



NTM GOLD LTD

ABN 24 119 494 772

31 DECEMBER 2016

Half-Year Financial Report

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Corporate Directory

NTM Gold Ltd

ABN 24 119 494 772

Directors

Rodney Foster (Chief Executive Officer)
Paul Price (Chairman, Non-Executive Director)
Lloyd Jones (Non-Executive Director)

Company Secretary

Mark Maine

Registered Office

Suite 1, 64 Thomas Street
West Perth WA 6005
Australia

Solicitors

Price Sierakowski
Level 24, St Martin's Tower
44 St George's Terrace
Perth WA 6000
Australia

Bankers

Westpac Banking Corporation Limited
109 St George's Terrace
Perth WA 6000
Australia

Share Registry

Computershare Investor Services Pty Ltd
Level 11
172 St George's Terrace
Perth WA 6000
Australia

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange
ASX Code: NTM

Website

www.ntmgold.com.au

Auditors

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

Directors' report

The Directors of NTM Gold Ltd and its controlled entities ("NTM Gold" or "the Group") present their report for the half-year ended 31 December 2016 ("the Reporting Date").

Directors

The names and details of the Company's Directors in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Rodney Foster	Chief Executive Officer (Appointed as Chairman 27 June 2016 to 3 August 2016 and Chief Executive Officer on 3 August 2016)
Paul Price	Chairman, Non-Executive Director (Appointed as Non-Executive Director on 7 July 2016 and Chairman on 3 August 2016)
Lloyd Jones	Non-Executive Director
David Ryan	Non-Executive Director (Resigned on 8 November 2016)
Bruce McFarlane	Non-Executive Director (Resigned on 8 November 2016)

Review and results of operations

The principal activities of the Group throughout the year have comprised the following:

- Exploration of mining tenements;
- Investing cash assets in interest bearing bank accounts;
- The general administration of the Group.

The Group realised a net loss for the half-year of \$354,713 (2015: \$551,655).

Review of operations

Redcliffe Gold Project

The Company continued exploration at its 100% owned Redcliffe Gold Project during the reporting period. A total of 1601m of RC and 1623.3m of DC drilling were completed. Activities included:

Golden Terrace South

- Completion of a five (5) hole DC drilling programme for 589m at Golden Terrace South designed to better define structural controls to high grade zone and test other mineralised zones. Significant results include:

29.2m @ 4.61 g/t 8.8m @ 10.22 g/t	From 96.3-125.5m in GTRC382D From 114.5-123.3
2m @ 42.9 g/t Inc. 1m @ 83.5 g/t	From 76-78m From 76-77m in GTRDD009
24.6m @ 3.25 g/t 5.7m @ 8.63 g/t	From 127.3-151.9m in GTDD010 From 135.3-141m
2m @ 10.15 g/t	From 94m in GTDD011
19m @ 2.71 g/t	From 85m-104m in GTDD009
5.5m @ 4.05 g/t	From 100.5m in GTRC381D

Two diamond core 'tails' were drilled from existing RC holes which ended in mineralisation; GTRC381 and GTRC382;

- GTRC381 – 12m @ 16.68 g/t from 88-100m EOH
- GTRC382 – 13m @ 2.18 g/t from 83 to 96m EOH

GTRC382D; RC intercept- 13m @ 2.18g/t and DDH intercept -29.4m @ 4.61g/t = **42.2m @ 3.86g/t** (83-125.5m note 0.3m variance in RC hole depth)

GTRC381D: RC intercept - 12.5m @ 16.68g/t and DDH intercept - 5.5m @ 4.05g/t = **18m @ 12.82 g/t** (88-106m)

Nambi Deposit

Completion of two deep drilling programmes (5 holes for 289m of RC and 1034.8m of DC) targeting high grade structural positions of both the Main and E1 lodes beneath the Nambi pit. Significant results included:

(Main Lode)

- 6m @ 6.62 g/t Au, (Inc. 1m @ 23.64 g/t) from 163.5m NBDD001
- 4.50m @ 7.35 g/t Au (Inc. 2.5m @ 11.9g/t) from 181.0m in NBDD002
- 3.45m @ 7.48 g/t (Inc. 1m @ 17.8 g/t) from 280.4m in NBDD003

Directors' report (continued)

Review of operations (continued)

(E2 Lode)

- **3.2m @ 9.86 g/t Au** from 239m in NBRC112D
- **2.00m @ 8.14 g/t Au** from 93.2m in NBDD002
- **2.5m @ 4.55 g/t Au** from 80.5m in NBDD001

Kelly Deposit

- Completion of fifteen (15) hole RC drilling programme for 1312m at Kelly North, aimed at infilling the Kelly North area. Significant results include:

6m @ 6.40 g/t (Inc. 2m @ 14.48 g/t)	From 48m to 54m in GTRC402
2m @ 10.46 g/t	From 20m to 22m in GTRC401
20m @ 2.92 g/t (Inc. 8m @ 5.29 g/t from 62m)	From 56m to 76m in GTRC394
15m @ 2.00 g/t (Inc. 3m @ 4.30g/t)	From 51m to 66m in GTRC400
7m @ 2.80 g/t	From 9m to 16m in GTRC396

Other work also included:

- Detailed structural interpretation at both regional and deposit scales by Independent Consultant.
- Preparation for regional drilling programme, including statutory approvals, within the central MSZ where previous exploration has been minimal.
- Acquisition of additional tenure at the Redcliffe Gold Project
- Sale of Manganese assets

Operational

During a busy period, a number of drilling programmes were completed at the Redcliffe Gold project. The aims of the programmes were to focus on high grade areas capable of increasing both oxide and primary resources at depth. It must be noted that exploration targeting primary high grade gold mineralisation at depth has been minimal in the past, and as such no modern day underground operations exist along the Mertondale Shear Zone, despite the presence of numerous shallow oxide deposits/prospects. The Company is of the firm belief that this is the result of minimal deep exploration rather than the prospectivity of the project, and is confident that further exploration will result in new discoveries.

An Independent Consultant completed a structural review of known mineralised and zones and at a regional scale providing valuable geological information that has aided in better target definition.

Golden Terrace South (GTS)

The Company completed a DC drilling programme at the GTS Deposit during the period. A total of five (5) inclined holes for 589m of mud rotary and/or diamond core drilling tails below previous RC drilling were completed to target continuations of the high grade mineralisation at depth.

Higher grade gold intersections include:

29.2m @ 4.61 g/t 8.8m @ 10.22 g/t	From 96.3-125.5m in GTRC382D From 114.5-123.3
2m @ 42.9 g/t Inc. 1m @ 83.5 g/t	From 76-78m From 76-77m in GTRDD009
24.6m @ 3.25 g/t 5.7m @ 8.63 g/t	From 127.3-151.9m in GTDD010 From 135.3-141m
2m @ 10.15 g/t	From 94m in GTDD011
19m @ 2.71 g/t	From 85m-104m in GTDD009
5.5m @ 4.05 g/t	From 100.5m in GTRC381D

Note- All drilling orientated -60°/270°. Intervals are down hole widths- Note recoveries in GTRC382D from 96.3-100.9m were noted as poor*

Directors' report (continued)

Review of operations (continued)

Two diamond core 'tails' were drilled from existing RC holes which ended in mineralisation; GTRC381 and GTRC382 (see ASX announcement, July 2016);

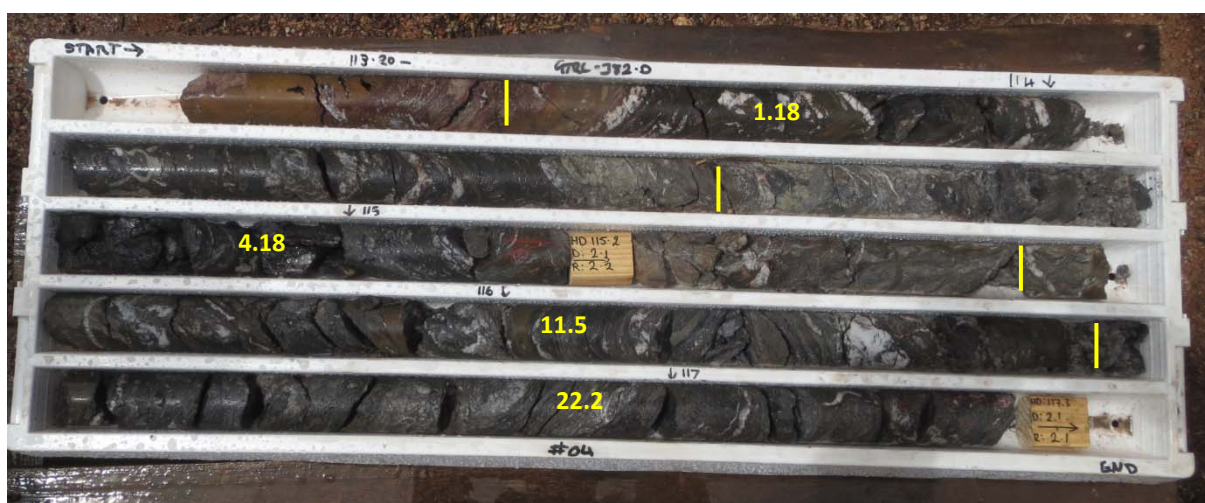
- GTRC381 – 12m @ 16.68 g/t from 83-100m EOH
- GTRC382 – 13m @ 2.18 g/t from 83 to 96m EOH

Both mineralised zones were extended with the diamond drilling, most notably in GTRC382D where 29.2m @ 4.61 g/t from 96.3m was recorded. This zone included a high grade interval of 8.8m @ 10.22 g/t from 114.5m and increases the mineralised interval to 42.2m when combined with the RC mineralised interval (see below).

GTRC382D; RC intercept- 13m @ 2.18g/t and DDH intercept -29.4m @ 4.61g/t = **42.2m @ 3.86g/t** (83-125.5m note 0.3m variance in RC hole depth)

Drill hole GTRC381D recorded a result of 5.5m @ 4.05 g/t from 100.5m increasing the mineralised interval to 18m when combined with the RC mineralised interval.

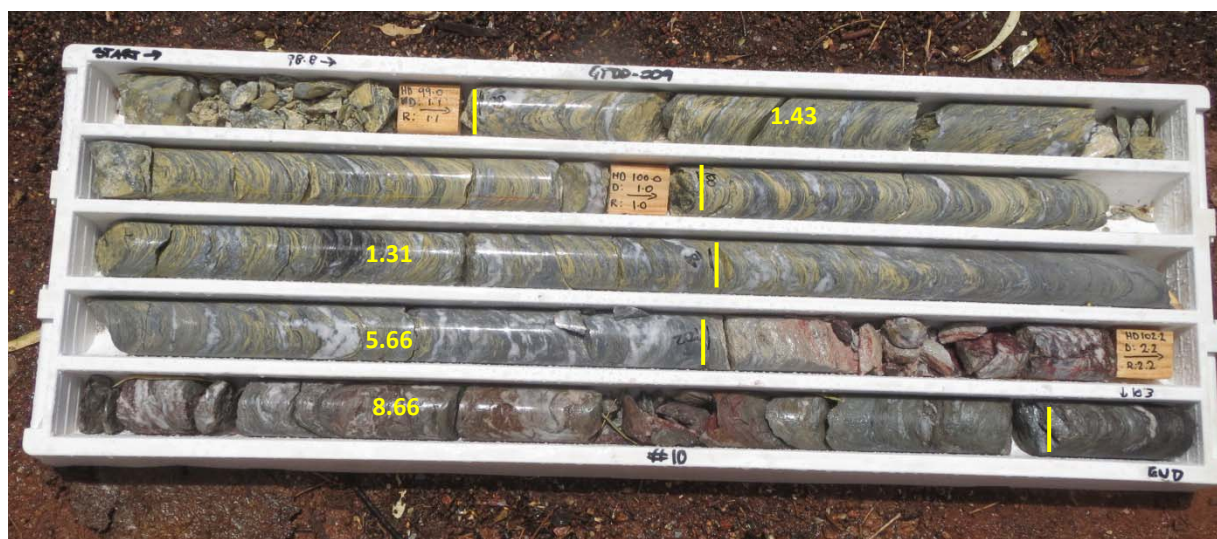
GTRC381D: RC intercept - 12.5m @ 16.68g/t and DDH intercept - 5.5m @ 4.05g/t = **18m @ 12.82 g/t** (88-106m)



GTRC382D- 113.2 to 117.3m. Part of 8.8m @ 10.22 g/t from within 29.2m @ 4.61 g/t (96.3-125.5m)

Hole GTD010 drilled behind GTRC382D (see cross section 6838290mN) also intersected significant mineralisation with an interval of 24.6m @ 3.25 g/t from 127.3m (Inc. 5.7m @ 8.63 g/t from 135.3m) recorded. This high grade zone remains open at depth.

A single hole, GTDD09, located 110m north of the main high grade zone at GTS, was drilled to confirm the presence of an interpreted potential second high grade zone.



GTDD009 - 98.8m to 103.1m ; Part of 19m @ 2.71 g/t from 85m to 104m

Directors' report (continued)

Review of operations (continued)

Two encouraging intercepts including 2m @ 42.9 g/t (Inc. 1m @ 83.5 g/t) from 76m and 19m @ 2.71 g/t from 85m were intersected. This zone has only been lightly drilled below 80-100m and further drilling is planned.

A package of oxidised to fresh, highly sheared and folded sediment/black shale, felsic volcanic, tuff and volcanoclastic rocks, variably mineralised were intersected. Gold mineralisation is hosted within quartz-pyrite veins and breccia zones associated with silica-hematite-paragonite-carbonate-pyrite alteration. Sulphide abundance ranges from 5-15%, mainly disseminated and veinlet pyrite with lesser arsenopyrite, chalcopyrite and pyrrhotite.

The Company is highly encouraged at the apparent repetition of plunging mineralised zones associated the Great Western Fault in favourable structural settings, and has identified other priority targets proximal to GTS and along the 30km of prospective strike of the Mertondale Shear Zone. The current JORC 2004 compliant resource estimate for GTS is 90,500 ounces. (1,391,000t @ 2.02g/t, of which 707,000t @ 2.46g/t for 56,100oz is classified as Indicated and 684,000 @ 1.56g/t for 34,400oz as Inferred).

Detailed structural logging of the GTS core by an Independent Consultant has provided valuable information to the controls of the gold mineralisation at GTS. Key findings were:

- The structural architecture of GTS (and other areas) is dominated by the ~N-S trending sub-vertical to steeply E- & W-dipping $S_{0/1}$ foliation – this is a composite fabric comprising a transposed lithological layering and a variable intensity (moderate to intense/mylonitic) schistosity. This was developed principally in D_1 and D_2 deformations. The foliation is often accompanied by a variable intensity mineral lineation.
- The $S_{0/1}$ fabric has been modified by E-W compression, with a strong flattening to dominantly high-angle reverse simple shear component.
- $S_{0/1}$ is locally folded by F_3 (and possible F_4) asymmetric folds on cm to 10's metres scale. Fold axes are typically moderate to steeply plunging.



(GTRC382D- Asymmetric Folding)

- GTS lithologies show a strong sub-vertical to steeply-dipping $S_{0/1}$ in drillcore, with localised asymmetric folds – the latter are often observed as zones of foliation with a shallow angle to the core axis (hinge and short limbs of the folds).

The findings of this work will allow deeper drilling to be planned to target interpreted plunge positions of high grade zones. The findings will also be incorporated into a major regional targeting exercise aimed at augmenting and further defining/prioritising known structural zones and shallow drill targets.

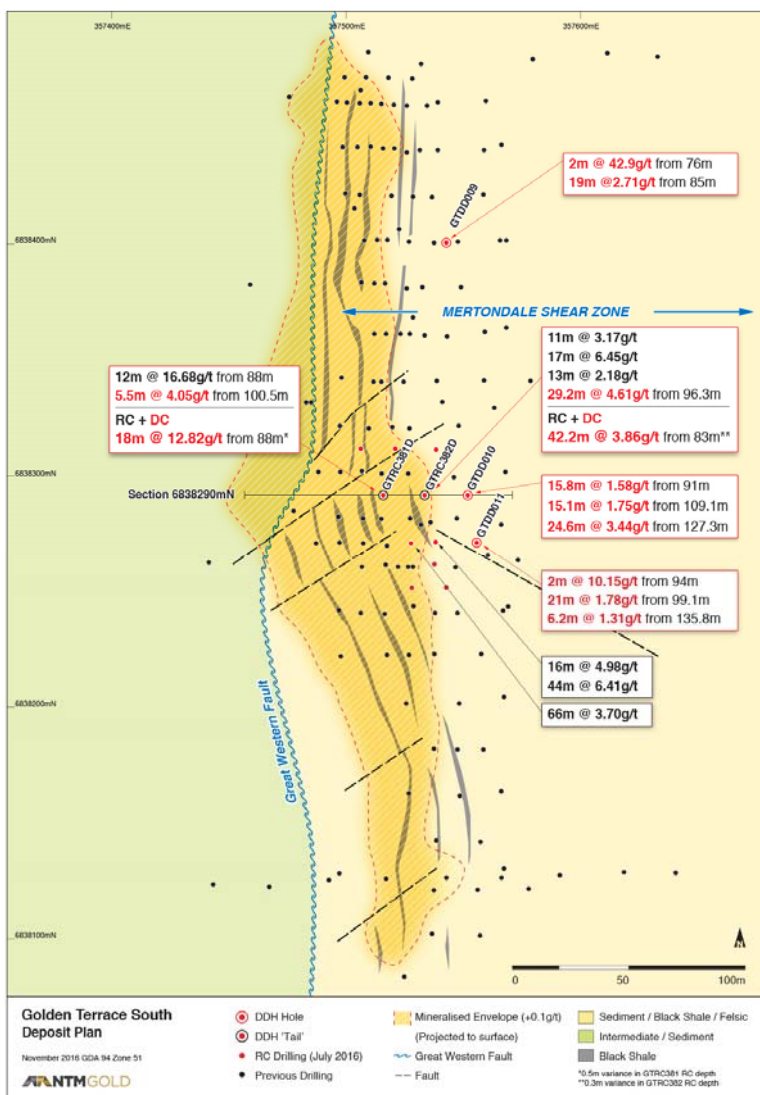
HOLE	GDA_E	GDA_N	DIP/AZI	Depth (m)	Comments
GTRC381D	357518	6838290	-60/270	100-120	Extend GTRC381
GTRC382D	357535	6838290	-60/270	96-144	Extend GTRC382
GTDD009	357541	6838400	-60/270	145.1	Mud Rotary to 70m
GTDD010	357550	6838290	-60/270	180	Mud Rotary to 62m
GTDD011	357555	6838270	-60/270	200	Mud Rotary to 62m

Directors' report (continued)

Review of operations (continued)

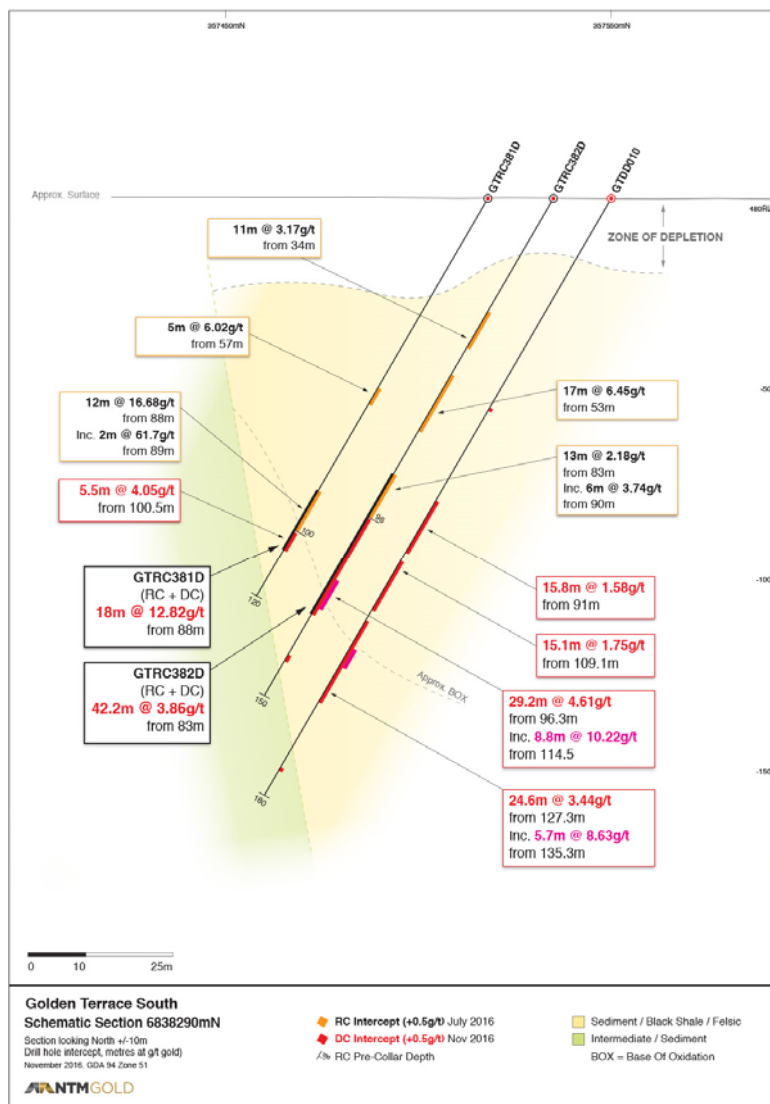
Hole	From	To	Result (Au)
GTDD009	76	78	2m @ 42.9 g/t
Inc.	76	77	1m @ 83.5 g/t
	85	104	19m @ 2.71 g/t
Inc.	90	91	1m @ 10.4 g/t
	101	103	2m @ 7.16 g/t
GTRC381D	100.5	106	5.5m @ 4.05 g/t
GTDD011	85	89	4m @ 2.4 g/t
	94	96	2m @ 10.15 g/t
	99.1	120.5	21.4m @ 1.78 g/t
	135.8	142	6.2m @ 1.31 g/t
	144	147	3m @ 1.22 g/t
	167.9	169.9	2m @ 1.61 g/t
GTRC382D	96.3	125.5	29.2m @ 4.61 g/t
Inc.	114.5	123.3	8.8m @ 10.22 g/t
	137.5	139.5	2.5m @ 3.0 g/t
GTDD010	91	106.8	15.8m @ 1.58 g/t
	109.2	124.3	15.1m @ 1.74 g/t
	127.3	151.9	24.6m @ 3.25 g/t
Inc.	135.3	141	5.7m @ 8.63 g/t
	172	174.1	1.1m @ 1.1 g/t

Intervals calculated at +0.5 g/t Au cut with maximum of 2m continuous internal dilution. No upper cut. Bold is > 20 gxm.



Directors' report (continued)

Review of operations (continued)



Kelly RC Drilling

The Company completed an RC drilling programme at the Kelly Deposit. A total of 16 shallow inclined RC holes for 1312m were completed as infill to the existing drilling at Kelly North, with the aim being to provide better definition to the mineralised zone(s) and facilitate upgrading of the current Inferred Resource to JORC2012 compliance.

Higher grade gold intersections include:

20m @ 2.92 g/t (Inc. 8m @ 5.29 g/t from 62m)	From 56m to 76m in GTRC394
6m @ 6.40 g/t (Inc. 2m @ 14.48 g/t)	From 48m to 54m in GTRC402
2m @ 10.46 g/t	From 20m to 22m in GTRC401
15m @ 2.00 g/t (Inc. 3m @ 4.30g/t)	From 51m to 66m in GTRC400
7m @ 2.80 g/t	From 9m to 16m in GTRC396
15m @ 1.72 g/t	From 53m to 68m in GTRC397

Note- All drilling orientated -60°/270°. Intervals are down hole widths

Previous work has delineated large anomalous gold trend of over 2km at the Kelly Deposit, which has a current Inferred Resource of 2.41 Mt @ 1.04 g/t for 80,400 oz at a +0.5 g/t Au, and is open in all directions (Kelly Deposit Resource Estimation; BGMS, Kalgoorlie, 2012).

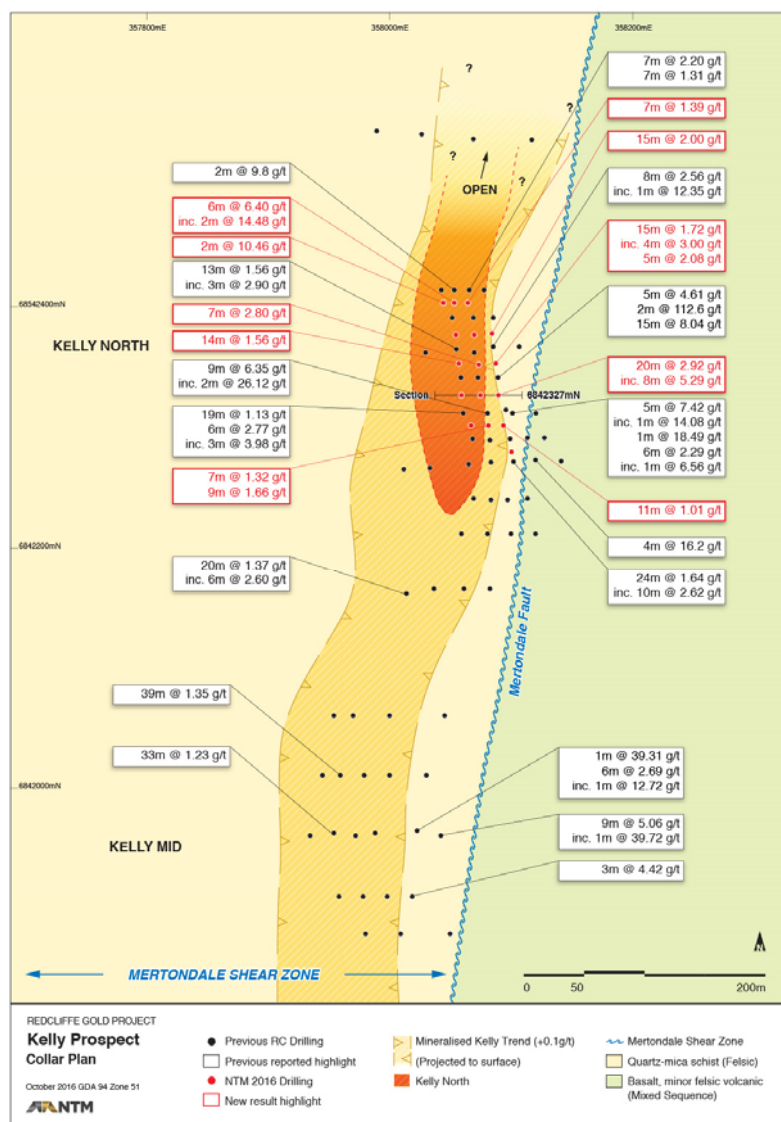
At a +0.2 g/t Au cut, the Inferred Resource at Kelly is currently estimated at 7,878,000t @ 0.63g/t for 159,320oz which demonstrates the large lower grade mineralisation that characteristic of the Kelly Deposit (Kelly Deposit Resource Estimation; BGMS, Kalgoorlie, 2012).

Directors' report (continued)

Review of operations (continued)

However, higher grade zones also comprise portions of the Kelly mineralisation with the recently completed drilling focussing on one such zone at Kelly North. Mineralisation at Kelly within the oxide profile is hosted in highly sheared felsic saprolite and clays, with fresher material displaying limonite-ankerite-silica-chlorite-pyrite alteration and quartz veining. Depth of complete oxidation is generally >90m downhole. The results from the drilling outline a northerly striking mineralised higher grade zone over some 150 metres, open along strike and at depth. It is inferred that late NE striking faulting may slightly offset the zone.

The Company is encouraged by these results, which confirm that coherent higher grade zones occur within the broad, +2 km Kelly mineralised trend identified to date. Further drilling including RC and diamond drilling to provide detailed geological/resource information and initial material for preliminary metallurgical testing is planned at Kelly.



Directors' report (continued)

Review of operations (continued)

Kelly North- Drill Hole Summary

HOLE	GDA_E	GDA_N	DEPTH (m)	AZ/DIP	FROM	TO	RESULT (Au)
GTRC388	358108	6842279	100	270/-60	47	48	1m @ 1.38
					66	67	1m @ 2.29
					81	86	5m @ 1.38
					91	92	1m @ 1.08
GTRC389	358070	6842299	80	270/-60	16	18	2m @ 1.48
					33	38	5m @ 0.7
					62	67	5m @ 0.9
					69	70	1m @ 1.14 EOH
GTRC390	358085	6842299	90	270/-60	25	29	4m @ 1.20
					47	54	7m @ 1.32
					57	66	9m @ 1.66
GTRC391	358100	6842299	100	270/-60	44	45	1m @ 1.02
					61	65	4m @ 1.37
					67	78	11m @ 1.01
GTRC392	358060	6842327	66	270/-60	6	9	3m @ 1.03
					29	34	5m @ 1.48
					58	60	2m @ 0.95
					63	66	3m @ 1.28 EOH
GTRC393	358075	6842327	80	270/-60	14	15	1m @ 3.05
					20	21	1m @ 1.17
					27	28	1m @ 1.09
					39	44	5m @ 0.9
					59	61	2m @ 2.25
					66	76	10m @ 1.26
GTRC394	358090	6842327	100	270/-60	39	42	3m @ 2.69
				Inc.	40	41	1m @ 7.13
					56	76	20m @ 2.92
				Inc.	62	70	8m @ 5.29
					98	100	2m @ 1.13 EOH
GTRC395	358060	6842352	70	270/-60	33	34	1m @ 1.54
					56	70	14m @ 1.56 EOH
				Inc.	57	58	1m @ 8.12
GTRC396	358075	6842352	80	270/-60	9	16	7m @ 2.80
				Inc.	10	11	1m @ 7.14
					13	14	1m @ 7.85
					21	23	2m @ 1.26
					41	43	2m @ 0.95
					51	52	1m @ 2.18
					56	60	4m @ 1.80
					66	67	1m @ 1.99
GTRC397	358090	6842352	100	270/-60	53	68	15m @ 1.72
				Inc.	63	67	4m @ 3.00
					88	93	5m @ 2.08
GTRC398	358060	6842377	66	270/-60	8	10	2m @ 1.60
					29	34	5m @ 2.00
					41	42	1m @ 1.52
					47	50	3m @ 1.65
					54	58	4m @ 1.07
					61	62	1m @ 1.23
GTRC399	358075	6842377	80	270/-60	9	14	5m @ 0.67
					50	56	6m @ 1.41
GTRC400	358090	6842377	100	270/-60	51	66	15m @ 2.00
				Inc.	51	54	3m @ 4.30
GTRC401	358045	6842402	60	270/-60	13	16	3m @ 1.55
					20	22	2m @ 10.46
					52	60	8m @ 0.72 EOH
GTRC402	358075	6842402	80	270/-60	13	14	1m @ 1.04
					40	44	4m @ 0.78
					48	54	6m @ 6.40
				Inc.	49	51	2m @ 14.48
					58	59	1m @ 1.44
					74	77	3m @ 1.49
GTRC403	358060	6842402	100	270/-60	51	58	7m @ 1.39

(Intervals calculated at +0.5 g/t Au with generally 2m of continuous internal dilution maximum)

Directors' report (continued)

Review of operations (continued)

Nambi- Drilling Programme

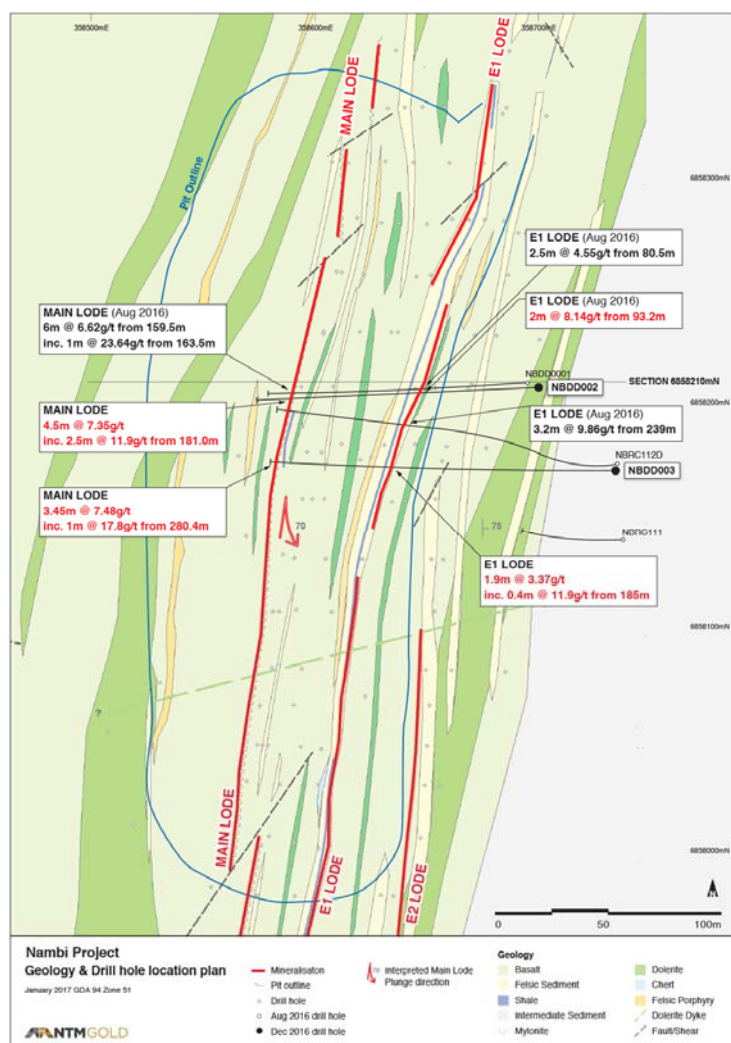
Two deep drilling campaigns were completed at the Nambi Deposit during the reporting period, one of which was co-funded by the DMP as part of an EIS Grant.

Drilling has increased the plunge extent of both lodes, in particular the Main Lode was has increased by some 50m to approximately -250m below surface, and remains open down plunge.

Hole	From	To	Interval	Comments
NBRC112D	239	242.3	3.2m @ 9.86 g/t Au	E1 Lode
NBDD001	80.5	82.5	2.5m @ 4.55 g/t Au	E1 Lode
	159.6m	165.6	6.0m @ 6.62 g/t Au	Main Lode
Inc.	163.5	164.5	1.0m @ 23.64 g/t Au	
NBDD002	93.2	95.2	2.0m @ 8.00 g/t Au	E1 Lode
	181.0	185.5	4.5m @ 7.35 g/t Au	Main Lode
Inc.	181.7	184.2	2.5m @ 11.9 g/t Au	
NBDD003	123.35	124	0.65m @ 1.58 g/t	E2 Lode

The Main Lode, which was the focus for open pit mining in the 1990's was intersected in both holes and comprised a mylonitised package of felsic volcanics, volcanoclastic rocks and black shales. Intense silicification and sulphides characterise the Main Lode, with sulphide content (pyrrhotite-pyrite-chalcocopyrite-arsenopyrite) exceeding 20% in places. Detailed structural logging of the core suggests that both the Main and E1 lodes occur within in parasitic fold hinge zones, plunging steeply SSE.

All holes intersected the E1 Lode, which has been lightly drill tested to date. The E1 lode differs slightly from the Main Lode in that mineralisation generally occurs above basal sulphidic black shale within mylonitised, silicified felsic volcanoclastic/sediment, and is also characterised by abundant sulphide content.



Directors' report (continued)

Review of operations (continued)



Main Lode – NBDD002 – 182.5m (above) and 184.3m (below)

The Company plans to investigate the potential for additional mineralised zones in untested structural positions as part of upcoming programmes, and a regional Aircore drilling programme is currently being finalised targeting new Nambi-style mineralised zones along strike of the Nambi pit, both to the north and south. Several structural and geochemical targets exist along strike that remains to be drill tested.

Nambi Drill Hole Summary

HOLE	GDA_E	GDA_N	DEPTH (m)	AZ/DIP
NBRC111	358140	6858739	133	-70/270
NBRC112D	358736	6858172	507.9	-68/270
NBDD001	358695	6856212	189.9	-60/270
NBDD002	358699	6858210	201.9	-62/270
NBDD003	358732	6858167	290.6	-67/270

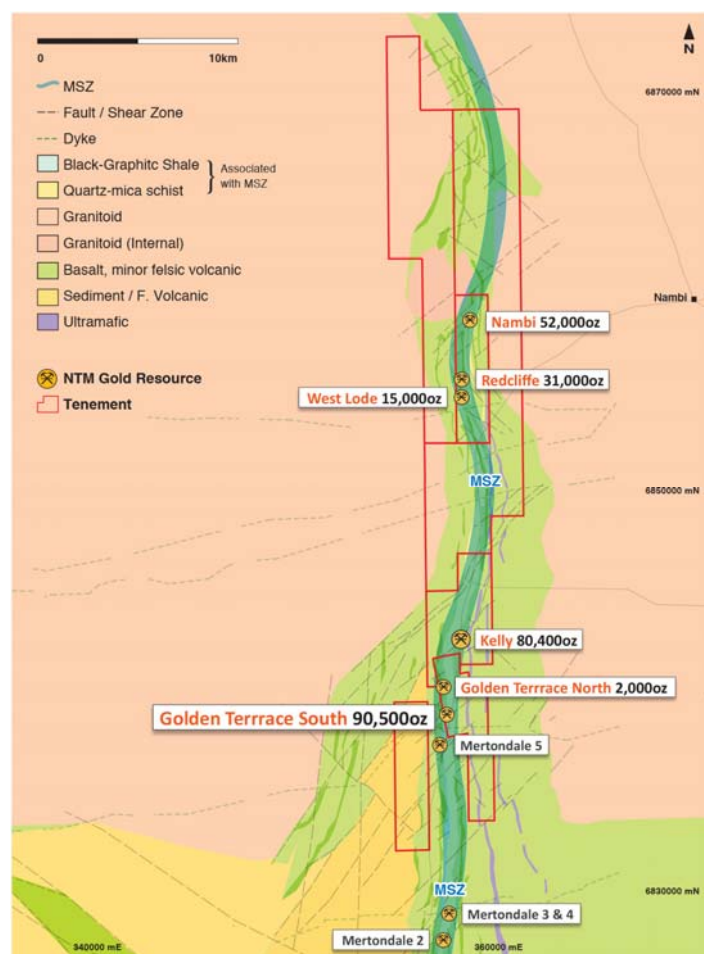
Additional Tenure

A further two ELA's were applied for by the Company during the quarter, ELA 37/1288 and ELA37/1289. This increases the size of the Redcliffe Gold Project to approximately 160 km².

A PL was acquired at Goose Well (P37/5593), located 50km east of Leonora where early regional geochemistry detected gold anomalism. Previous limited exploration data will be incorporated into the Company's database for review prior to exploration programme being planned.

Directors' report (continued)

Review of operations (continued)



Redcliffe Gold Project. Note Pig Well Project (P37/7948 & 7646) not shown.

Corporate

During the reporting period a number of corporate activities were completed.

Mr Rodney Foster, a director, was appointed as Chief Executive Officer of the Company and will lead the development and implementation of the Company's exploration strategy. As part of a broader board restructure Mr Paul Price was appointed as Chairman of the Company, Mr Lloyd Jones retired as Managing Director on 1 July and continues as a non-executive director. Mr Mark Maine was appointed as company secretary.

The Company's registered office and principal place of business has been changed to Suite 1, 64 Thomas Road, West Perth, Western Australia.

The Company successfully concluded the sale of Treasury Shares (shares in NTM held by Redcliffe Resources prior to the merger) in early July generating approximately \$416,000.

Name Change

Following ratification from shareholders at the Company's AGM in November, the Company's name was changed to NTM Gold Ltd.

Messrs David Ryan and Bruce McFarlane, both NED's of the Company resigned in an effort to streamline the Board and reduce corporate overheads.

All resolutions were passed at the AGM (see ASX announcement on 9 November 2016).

Placement and Equity Deal

In December, firm commitments were provided for a placement to raise \$1.275 million from Sophisticated Investors. Under the placement 25.5 million shares were issued at a price of 5 cents per share raising \$1.275 million before costs.

Directors' report (continued)

Review of operations (continued)

NTM has also secured an agreement with Ausdrill Limited (ASX:ASL) for \$1 million in a drilling for equity programme (the Agreement) in relation to the Redcliffe Gold Project in the Eastern Goldfields, Western Australia. Under the Agreement, Ausdrill will:

- provide approximately 30,000 metres of Reverse Circulation and Air Core drilling; and
- receive payment for up to \$1 million of drilling services at the Redcliffe Gold Project via the issue of ordinary shares in NTM pursuant to a payment mechanism based upon the volume weighted average price of the ordinary shares for the invoice period against the value of each invoice. Drilling rates proposed under the Agreement have been verified by NTM as commercially competitive. The Agreement will have immediate effect and apply to the Company's drilling programme recommencing in early 2017.

The Placement, together with the \$1 million under the Agreement will bring NTM's total funding and support to \$2.275M.

Sale of Manganese Assets

The Company entered into an agreement with an unrelated private Company, Yukida Resources Pty Ltd (Yukida) who will acquire 90% interest in the Northern Territory Mn assets of NTM, which comprise 25 mineral application within three project areas, Groote Eylandt, Commonweath Waters and Blue Mud Bay.

NTM will retain a 10% free carried interest together with a 5% royalty on any future production.

Competent Persons Statement

The information in this report, as it relates to Exploration Results, is based on information compiled and/or reviewed by Rodney Foster who is a Member of The Australasian Institute of Mining and Metallurgy. Rodney Foster is a Director of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Rodney Foster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This information with respect to Resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Events subsequent to reporting date

On 7 February 2017, the Company announced the issue of 1,250,000 ordinary fully paid shares at a price of \$0.06 cents per share for the provision of consultancy services.

Other than the above, there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Auditor independence

Section 370C of the Corporation Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the consolidated financial report. This Independence Declaration is disclosed on page 15 of this report and forms part of this directors' report for the half-year ended 31 December 2016.

Signed in accordance with a resolution of the Directors



Paul Price
Chairman

Perth, Western Australia
10th day of March 2017

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF NTM GOLD LIMITED

As lead auditor for the review of NTM Gold Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of NTM Gold Limited and the entities it controlled during the period.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 10 March 2017

Financial Statements

For the half-year ended 31 December 2016

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2016

	Notes	31 Dec 2016 \$	31 Dec 2015 \$
Revenue from continuing operations	3	3,984	12,199
Administration expenses		(43,414)	(26,743)
Impairment of available-for-sale financial assets	6	(5,000)	(20,136)
Compliance costs		(138,965)	(251,384)
Consultants fees		(38,410)	(80,300)
Depreciation expense		(4,226)	(4,097)
Directors fees		(78,850)	(36,000)
Employee benefits expense		(9,500)	(95,188)
Exploration and evaluation		(23,426)	(2,745)
Investor relations expenses		-	(22,064)
Office accommodation expenses		(4,375)	-
Travel expenses		(10,793)	(25,197)
Foreign exchange loss		(1,738)	-
Loss before income tax		(354,713)	(551,655)
Income tax benefit		-	-
Loss for the half-year		(354,713)	(551,655)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Changes in fair value of available-for-sale financial assets	6	17,019	-
Other comprehensive income for the period, net of tax		17,019	-
Total comprehensive loss for the period attributable to owners of NTM Gold Ltd		(337,694)	(551,655)
Loss per share for loss attributable to the ordinary equity holders of the Group:			
Basic loss per share (cents per share)		(0.15)	(0.48)
Diluted loss per Share (cents per share)		(0.15)	(0.48)

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

Consolidated statement of financial position

As at 31 December 2016

	Notes	31 Dec 2016 \$	30 June 2016 \$
Assets			
Current assets			
Cash and cash equivalents		1,507,298	765,832
Trade and other receivables	4	50,060	5,964
Prepayments		8,600	986
Total current assets		1,565,958	772,782
Non-current assets			
Exploration and evaluation expenditure	5	2,590,443	1,977,540
Plant and equipment		49,979	54,205
Available-for-sale financial assets	6	94,510	82,491
Total non-current assets		2,734,932	2,114,236
Total assets		4,300,890	2,887,018
Liabilities			
Current liabilities			
Trade and other payables		250,466	168,438
Provisions		-	15,595
Total current liabilities		250,466	184,033
Total Liabilities		250,466	184,033
Net assets		4,050,424	2,702,985
Equity			
Equity attributable to equity holders			
Contributed equity	7	16,154,679	14,469,546
Reserves		4,682,296	4,665,277
Accumulated losses		(16,786,551)	(16,431,838)
Total equity		4,050,424	2,702,985

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

Consolidated statement of changes in equity

For the half-year ended 31 December 2016

Consolidated	Attributable to Owners of NTM Gold Ltd			
	Contributed equity	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2015	12,872,562	4,665,277	(15,741,249)	1,796,590
Loss for the year	-	-	(551,655)	(551,655)
Total comprehensive loss	-	-	(551,655)	(551,655)
Transactions with owners in their capacity as owners				
Contributions of equity	145,540	-	-	145,540
Transaction costs	(3,945)	-	-	(3,945)
Balance at 31 December 2015	<u>13,014,157</u>	<u>4,665,277</u>	<u>(16,292,904)</u>	<u>1,386,530</u>
Balance at 1 July 2016	14,469,546	4,665,277	(16,431,838)	2,702,985
Loss for the year			(354,713)	(354,713)
Other comprehensive income	-	17,019	-	17,019
Total comprehensive loss	-	17,019	(354,713)	(337,694)
Transactions with owners in their capacity as owners				
Contributions of equity	1,275,000	-	-	1,275,000
Transaction costs	(5,978)	-	-	(5,978)
Treasury shares sold	416,111	-	-	416,111
Balance at 31 December 2016	<u>16,154,679</u>	<u>4,682,296</u>	<u>(16,786,551)</u>	<u>4,050,424</u>

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

Consolidated statement of cash flows

For the half-year ended 31 December 2016

	31 Dec 2016 \$	31 Dec 2015 \$
Cash flows from operating activities		
Payments to suppliers and employees	(446,749)	(527,405)
Other income	100	-
Interest received	3,889	14,639
Net cash (outflows) used in operating activities	(442,760)	(512,766)
Cash flows from investing activities		
Payments for exploration and evaluation	(500,908)	(95,952)
Payments for purchase of exploration assets	-	(276,188)
Loans to other entities	-	(85,993)
Net cash inflows (outflows) used in investing activities	(500,908)	(458,133)
Cash flows from financing activities		
Proceeds from issue of shares	1,275,000	-
Payments for share issue costs	(5,978)	(3,945)
Proceeds from sale of treasury shares	416,111	-
Repayment of borrowings	-	(3,425)
Net cash inflows (outflows) from financing activities	1,685,133	(7,370)
Net increase (decrease) in cash and cash equivalents	741,466	(978,269)
Cash and cash equivalents at beginning of financial year	765,832	1,731,686
Cash and cash equivalents at end of financial year	1,507,298	753,418

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

Notes to the consolidated financial statements

For the half-year ended 31 December 2016

1 Basis of Preparation and Accounting Policies

(a) Basis of preparation

These general purpose financial statements for the half-year ended 31 December 2016 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These half-year financial statements do not include all notes of the type normally included within the annual financial report and should be read in conjunction with the most recent annual financial statements and public announcements made by NTM Gold Ltd during the interim period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

The half-year financial statements were approved by the Board of Directors on 10th March 2017.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial statements and corresponding interim period.

(b) Significant accounting judgements and key estimates

In applying the Group's accounting policies, management continually evaluates, estimates and makes assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the 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 reporting period are:

(i) Going concern basis

For the half-year ended 31 December 2016 the Group recorded a loss of \$354,713, net cash outflows from operating activities of \$442,760 and net working capital of \$1,315,492. Furthermore, the Directors have prepared a cash flow forecast which indicates that the Group would be required to raise funds to provide additional working capital to continue developing its Redcliffe Gold Project.

The ability of the Group to continue as a going concern is dependent on securing additional funding through capital raisings to fund its ongoing exploration commitments and working capital.

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

The Directors believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report. Subsequent to the end of the half-year the Group expects to receive additional funds via capital raisings or shareholder support.

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

(c) Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2016, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2016.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and therefore, no change is necessary to Group accounting policies.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2016

1 Basis of Preparation and Accounting Policies (continued)

(c) Adoption of new and revised Accounting Standards (continued)

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2016. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

2 Segment information

The Directors (who are the chief decision makers) have determined the Group has one reportable segment, being mineral exploration in Australia. As the Group is focused on mineral exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

	31 Dec 2016 \$	31 Dec 2015 \$
Reportable segment profit / (loss)	(23,326)	(2,745)
Reportable segment assets	4,300,891	529,546
Reportable segment liabilities	(250,466)	(18,719)
Reconciliation of reportable segment profit or loss		
Reportable segment profit (loss)	(23,326)	(2,745)
Unallocated:		
- Corporate expenses	(335,271)	(561,109)
- Interest income	3,884	12,199
Loss before income tax	(354,713)	(551,655)
	31 Dec 2016 \$	30 June 2016 \$
Reconciliation of reportable segment assets		
Segment assets	2,590,443	1,977,540
Intersegment eliminations		
Unallocated:		
- Cash and cash equivalents	1,507,298	765,832
- Trade and other receivables	50,060	5,964
- Prepayments	8,600	986
- Available-for-sale financial assets	94,510	82,491
- Plant & equipment	49,979	54,205
Total assets as per statement of financial position	4,300,890	2,887,018
Reconciliation of reportable segment liabilities		
Segment liabilities	(153,884)	(29,186)
Intersegment eliminations		
Unallocated:		
- Trade and other payables	(96,582)	(139,252)
- Provisions	-	(15,595)
Total liabilities as per statement of financial position	(250,466)	(184,033)

There have been no changes to the way that the segment report is reported from the prior year. There is no reportable segment depreciation, amortisation or tax expense. As a result of the Group's operations it does not have any major customers.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2016

	31 Dec 2016 \$	31 Dec 2015 \$
3 Revenue from continuing operations		
Interest revenue	3,884	12,199
Other income	100	-
	3,984	12,199
	31 Dec 2016 \$	30 June 2016 \$
4 Trade and other receivables		
Other receivables	12,702	-
GST receivable	37,317	5,917
Other	41	47
	50,060	5,964
	31 Dec 2016 \$	30 June 2016 \$
5 Exploration and evaluation		
Balance at beginning of the half-year	1,977,540	-
Acquisition of Redcliffe Gold Project - 51% interest	-	415,076
Acquisition of Redcliffe Gold Project - Scheme of Arrangement	-	1,281,385
Acquisition of additional tenements	6,637	8,325
Expenditure incurred	629,692	287,927
Expenditure written off	(23,426)	(15,173)
Balance at end of half-year	2,590,443	1,977,540

The ultimate recoverability of the Group's areas of interest is dependent on the successful discovery and commercialisation of the project.

The Group follows the guidance of AASB 6 Exploration for and Evaluation of Mineral Resources to determine when capitalised exploration and evaluation expenditure is impaired. Exploration and evaluation expenditure of \$23,426 has been written off during the period.

	31 Dec 2016 \$	30 June 2016 \$
6 Available-for-sale financial assets		
Listed equity securities:		
Balance at beginning of the year	82,491	82,955
Impairment of available-for-sale financial assets	(5,000)	(464)
Gain recognised in other comprehensive income	17,019	-
Balance at end of half-year	94,510	82,491

The listed equity securities have been impaired down to fair value based on the ASX bid price as at 31 December 2016.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2016

	31 Dec 2016 Shares	31 Dec 2015 Shares	31 Dec 2016 \$	31 Dec 2015 \$
7 Contributed equity				
<i>(i) Ordinary shares</i>				
Issued and fully paid	251,786,143	117,549,775	16,154,679	13,014,157
Total contributed equity	251,786,143	117,549,775	16,154,679	13,014,157

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Shares	\$
<i>(ii) Movement in ordinary shares on issue</i>		
At 1 July 2015	103,328,307	12,872,562
18 August 2015 Shares issued in part consideration for 51% interest in mining leases and prospecting licenses	13,888,889	138,889
20 August 2015 Shares issued in lieu of Professional Services	332,579	6,651
Capital raising costs incurred	-	(3,945)
At 31 December 2015	117,549,775	13,014,157
At 1 July 2016	214,397,254	14,469,546
7 to 12 July 2016 Disposal of treasury shares	11,888,889	416,111
9 November 2016 Shares issued to sophisticated investors	25,500,000	1,275,000
Capital raising costs incurred	-	(5,978)
At 31 December 2016	251,786,143	16,154,679

Options

Unlisted Options

No unlisted options to subscribe for ordinary fully paid shares were granted during the half-year.

No unlisted options to subscribe for ordinary fully paid shares are outstanding at 31 December 2016:

6,000,000 unlisted options lapsed during the half-year.

8 Financial assets and fair value of financial instruments

The fair value measurement principles adopted in this report are consistent with those applied in the consolidated financial statements for the year ended 30 June 2016.

The table below analyses the Group's financial instruments that are carried in the financial statements at fair value by valuation method. The Group's financial assets carried at fair value are listed equity shares.

	31 Dec 2016 \$	30 June 2016 \$
Financial Assets - Current		
Listed equity shares at fair value through other comprehensive income (i)	94,510	82,491

- (i) Level 1 – Fair value measurements were obtained using quoted prices (unadjusted) in active markets for identical assets.
- (ii) Level 2 – Fair value measurements were obtained using inputs other than quoted prices that are observable for the asset either directly (as prices) or indirectly (derived from prices).
- (iii) Level 3 – Measurements are not based on observable market data (unobservable inputs).

There were no transfers between level 1 and level 2 during the reporting period.

Fair value of financial assets and liabilities

The Group's carrying values for all financial instruments, other than those measured at fair value approximate their fair values at 31 December 2016.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2016

9 Commitments and contingencies

There were no changes in commitments and contingencies to those disclosed in the most recent financial report at 30 June 2016.

10 Related parties

Transactions with key management personnel

There were no changes to transactions with key management personnel during the period.

11 Events after the reporting date

On 7 February 2017, the Company announced the issue of 1,250,000 ordinary fully paid shares at a price of \$0.06 cents per share for the provision of consultancy services.

No other matter or circumstance has arisen since 31 December 2016 which has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

Directors' declaration

In the opinion of the directors:

- (a) the consolidated financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's consolidated financial position as at 31 December 2016 and the performance for the half-year then ended; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001 and other mandatory professional requirements; 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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Paul Price
Chairman

Perth, Western Australia
10th day of March 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of NTM Gold Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of NTM Gold Limited, which comprises the consolidated statement of financial position as at 31 December 2016, 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of NTM Gold Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of NTM Gold Limited would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of NTM Gold Limited is not in accordance with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter - Material uncertainty relating to going concern

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

BDO Audit (WA) Pty Ltd



Glyn O'Brien

Director

Perth, 10 March 2017