities</b>		<b>125,382</b>	<b>(1,025,380)</b>	<b>(1,631,503)</b>	<b>(1,159,756)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares		14,955,390	-	14,955,390	11,762,802
Capital raising costs		(1,286,542)	-	(1,286,542)	(954,081)
Proceeds from exercise of options		-	-	-	-
<b>Net cash inflow from financing activities</b>		<b>13,668,848</b>	<b>-</b>	<b>13,668,848</b>	<b>10,808,721</b>
Net increase / (decrease) in cash and cash equivalents		12,568,497	(1,913,655)	8,762,137	5,245,006
<b>Cash and cash equivalents at beginning of the period</b>		<b>907,910</b>	<b>9,505,398</b>	<b>4,561,717</b>	<b>2,394,974</b>
Reclassification cash to receivable		-	-	136,614	-
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		218,397	(274,999)	234,336	(323,236)
<b>Cash and cash equivalents at end of the financial period</b>	<b>5</b>	<b>13,694,804</b>	<b>7,316,744</b>	<b>13,694,804</b>	<b>7,316,744</b>

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

**RTG MINING INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

UNAUDITED - PREPARED BY MANAGEMENT

**1. CORPORATE INFORMATION**

The interim financial report of RTG Mining Inc. ("the Company", "RTG", "the Group" or "the Entity") is presented as at 30 September 2016 and for the period 1 January 2016 to 30 September 2016.

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

Highlights for the three months to September 30, 2016 included:

- The completion of a private placement to raise circa A\$20M before costs which will enable a more aggressive focus on exploration programs.
- The completion of the sale of the Company's interest in the Segilola Gold Project for US\$8.5m.
- The receipt of A\$274,000 during the quarter as part the Company's Research and Development tax claim from the Australian government. The claims received to date are worth A\$319,000.

The nine months to September 2016 included finalising 18 months of detailed work with the Mines and Geosciences Bureau ("MGB") and Department of Environment and Natural Resources ("DENR") resulting in the issue of both the Environmental Compliance Certificate ("ECC") for the Mabilo Project, in the Philippines, together with a renewal of the Exploration Permit, EP-014-2013-V ("Exploration Permit" or "EP").

The Company released its NI 43-101 Technical Report on the Mabilo Project during the nine months following on from the announcement of the Feasibility Study ("FS") on 18 March 2016 on the TSX<sup>1</sup>. The Mabilo Project is both high grade and low cost underpinning the robust economics presented in the FS including a 33% IRR after tax (43.6% with only a 10% lift in commodity prices) and an equivalent operating cost of US\$0.80/lb copper equivalent or US\$425/oz gold equivalent for concentrate production at a throughput rate of 1.35mtpa.



**RTG MINING INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

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

**(b) Significant accounting policies**

The interim consolidated financial statements have been prepared using the same accounting policies as used in the financial statements for the period ended 31 December 2015 contained in the audited financial statements for RTG dated 30 March 2016.

	3 months ended 30 Sep 2016	3 months ended 30 Sep 2015	9 months ended 30 Sep 2016	9 months ended 30 Sep 2015
	US\$	US\$	US\$	US\$
<b>3. OTHER INCOME</b>				
Finance income	2,622	404	5,594	1,644
Research and development tax credit received	207,640	-	241,150	-
	<b>210,262</b>	<b>404</b>	<b>246,744</b>	<b>1,644</b>

**4. EXPENSES**

	3 months ended 30 Sep 2016	3 months ended 30 Sep 2015	9 months ended 30 Sep 2016	9 months ended 30 Sep 2015
	US\$	US\$	US\$	US\$
<b>(a) Exploration &amp; evaluation</b>				
Consultants fees	3	7,537	60,757	8,547
Employee benefits	47,384	41,529	130,462	130,001
Travel expenses	36,445	54,890	206,222	105,197
Other	-	-	7,692	-
	<b>83,832</b>	<b>103,956</b>	<b>405,133</b>	<b>243,745</b>

**(b) Business development**

	US\$	US\$	US\$	US\$
Travel	121,939	63,132	279,029	451,766
Employee fees	108,460	101,503	302,084	318,573
Other	68,174	52,341	206,029	123,527
	<b>298,573</b>	<b>216,976</b>	<b>787,142</b>	<b>893,866</b>

**(c) Administrative expenses**

	US\$	US\$	US\$	US\$
Audit & accounting fees	62,057	(11,889)	195,847	113,419
Employee and directors fees	308,700	277,372	957,655	807,874
Office rental	23,526	42,482	108,714	135,587
Legal fees	251,780	126,244	533,940	282,773
Listing and shareholder reporting costs	56,128	24,046	145,451	165,653
Consultants	77,462	25,466	253,476	50,466
Computer support	6,549	12,866	27,574	30,078

**RTG MINING INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Depreciation	6,595	6,767	20,396	21,490
Insurance	15,215	-	25,869	-
Other	63,770	63,595	110,880	75,109
	<b>871,782</b>	<b>566,949</b>	<b>2,379,802</b>	<b>1,682,449</b>

<b>(d) Impairment expense</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Available for sale financial asset	-	-	-	(1,841,854)
Derivative financial asset	-	-	-	(1,330,228)
	-	-	-	<b>(3,172,082)</b>

**5. CASH AND CASH EQUIVALENTS**

	<b>30 Sep 2016</b>	<b>31 Dec 2015</b>
	<b>US\$</b>	<b>US\$</b>
Cash at bank and on hand	13,694,804	4,561,717
	<b>13,694,804</b>	<b>4,561,717</b>

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

**6. INVESTMENT IN ASSOCIATES**

	<b>30 Sep 2016</b>	<b>31 Dec 2015</b>
	<b>US\$</b>	<b>US\$</b>
Opening balance	80,650,232	83,197,341
Share of associates net loss	(831,640)	(2,918,461)
Share of foreign currency translation reserve	144,977	371,352
	<b>79,963,569</b>	<b>80,650,232</b>

**7. ISSUED CAPITAL AND RESERVES**

	<b>30 Sep 2016</b>	<b>31 Dec 2015</b>
	<b>Number</b>	<b>Number</b>
<b>(a) Issued and paid up capital:</b>		
Issued and fully paid shares	167,585,577	134,252,237

**Movements in contributed equity during the past nine months were as follows:**

<b>Ordinary Shares</b>	<b>Number</b>	<b>US\$</b>
Opening balance at 1 January 2016	134,252,237	124,708,862
Shares issued under capital raising	33,333,340	14,955,389
Capital raising costs	-	(1,286,541)
Total shares on issue at 30 September 2016	<b>167,585,577</b>	<b>138,377,710</b>

**(b) Reserves**

	<b>30 Sep 2016</b>	<b>31 Dec 2015</b>
	<b>US\$</b>	<b>US\$</b>
Acquisition reserve	170,921	(4,300,157)
Share based payment reserve	7,601,285	7,601,285
Foreign currency translation reserve	338,528	144,443
	<b>8,110,734</b>	<b>3,445,571</b>

**RTG MINING INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(c) Options**

**Movements in the number of listed options during the nine month period are as follows:**

<b>(i) Listed options</b>	<b>Number</b>	<b>US\$</b>
Opening balance at 1 January 2016	8,784,687	4,462,085
Options issued	-	-
Options exercised	-	-
Total options on issue at 30 September 2016	<u>8,784,687</u>	<u>4,462,085</u>

The options on issue were valued using the Black and Scholes method with the following assumptions:

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

**8. DIVIDENDS**

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

**9. LOANS TO ASSOCIATES**

On 4 June 2014, RTG completed the implementation of the schemes of arrangement (the "Schemes") to acquire the outstanding securities of Sierra. Pursuant to the Schemes, RTG has acquired a 40% interest in each of Mt Labo Exploration & Development Corporation ("Mt Labo"), St Ignatius Exploration and Mineral Resource Corporation ("St Ignatius"), Bunawan Mining Corporation ("Bunawan") and Oz Metals Exploration and Development Corporation ("Oz Metals"), collectively known as the "Associates".

The loan balance for the period to 30 September 2016 was \$9.952M, and loan movements throughout the half year have funded the Company's share of costs associated with the following:

- o completion of the Feasibility Study for the Mabilo Project;
- o completion of the NI43-101 Technical Report on the Mabilo Project;
- o conclusion of 18 months of detailed work during the half year, with the issue of both the ECC, together with a renewal of the EP.

	<b>30 Sep 2016</b>	<b>31 Dec 2015</b>
	<b>US\$</b>	<b>US\$</b>
Loans to associates	9,951,666	7,622,597
	<u>9,951,666</u>	<u>7,622,597</u>

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

- I. there is no fixed repayment; and
- II. no interest payable on the loans at present.

**RTG MINING INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**10. FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT**

The Group measures the following assets at fair value on a recurring basis:

- Available-for-sale financial assets
- Derivative financial assets

*Fair value hierarchy*

IFRS 13 requires disclosures of fair value measurements by level of the following fair value measurement hierarchy.

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs for the asset or liability that are not based on observable market data (unobserved inputs).

*Recognised fair value measurements*

The following table presents the Group's assets measured at fair value at 30 September 2016 and 31 December 2015.

**At 30 September 2016**

	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Available-for-sale financial asset	1,670,921	-	-	-
Derivative financial asset	-	-	-	-
<b>Total financial assets</b>	<b>1,670,921</b>	<b>-</b>	<b>-</b>	<b>-</b>

**At 31 December 2015**

	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Available for sale financial asset	-	-	-	-
Derivative financial asset	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

***Valuation methods and assumptions***

*Valuation techniques used to derive level 2 and level 3 fair values*

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all the specific inputs required to fair value an instrument are observable, the instrument is classified as level 2. If one or more of the significant inputs is not based on market observable data, the instrument is classified as level 3.

**RTG MINING INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The following table presents the changes in level 3 items for the period ended 30 September 2016 and 31 December 2015.

	Available for sale financial assets US\$	Derivative financial asset US\$	Total US\$
Opening balance at 1 January 2016	-	-	-
Additions	1,500,000	-	1,500,000
Movement in fair value	170,921	-	170,921
<b>Total financial assets</b>	<b>1,670,921</b>	<b>-</b>	<b>1,670,921</b>
Impairment	-	-	-
<b>At 30 September 2016</b>	<b>1,670,921</b>	<b>-</b>	<b>1,670,921</b>
	Available for sale financial assets US\$	Derivative financial asset US\$	Total US\$
Opening balance at 1 January 2015	1,841,854	1,330,228	3,172,082
Movement in fair value	-	-	-
<b>Total financial assets</b>	<b>1,841,854</b>	<b>1,330,228</b>	<b>3,172,082</b>
Impairment*	(1,841,854)	(1,330,228)	(3,172,082)
<b>At 31 December 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* During the previous period, the Company reviewed its investment and convertible note in Elephant Copper. The Company has adopted a conservative approach and on the recommendation of the Audit Committee, has decided to impair these assets to nil. The decision was based on a number of factors, including but not limited to, the fall in current market conditions and a lower copper price.

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

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The loans to associates are currently not carried at fair value, however any potential differences between the carrying value and fair value would be considered immaterial.

**RTG MINING INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**11. SEGMENT INFORMATION**

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

The Company operates in a single segment, being mineral exploration and development with its exploration and evaluation held in the Philippines.

**Nine months to 30 September 2016**

<b>Results</b>	<b>Philippines 2016</b>	<b>Australia 2016</b>	<b>Other 2016</b>	<b>Consolidated Total 2016</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Segment profit/(loss) before tax	(831,640)	(10,823,356)	8,327,133	(3,327,863)
Other income	-	246,744	-	246,744
Administrative expenses	-	(2,315,561)	(64,241)	(2,379,803)
Foreign exchange	-	(3,945,257)	4,074,524	129,267
Share of associate profit/(loss)	(831,640)	-	-	(831,640)
Other expenses	-	(4,809,282)	4,316,850	(492,432)
<b>Segment profit/(loss) before income tax as per statement of comprehensive income</b>				<b>(3,327,863)</b>

**Nine months to 30 September 2015**

<b>Results</b>	<b>Philippines 2015</b>	<b>Australia 2015</b>	<b>Other 2015</b>	<b>Consolidated Total 2015</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Segment profit/(loss) before tax	(1,682,530)	(2,815,242)	(3,211,671)	(7,709,443)
Other income	-	1,646	-	1,646
Administrative expenses	-	(1,645,203)	(37,246)	(1,682,449)
Foreign exchange	-	(34,072)	(2,343)	(36,415)
Share of associate profit/(loss)	(1,682,530)	-	-	(1,682,530)
Impairment available for sale financial assets	-	-	(1,841,854)	(1,841,854)
Impairment of derivative financial assets	-	-	(1,330,228)	(1,330,228)
Other expenses	(243,745)	(893,868)	-	(1,137,613)
<b>Segment profit/(loss) before income tax as per statement of comprehensive income</b>				<b>(7,709,443)</b>

**RTG MINING INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

	<b>30 Sep 2016</b>	<b>31 Dec 2015</b>
	<b>US\$</b>	<b>US\$</b>
Philippines	89,915,236	88,272,829
Australia	15,020,949	5,170,008
Other	3,675,057	15,137
<b>Total</b>	<b>108,611,242</b>	<b>93,457,974</b>

**12. COMMITMENT AND CONTINGENCIES**

	<b>30 Sep 2016</b>	<b>31 Dec 2015</b>
	<b>US\$</b>	<b>US\$</b>
<b>Commitments</b> <sup>(1)</sup>		
Not longer than 1 year	134,718	103,275
Longer than 1 year and not longer than 5 years	220,501	-
	<b>355,219</b>	<b>103,275</b>

(1) The office lease lapsed on June 30, 2016 and an option to extend was negotiated and executed on July 20, 2016 for a (3) year term from July 1, 2016 to June 30, 2019, at the reduced rental of \$120,000 per annum with a fixed 4% increment going forward on the review dates: July 1, 2017 and July 1, 2018.

**Contingent Liabilities**

At 30 September 2016 the Company had no contingent liabilities. (31 December 2015: nil).

**13. RELATED PARTY TRANSACTIONS**

**(a) Controlling entity**

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

**(b) Other transactions with related parties**

Transactions with related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows for the three and nine months ended September 30, 2016:

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

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

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>	<b>September 30,</b>	<b>September 30,</b>	<b>September 30,</b>
	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>
	<b>\$US</b>	<b>\$US</b>	<b>\$US</b>	<b>\$US</b>
Directors fees	12,623	11,461	38,601	41,241
<b>Total</b>	<b>12,623</b>	<b>11,461</b>	<b>38,601</b>	<b>41,241</b>

**RTG MINING INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

During the nine months ended September 30, 2016, the Company entered into transactions with related parties in the wholly-owned group:

- Loans of \$1,430,529 were advanced to parent inter-company accounts; and
- Loans of \$2,329,070 were advanced to Associates, \$1,762,277 for costs relating to the Mt. Labo Joint Venture, \$554,468 to Bunawan Mining Corporation for the Bunawan Project and \$12,325 to Oz Metals Corporation for other Philippines Projects.

These transactions were undertaken on the following terms and conditions:

- there is no fixed repayment; and
- no interest is payable on the loans at present.

**14. SUBSEQUENT EVENTS**

Exploration License (EP-000033-14-XIII) has been renewed for the Bunawan Project in the Philippines for a further 2 years.

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