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RTG MINING INC.

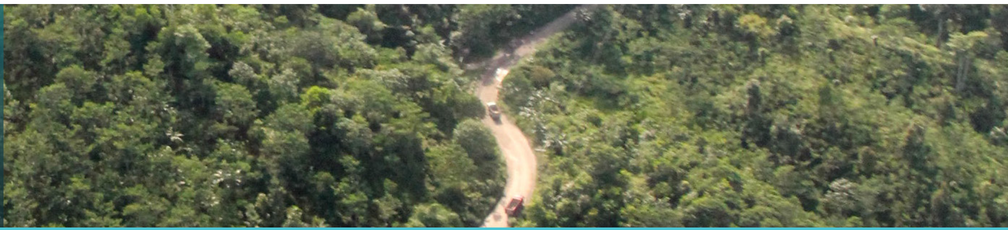
2016 ANNUAL REPORT

Unlocking Value Through New Development

CONTENTS

CORPORATE DIRECTORY & BOARD OF DIRECTORS

DIRECTORS



DIRECTORS

Michael J Carrick	**Chairman**
Justine A Magee	
David A Cruse	
Robert N Scott	
Phil C Lockyer	

SECRETARY

Nicholas Day

CORPORATE DIRECTORY

REGISTERED OFFICE

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British Virgin Islands

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Subiaco WA 6008

Telephone +61 8 6489 2900
Facsimile +61 8 6489 2920

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130 Robeby Road
Subiaco WA 6008

AUDITORS

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Subiaco WA 6008

STOCK EXCHANGE

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

TORONTO STOCK EXCHANGE

Exchange Code:
RTG - Fully paid shares

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Corrs Chamber Westgarth
Level 15
Woodside Plaza
240 S Georges Terrace
Perth WA 6000

WEBSITE

RTGmining.com

MANAGEMENT DISCUSSION & ANALYSIS

I

RTG MINING INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016

This Management Discussion and Analysis ("MD&A") of RTG Mining Inc. ("RTG", "Company" or the "Group") provides a review of the operations and performance of the Company and compares its performance with those of the preceding year and quarters. This MD&A also provides an indication of future developments along with issues and risks that can be expected to impact future operations. This report has been prepared on the basis of available information up to December 31, 2016 and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2016, and the related notes thereto and the Annual Information Form ("AIF") dated March 30, 2017 for December 31, 2016. Our financial statements have been prepared in accordance with International Financial Reporting Standards.

All figures are in US dollars unless otherwise indicated, and the effective date of this MD&A is March 30, 2017.

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

DESCRIPTION AND OVERVIEW OF BUSINESS

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

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

Overview of the three and twelve months ended December 31, 2016

Highlights for the three months to December 31, 2016 included:

- RTG commenced a reconnaissance 1,500m diamond drilling program during the quarter at the Bunawan Project, following the renewal of Exploration License (EP-000033-14-XIII).

- Ms. Gloria Tan Climaco, a highly respected and successful Philippine business person has agreed to join the Board of Mt. Labo Exploration and Development Corporation ("Mt. Labo") as Chairman and has made a significant investment in the company.

- Mt. Labo has rescinded the previous settlement agreement with its joint venture partner, Galeo Equipment Corporation ("Galeo") due to non-performance by Galeo and has served a notice of termination and arbitration as required.

- Due to the above, Galeo is no longer a shareholder of Mt. Labo and its interest at December 31, 2016 reverted to a 36% unincorporated joint venture interest which has subsequently been terminated for failure to cure material breaches of the joint venture agreement. Galeo is disputing that position in the Philippine Courts.

- At the Mabilo Project acquisition of multi-element assay data was completed during the quarter. The additional data was incorporated into the exploration model to improve vectors to identify porphyries and help with future development of geometallurgical modelling.

- Prior to the dispute with Galeo near the end of the quarter, planning and preparation for oxide mining also continued during the quarter at the Mabilo Project. The work mainly focused on Environmental Control Structures; i.e. diversion bunds, control dams, detention basins and diversion channels.

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

- The Company expects to receive an estimated A$77,000 in early 2017 as part of its Research and Development tax claim from the Australian Government. The claims received to date are worth A$319,000.

Highlights for the twelve months to December 31, 2016 included:

The twelve months to December 31, 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 Mabilo Exploration Permit, EP-014-2013-V.

In May 2016, a NI 43-101 Technical Report was released for the Mabilo Copper-Gold-Iron Project following on from the announcement of the Feasibility Study ("FS") on March 18, 2016 on the TSX*. The Mabilo Project is both high grade and low cost underpinning the robust economics presented in the FS including a 33% IRR after tax.

On June 28, 2016 the Company announced the sale of its interest in the Segilola Gold Project. The Company announced the completion of the sale to Thor Explorations Ltd ("Thor") for total consideration of $8.5 million, including $3.0 million consideration upfront, including $1.5 million in cash and $1.5 million in Thor listed shares. An additional $2 million cash payment and a capped royalty on the Segilola Gold Project of $3.5 million was included as part of the consideration for the sale, but has not yet been received.

The Company successfully completed the issue of approximately 33 million shares at a price of A$0.60 per share to institutional and sophisticated investors pursuant to a private placement announced by the Company on July 15, 2016 and raising proceeds of approximately $14 million.

* The Company confirms that all the material assumptions underpinning the FS as announced to the ASX on the March 18, 2016 continue to apply and have not materially changed. A copy of the announcement can be found on the Company's website at www.rtgmining.com. The FS is based on a treatment rate of 1Mtpa. A treatment rate of 1.35Mtpa was also considered in an upside case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa. The capital cost estimates were derived from first principles for the 1 Mtpa process plant to an accuracy of +/- 15% and then the capital cost estimates were factored with an accuracy of +/- 25% for the 1.35 Mtpa process plant. The operating cost estimates were derived from first principles for the 1Mtpa process plant and then plant costs were factored with an accuracy of +/- 25% for the 1.35Mtpa operating scenario. All costs are in 2015 US dollars.

MABILO PROJECT ("Mabilo" or the "Project")

Project Background

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

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

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

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

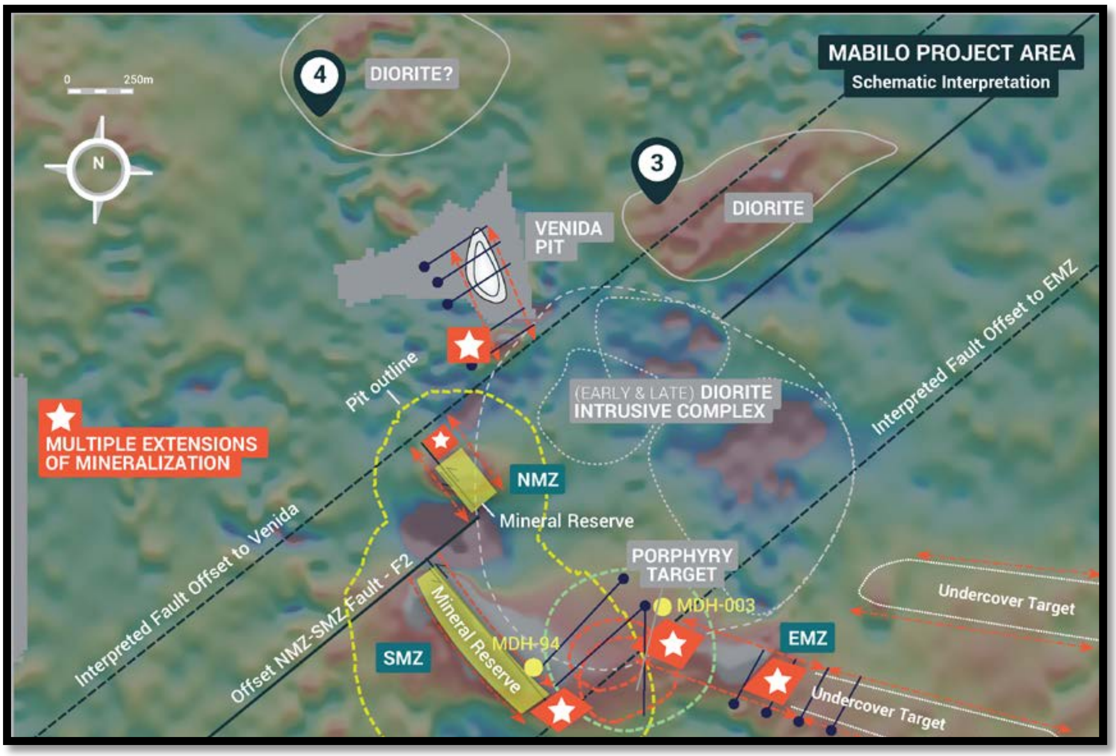

Figure 1- RTP ground magnetic image with modelled South, North and East magnetic bodies, showing exploration upside targets.

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

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

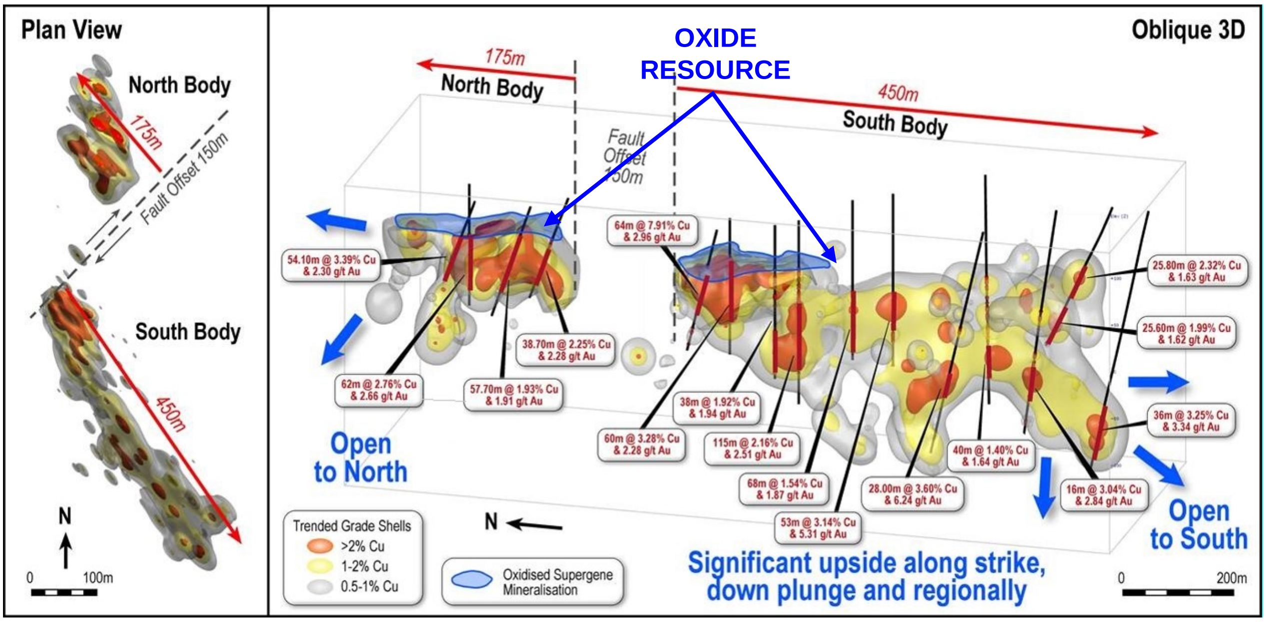

Figure 2 - North and Southern Mineralised Zones with intercept highlights - Schematic Oblique view 3D.

Mabilo Mineral Resource

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

Mineral Resource Estimate as at November 2015 for the Mabilo Project									
Weathering State	**Classification**	**Million Tonnes**	**Cu %**	**Au g/t**	**Ag g/t**	**Fe %**	**Cu Metal (Kt)**	**Au Oz ('000s)**	**Fe Metal (Kt)**
Oxide + Supergene	Indicated	0.78	4.1	2.7	9.7	41.2	32.1	67.1	320.8
	Inferred	0.05	7.8	2.3	9.6	26	3.7	3.5	12.3
Fresh	Indicated	8.08	1.7	2	9.8	46	137.7	510.5	3,713.70
	Inferred	3.86	1.4	1.5	9.1	29.1	53.3	181.5	1,121.80
Combined	**Indicated (Total)**	**8.86**	**1.9**	**2**	**9.8**	**45.6**	**169.8**	**577.6**	**4,034.50**
Combined	**Inferred (Total)**	**3.91**	**1.5**	**1.5**	**9.1**	**29**	**57**	**184.9**	**1,134.10**
Note: Differences may occur due to rounding. All elements reported as total estimated in-situ for blocks above 0.3 g/t Au lower cut-off, no recovery factors have been considered. Mineral resources that are not mineral reserves do not have demonstrated economic viability.									

Table 1 - Total Mabilo Resource at 0.3 g/t Au Cut-off Grade

Mabilo Mineral Reserves

Mineral Reserve Estimate
The probable Reserve represents an **equivalent gold grade for the reserves of 5.26 g/t*** (before recoveries) **containing 1.32Moz of equivalent gold** or an **equivalent copper grade of 4.1%*** (before recoveries) **containing 316Kt of equivalent copper**.

Probable Mineral Reserve Estimate								
Ore							**Waste**	**Strip Ratio**
Class	**Type**	**Mt**	**Fe %**	**Au g/t**	**Cu %**	**Ag g/t**	**Mt**	
Probable	Gold Cap	0.351	40.1	3.11	0.38	3.26	77.713	10.0
	Supergene	0.104	36.5	2.20	20.7	11.9		
	Oxide Skarn	0.182	43.6	2.52	4.17	19.9		
	Fresh	7.155	45.9	1.97	1.70	8.73		
Total Probable Ore		**7.792**	**45.5**	**2.04**	**1.95**	**8.79**		

Table 2

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

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

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

Feasibility Study

The Company announced on March 18, 2016 the results from an independent NI 43-101 compliant FS for 100% of the high grade Mabilo Project in Southeast Luzon, Philippines*. The Mabilo Project is both high grade and low cost, underpinning the robust economics presented in the FS including a 33% IRR after tax at US$5,000/t Cu US$1,200/oz Au prices (43.6% with only a 10% lift in commodity prices) and an equivalent operating cost of US$0.80/lb copper equivalent or US$425/oz gold equivalent for concentrate production at a throughput rate of 1.35mtpa**.

* The FS is based on a treatment rate of 1Mtpa. A treatment rate of 1.35Mtpa was also considered in an upside case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa. The capital cost estimates were derived from first principles for the 1 Mtpa process plant to an accuracy of +/- 15% and then the capital cost estimates were factored with an accuracy of +/- 25% for the 1.35 Mtpa process plant. The operating cost estimates were derived from first principles for the 1Mtpa process plant and then plant costs were factored with an accuracy of +/- 25% for the 1.35Mtpa operating scenario. All costs are in 2015 US dollars.
** The Copper equivalent tonnes and gold equivalent ounces are based on the following formulas –
CuEq = (Cu produced/contained*$5000) + (Au produced/contained*$1200+ (Any Contained Fe metal produced* $50))/$5000
AuEq = (Cu produced/contained*$5000) + (Au produced/contained*$1200+ (Any Contained Fe metal produced* $50))/$1200

BUNAWAN PROJECT

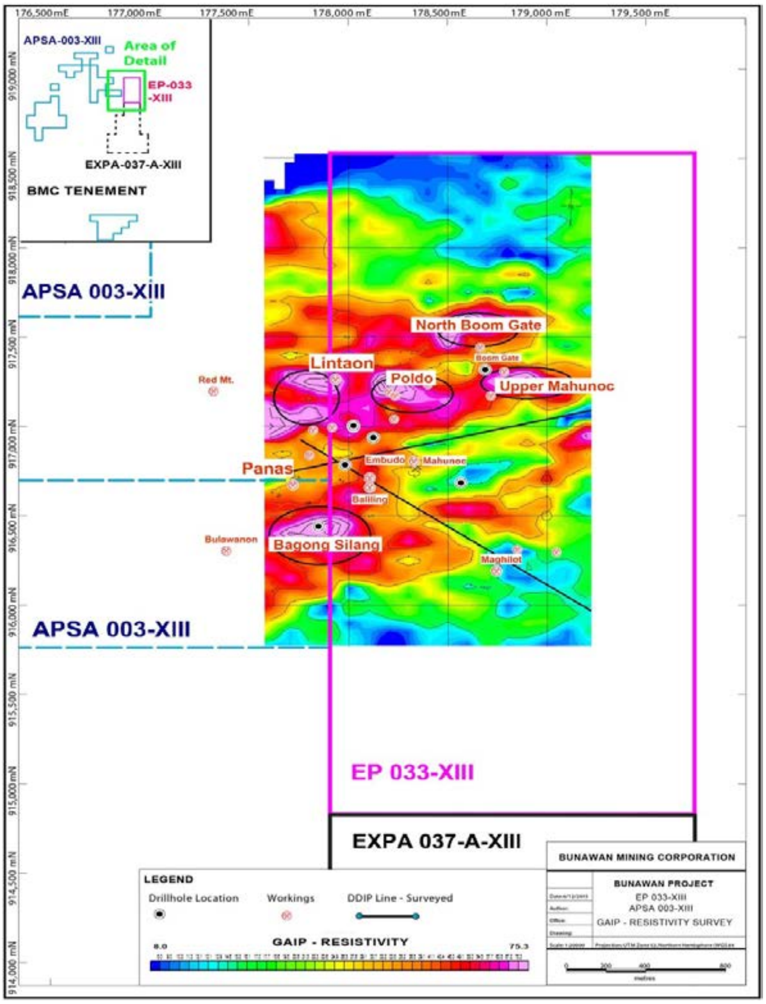

Figure 3 - 2015 Bunawan GAIP Resistivity Survey

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

The MGB in the Philippines renewed the exploration license (EP-000033-14-XIII) ("EP") for the Bunawan Project in the Philippines for a further 2 years in October 2016.

With the renewal of the EP, a reconnaissance 1,500m diamond drilling program commenced mid-November, targeting key areas highlighted in the December 2015 Gradient Array - Induced Polarization ("GAIP") and Dipole-Dipole Induced Polarisation ("DDIP") programs.

The program has targeted areas where the IP response from the GAIP and DDIP programs (see Figure 3 above) coincided with the structure from the magnetics and geochemistry. The results from this phase of drilling are expected to provide a better understanding of the mineralised systems identified from the results of the 2014 reconnaissance drilling phase. Two holes had been completed by the end of the year. Core cutting and delivery for assaying had been completed for the first hole.

NALESBITAN PROJECT

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

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

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

JOINT VENTURE

Mt. Labo has rescinded the previous settlement agreement with its joint venture partner, Galeo due to non-performance. Subsequently, Galeo is no longer a shareholder of Mt. Labo and its interest in the joint venture has reduced to a 36% unincorporated joint venture interest. Galeo is contesting that position in the Philippine Courts. Following a 60 day notice period pursuant to the Joint Venture Agreement, the joint venture was automatically terminated on January 31, 2017, due to Galeo not remedying the notified breaches of the Joint Venture Agreement, which again it is contesting. As part of the litigation process, Galeo has commenced a number of nuisance and harassment actions, including the arrest of 2 officers of Mt. Labo, without proper foundation. Mt Labo plans to instigate arbitration proceedings to enforce its rights against Galeo. Mt. Labo obviously does not believe arbitration necessarily results in sensible business outcomes and will likely cause a delay to operational activities, but believes it is the only avenue available to it, to protect its interests from the ongoing misconduct of Galeo and its founder.

OTHER PHILIPPINES PROJECTS

Bahayan Project

The Bahayan Project in the Philippines comprises exploration permit application 123 ("EXPA-123-XI") covering 69.2km^2 of ground near the Diwalwal mining camp. High-grade gold veins were discovered at Diwalwal in the early 1980's, although there has been little modern exploration at Diwalwal and surrounding areas. Based on the MGB XI MTSR as of December 2016, EXPA-123-XI has been endorsed to the MGB Central Office and is awaiting the clearance of the MGB Director.

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

Work at the Bahayan Project in 2015 included the completion of 60.2 line kms of ground magnetic survey, further geological mapping, rock chip sampling and petrographic work. The Bahayan Project continues to show potential and the ground magnetic work has highlighted a number of areas that warrant further interpretation and follow up resistivity work.

Mawab Project

The Mawab Project in the Philippines comprises two contiguous applications which have a combined area of 65.66 km2. They are located in the Masara Mineral Field, one of most highly mineralised section of the Pacific Cordillera where there are a number of past mines and deposits currently at an advanced stage of development.

Taguibo Project

The Taguibo Project in the Philippines comprises one granted exploration permit and two applications for Exploration Permits covering a combined area of 128.7 km^2. Exploration permit no. 000001-06-XI was granted on the October 18, 2006. The two applications have been cleared and have priority of application.

OTHER INVESTMENTS

RTG announced on August 29, 2013 that it had sold its interest in the Mkushi Copper Project for $13.1M to Elephant Copper Ltd (“Elephant Copper”), to date the Company has fully provided for the consideration to be received under the agreement.

On August 22, 2016 the Company announced the completion of the sale of its Segilola Gold Project in Nigeria to Thor, a TSX-V listed company, for total consideration of $8.5M, including $3.0M consideration upfront, including $1.5M in cash and $1.5M in Thor listed shares. An additional $2M cash payment and a capped royalty on the Segilola Gold Project of $3.5M was included as part of the consideration for the sale, but has not yet been received.

RESULTS OF OPERATIONS

The Company recorded a net loss for the three and twelve month period ended December 31, 2016 of $81.495M and $85.523M respectively as compared to losses of $1.528M and $9.237M for the three and twelve month period ended December 31, 2015. The increased loss result compared to the prior year was primarily due to an impairment expense recognised over the Company's investment in its Associates ($80.747M). In the prior year, the Company took up an impairment expense for its investment and convertible note in Elephant Copper ($3.172M).

Adjusting for impairment, the full year loss in the current period was $1.990M lower than the previous year. The reduced loss result compared with the prior year was due to a reduction in the share of loss from Associates (mainly associated with expenditure on the Mabilo Project) and a Research and Development tax claim received of $0.265M offset by slightly higher exploration, business development and administration costs.

Consolidated results

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

Profit and loss results for the year	**December 31, 2016 (12 months)**	**December 31, 2015 (12 months)**	**December 31, 2014 (12 months)**	**December 31, 2013 (6 months)**
Other income	265	4	32	12
Business development expenses	(1,175)	(1,135)	(1,571)	(790)
Administrative expenses	(2,870)	(2,445)	(3,838)	(2,039)
Impairment expense	(80,747)	(3,172)	-	-
Exploration and evaluation expenditure	(532)	(381)	-	-
Share of Associates loss	(386)	(2,097)	(1,677)	-
Foreign exchange loss	(78)	(11)	(387)	(280)
Loss from continuing operations	**(85,523)**	**(9,237)**	**(7,441)**	**(3,097)**
Gain from discontinued operations	700	-	-	2,216
Net loss for the year	**(84,823)**	**(9,237)**	**(7,441)**	**(881)**
Loss per share from continuing operations				
Basic loss per share (US$ cents)	(56.93)	(7.09)	(9.48)	(9.48)
Diluted loss per share (US$ cents)	(56.93)	(7.09)	(9.48)	(9.48)
Loss per share attributable to ordinary shareholders				
Basic loss per share (US$ cents)	(56.71)	(6.90)	(9.61)	(2.70)
Diluted loss per share (US$ cents)	(56.71)	(6.90)	(9.61)	(2.70)
Total assets	26,995	93,458	92,467	14,799
Total liabilities	460	395	1,221	209
Working capital	11,851	4,587	1,654	11,055
Net assets	**26,535**	**93,063**	**91,246**	**14,590**

	Three month period ended				
Profit and loss results for the quarter	**Dec 31, 2016**	**Sep 30, 2016**	**Jun 30, 2016**	**Mar 31, 2016**	**Dec 31, 2015**
Other income	18	210	2	35	2
Business development expenses	(388)	(299)	(317)	(171)	(241)
Administrative expenses	(491)	(871)	(963)	(547)	(762)
Impairment expense	(80,747)	-	-	-	-
Exploration and evaluation expenditure	(126)	(84)	(204)	(117)	(137)
Share of Associates loss	446	(298)	(205)	(329)	(415)
Foreign exchange gain / (loss)	(207)	156	2	(28)	25
Loss from continuing operations	**(81,495)**	**(1,186)**	**(1,685)**	**(1,157)**	**(1,528)**
Gain from discontinued operations	-	700	-	-	-
Net loss for the period	**(81,495)**	**(486)**	**(1,685)**	**(1,157)**	**(1,528)**
Loss per share from continuing operations					
Basic loss per share (US$ cents)	(54.70)	(0.74)	(1.25)	(0.86)	(1.17)
Diluted loss per share (US$ cents)	(54.70)	(0.74)	(1.25)	(0.86)	(1.17)
Loss per share attributable to ordinary shareholders					
Basic loss per share (US$ cents)	(54.61)	(0.31)	(1.25)	(0.86)	(1.17)
Diluted loss per share (US$ cents)	(54.61)	(0.31)	(1.25)	(0.86)	(1.17)

Specific items discussed below:

Other income
The Company holds its cash in different currencies including Australian dollars, Canadian dollars and United States dollars which exposes the Company to foreign exchange gains and losses. For the three and twelve month periods ended December 31, 2016 the Company incurred foreign exchange losses of $0.207M and $0.078M respectively, compared to a foreign exchange gain experienced in the three month period ended December 31, 2015 of $0.025M and a loss of $0.011M for the twelve month period ending December 31, 2015. The Company's foreign exchange movements are driven by fluctuations in AUD and CAD exchange rates with the US dollar in relation to its cash reserves.

Administrative expenses
Administrative costs of $0.491M and $2.870M were incurred by the Company for the three and twelve month periods ended December 31, 2016 respectively. These costs were lower in the three month period and higher in the twelve month period than those incurred in the same periods in 2015, being $0.762M and $2.444M. The higher costs for the twelve month period relate to finalisation of the sale of the Segilola Project, the resolution of joint venture issues and costs associated with the capital raising (refer to "Financing Activities" section).

Business development expenses
The Company incurred business development expenses for the three and twelve month periods ended December 31, 2016 of $0.388M and $1.175M respectively compared to the three and twelve month periods ended December 31, 2015 of $0.240M and $1.135M respectively. The costs were higher in the current year for the three month period and comparable for the twelve month period. The higher costs incurred during the quarter relates to new business development opportunities that are currently being progressed.

Share of Associates loss
The Company incurred a share of profit and losses of its Associates including a profit of $0.446M and losses of $0.386M for the three and twelve month periods ended December 31, 2016 respectively, compared with the three and nine month periods ended December 31, 2015 of $0.415M and $2.098M respectively. The share of Associates losses are generated from the investment in Philippine entities acquired in the merger with Sierra. The costs are a function of the amount of exploration and development activity at the Mabilo Project which includes feasibility costs related to the planned oxide and primary mining operation, and work at the Company's other Philippines projects including Bunawan.

Commitments, events, risks or uncertainties
As detailed above, the joint venture between Mt. Labo and Galeo was terminated subsequent to year-end and is subject to actions in both the Philippine Courts and Singapore Arbitration plans and the new Secretary of the Department of Environment and Natural Resources announced a moratorium on new mining developments in the country, resulting in increased uncertainty with regard to the Mabilo Project.

The Company's risks are further detailed in the AIF dated March 30, 2017 in the "Risk Factors" section; this Risk Factors section is incorporated into the MD&A by reference.

SUMMARY OF QUARTERLY RESULTS

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

	Q4 Dec 2016	***Q3 Sep 2016***	***Q2 Jun 2016***	***Q1 Mar 2016***	***Q4 Dec 2015***	***Q3 Sep 2015***	***Q2 Jun 2015***	***Q1 Mar 2015***
Other income	18	210	1	35	2	-	1	-
Loss from continuing operations	(81,495)	(1,186)	(1,685)	(1,157)	(1,528)	(1,695)	(4,717)	(1,297)
Net loss for the period	(81,495)	(486)	(1,685)	(1,157)	(1,528)	(1,695)	(4,717)	(1,297)
Loss per share from continuing operations								
Basic loss per share (US$ cents)	(54.70)	(0.74)	(1.25)	(0.86)	(1.17)	(1.31)	(3.73)	(1.30)
Diluted loss per share (US$ cents)	(54.70)	(0.74)	(1.25)	(0.86)	(1.17)	(1.31)	(3.73)	(1.30)
Total loss per share								
Basic loss per share (US$ cents)	(54.61)	(0.31)	(1.25)	(0.86)	(1.17)	(1.31)	(3.73)	(1.30)
Diluted loss per share (US$ cents)	(54.61)	(0.31)	(1.25)	(0.86)	(1.17)	(1.31)	(3.73)	(1.30)

LIQUIDITY AND CAPITAL RESOURCES

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

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

See Financing Activities for details of the A$20 million private placement.

Cash and financial conditions

As at December 31, 2016, the Company had cash and cash equivalents of $11.207M compared to $4.562M at December 31, 2015.

The Company had working capital of $11.851M at December 31, 2016 compared to working capital of $4.587M at December 31, 2015. The increase in working capital during the 12 month period can be attributed to the net US$13.669M capital raising completed in July 2016, and the net $1.5M upfront cash consideration received in August and December 2016 as part of the sale of the Company's interest in the Segilola Gold Project.

The Company received approval for a Research and Development tax claim from the Australian Government in November. During the September quarter, the Company received the A$0.274M tax claim from the Australian Government.

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

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

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

Investing activities
The Company recognised net investing cash outflow of $1.228M and $2.860M for the three and twelve months ended December 31, 2016, compared to cash outflows of $1.528M and $4.630M for the comparative periods in 2015. During the December quarter, loans were extended to the Company's Associates for its share of project related costs in the Philippines and loans were extended to non-related entities. The movement in the Company's loans to Associates for the current year have funded the costs in relation to the completion of the FS for the Mabilo Project; lodgement of its 43-101 Technical Report; finalising the issue of both the ECC for the Mabilo Project together with a renewal of EP-014-2013-V.

Financing activities
For the three month period ended December 31, 2016 the Company recognised no cash flows from financing activities. For the twelve month period ended December 31, 2016, the Company recognised net financing cash inflows of $13.669M. During the September quarter, the Company successfully completed a private placement, announced by the Company July 15, 2016 of 33 million shares at a price of A$0.60 per share to institutional and sophisticated investors.

SECURITIES OUTSTANDING

As at the date of this report, the Company had 8,784,687 options on issue. The total outstanding capital of the Company as at the date of this report was 167,585,577 fully paid common shares. The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

FUTURE OUTLOOK

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

The focus will be on progressing the litigation and arbitration matters, and in parallel identifying and delivering on new business opportunities to diversify the Company's exposure to the Philippines.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows for the three and twelve months ended December 31, 2016:

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

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

	Three months ended December 31,		**Twelve months ended December 31,**	
	2016 $US	**2015 $US**	**2016 $US**	**2015 $US**
Director fees	11,822	11,844	49,207	53,085
Total	**11,822**	**11,844**	**49,207**	**53,085**

During the twelve months ended December 31, 2016, the Company entered into transactions with related parties in the wholly-owned group:

- Loans of $1,408,194 were advanced to the Company from short term inter-company accounts, and
- Loans of $3,516,743 were advanced on to Associates of the Company.

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.

CONTRACTUAL OBLIGATIONS

	US$
Commitments [(1)]	
Within one year	140,780
Longer than one year and not longer than five years	221,053
After five years	-
	361,833

[(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 AUD$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 the date of this report the Company had no contingent liabilities.

CRITICAL ACCOUNTING ESTIMATES

The significant accounting policies used by RTG are disclosed in note 1 to the Annual Financial Report for the year ended December 31, 2016. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

ACCOUNTING POLICIES

The Group's consolidated financial report as at December 31, 2016 complies with IFRS as issued by the International Accounting Standards Board. The accounting policies of the Group are set out in note 1 to the December 31, 2016 Annual Financial Report, available on www.sedar.com.

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

Income taxes

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

Financial instruments and related risks

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

Financial Instrument	Category	December 31, 2016
Cash	Level 1 (FVTPL)	$11,207,422
Other receivables and prepayments	Level 1 (loans and receivables)	$1,103,070
Financial assets	Level 1 (available-for-sale)	$1,508,755*
Trade and other payables	Level 1 (other liabilities)	$295,142

* During the year, the Group recognised a gain on fair value measurement of $8,755

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

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

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

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

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

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

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

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

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the Annual Financial Statements.

Credit risk

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

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

Liquidity risk

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

Market risk

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

(a) Interest rate risk

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

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

(b) Foreign currency risk

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

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

(c) Commodity price risk

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

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

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

Capital risk management

The Group's total capital is defined as equity attributable to equity holders of the parent and cash and cash equivalents amounted to $149,584,107 at December 31, 2016. (December 31, 2015: $129,270,578.)

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

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

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

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

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

SUBSEQUENT EVENTS

Subsequent to the end of the year, the Company has converted a loan plus an additional $50,000 of cash into an equity investment in Central Exploration Pty Ltd ("CEPL"), an Australian proprietary company, on January 2, 2016, as part of the new business development initiatives.

As detailed above, Mt. Labo rescinded the previous settlement agreement with its joint venture partner, Galeo due to non-performance and had served notice of termination and arbitration during the year. Subsequent to year end, following a 60 day notice period pursuant to the Joint Venture Agreement, the joint venture was automatically terminated on January 31, 2017, due to Galeo not remedying the notified breaches of the Joint Venture Agreement. Galeo is disputing this position.

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

INTERNAL CONTROLS AND DISCLOSURE CONTROLS

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

During the year ended December 31, 2016, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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

The Company's CEO and CFO have each evaluated the effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures as of December 31, 2016 and have concluded that these controls and procedures are effective in reasonably assuring the reliability of financial reporting and that material information relating to the Company is made known to them by others within the Company and that such controls and procedures have no material weaknesses and no limits on the scope of their design.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward looking statements within the meaning of applicable securities laws including, among others, statements made or implied relating to the Company's objectives, strategies to achieve those objectives, the Company's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward looking statements generally can be identified by words such as "objective", "may", "will", "expect", "likely", "intend", "estimate", "anticipate", "believe", "should", "plans" or similar expressions suggesting future outcomes or events. Such forward looking statements are not guarantees of future performance and reflect the Company's current beliefs based on information currently available to management. Such statements involve estimates and assumptions that are subject to a number of known and unknown risks, uncertainties and other factors inherent in the business of the Company and the risk factors discussed in the AIF and other materials filed with the securities regulatory authorities from time to time which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Those risks and uncertainties include, but are not limited to: the mining industry (including operational risks; risks in exploration and development; the uncertainties involved in the discovery and delineation of mineral deposits, resources or reserves; and the uncertainty of mineral resource and mineral reserve estimates); the risk of gold, copper and other commodity price and foreign exchange rate fluctuations; the ability of the Company to
fund the capital and operating expenses necessary to achieve the business objectives of the Company; the uncertainty associated with commercial negotiations and negotiating with foreign

governments; the risks associated with international business activities; risks related to operating in the Philippines and other international jurisdictions; environmental risk; the dependence on key personnel; joint venture relationships and the ability to access capital markets.

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

QUALIFIED PERSON AND COMPETENT PERSON STATEMENT

The information in this Report that relates to exploration results at the Mabilo Project is based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr Ayres is a member of the Australian Institute of Geoscientists and a full-time employee of Mt. Labo Exploration and Development Company, a Philippine mining company, and an associate company of RTG Mining Inc. Mr Ayres has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr. Ayres has verified the data disclosed in this Report, including sampling, analytical and test data underlying the information contained in the Report. Mr. Ayres consents to the inclusion in the Report of the matters based on his information in the form and the context in which it appears.

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

The information in this Report that relates to Mineral Reserves and Mining is based on information prepared by or under the supervision of Mr Carel Moormann, who is a Qualified Person and Competent Person. Mr Moormann is a Fellow of the AusIMM and is employed by Orelogy Consulting, an independent consulting company. Mr Moormann has sufficient experience that is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr Moormann has verified the data disclosed in this Report, including sampling, analytical and test data underlying the information contained in the Report. Mr Moormann consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to Metallurgy and Processing is based on information prepared by or under the supervision of David Gordon, who is a Qualified Person and Competent Person. David Gordon is a Member of the Australasian Institute of Mining and Metallurgy and is employed by Lycopodium Minerals Pty Ltd, an independent consulting company. David Gordon has sufficient experience that is relevant to the type of process under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for

Mineral Projects ("NI 43-101"). David Gordon has verified the data disclosed in this Report, including sampling, analytical and test data underlying the information contained in the Report. David Gordon consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to areas outside of exploration results, Mineral Resources, Mineral Reserves and Metallurgy and Processing is based on information prepared by or under the supervision of Mark Turner, who is a Qualified Person and Competent Person. Mark Turner is a Fellow of the Australasian Institute of Mining and Metallurgy and is employed by RTG Mining Inc., the Company. Mark Turner has sufficient experience that is relevant to the information under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mark Turner has verified the data disclosed in this Report. Mark Turner consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

For the ASX Feasibility Study announcement including JORC tables Section 1 to 4 please refer to the RTG Mining website (www.rtgmining.com) and on the ASX, under announcements (www.asx.com.au).

The information in this report relating to Bunawan exploration results, mineral resources or ore Reserves is based on information provided to Mr Robert McLean by RTG Mining Inc. Mr McLean is an independent consultant geologist and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr McLean has the relevant qualifications, experience, competence and independence to qualify as an "Expert" under the definitions provided in the Valmin Code, "Competent Person" as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and as a "Qualified Person" under National Instruments 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr McLean consents to the inclusion in the report of the matters based on the information he has been provided and the context in which it appears.

FINANCIAL STATEMENTS

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ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

CONTENTS

CORPORATE DIRECTORY

Directors	Michael J Carrick Justine A Magee Robert N Scott Phillip C Lockyer David A T Cruse	Chairman President and Chief Executive Officer Non-Executive Lead Director Non-Executive Director Non-Executive Director
Company secretary	Nicholas Day	
Office	Registered Sea Meadow House Blackburne Highway PO Box 116 Road Town Tortola VG1110 British Virgin Islands	Principal Level 2 338 Barker Road Subiaco, Western Australia, 6008 Australia Telephone: +61 8 6489 2900 Facsimile: +61 8 6489 2920
Bankers	Westpac Banking Corporation 130 Rokeby Road Subiaco, Western Australia, 6008 Australia	
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco, Western Australia, 6008 Australia	
Share registry	Australian Register Computershare Investor Services Pty Limited Level 11 172 St Georges Terrace Perth, Western Australia, 6000 Australia Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033	Canadian Register Computershare Investor Services Inc 11th Floor 100 University Avenue Toronto, Ontario, M5J2Y1 Canada Telephone: +1 416 263 9449 Facsimile: +1 416 981 9800
Stock Exchange	Australia Australian Securities Exchange Limited Exchange Code: RTG – Chess Depositary Interests (CDI's)	Canada Toronto Stock Exchange Inc Exchange Code: RTG – Fully paid shares
Lawyers	Corrs Chambers Westgarth Level 15 240 St Georges Terrace Perth, Western Australia, 6000 Australia K&L Gates Level 32 44 St Georges Terrace Perth, Western Australia, 6000 Australia	Blakes Cassels & Graydon Suite 2600, 3 Bentall Centre 59 Burrard Street Vancouver, BC, V7X 1L3 Canada
Website	www.rtgmining.com	

DIRECTORS' REPORT

The Directors of RTG Mining Inc. ("the Company" or "RTG") present their report on the consolidated entity consisting of RTG and the entities it controlled during the year ended December 31, 2016 (the "Consolidated Entity" or "the Group"). The Company's functional and presentation currency is USD ($).

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

1. DIRECTORS AND COMPANY SECRETARY

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

Name	Position	Appointment date
Michael J Carrick	Chairman	28/3/2013
Justine A Magee	President and Chief Executive Officer	28/3/2013
Robert N Scott	Non-Executive Lead Director	28/3/2013
Phillip C Lockyer	Non-Executive Director	28/3/2013
David A Cruse	Non-Executive Director	28/3/2013

The names, qualifications, experience and special responsibilities of the Directors are as follows:

Michael J Carrick (B.Comm, B. Acc, ACA)
Chairman

Mr. Carrick joined RTG's Board of Directors in March 2013. Mr. Carrick served as Chief Executive Officer ("CEO") of CGA Mining Limited ("CGA"), until the merger with B2Gold Corp. ("B2Gold") in January 2013. CGA developed the Masbate Gold Mine in the Philippines.

Mr. Carrick was previously Executive Chairman of AGR Limited, the entity which owned and developed the Boroo Gold Project in Mongolia, and before that was CEO of Resolute Mining Limited.

Before entering the mining industry Mr. Carrick was a senior partner in one of the largest professional services firms.

Mr. Carrick is a member of the Remuneration and Nomination Committee.

<u>Former directorships in the last 3 years:</u>

CGA Mining Limited	appointed January 2004 and resigned January 2013
B2 Gold Corp	appointed January 2013 and resigned November 2014

Justine A Magee (B.Comm, ACA)
President and Chief Executive Officer

Ms. Magee was appointed the CEO of the Company in March 2013 and does not hold directorships in any other listed company. She was formerly with Arthur Andersen and a director of AGR Limited and Director and Chief Financial Officer ("CFO") of CGA (January 2004 to January 2013).

She has extensive experience in the resource sector also having headed the corporate and finance areas for Resolute Mining Limited for 6 years.

Ms. Magee's principal responsibilities are commercial with a focus on the development of the existing asset portfolio and execution of new business opportunities in the resources sector while also managing the key stakeholder relationships.

<u>Former directorships in the last 3 years:</u>

CGA Mining Limited	appointed January 2004 and resigned January 2013

1. DIRECTORS AND COMPANY SECRETARY – continued

Robert N Scott
Non-Executive Lead Director

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

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

<u>Other current directorships:</u>

Homeloans Limited	appointed November 2000
Sandfire Resources NL	appointed July 2010

<u>Former directorships in the last 3 years:</u>

CGA Mining Limited	appointed January 2009 and resigned January 2013
Manas Resources Limited	appointed January 2013 and resigned March 2014
Lonestar Resources US Inc.	appointed 1996 and resigned March 2017

Phillip C Lockyer
Non-Executive Director

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

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

<u>Other current directorships:</u>

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

<u>Former directorships in the last 3 years:</u>

CGA Mining Limited	appointed January 2009 and resigned January 2013
Focus Minerals Limited	appointed December 2005 and resigned November 2013
St Barbara Limited	appointed December 2006 and resigned March 2014

David A Cruse
Non-Executive Director

Mr. Cruse was appointed a Non-Executive Director of the Company in March 2013. He has had a long career in commerce and finance. He was a stockbroker for over 20 years, where he held senior management positions and directorships in the stockbroking industry, with particular focus on capital markets. Recently, Mr. Cruse has been involved in the identification and commercialisation of a number of resource (including oil and gas) projects.

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

<u>Other current directorships:</u>

Odyssey Energy Limited	appointed October 2008

<u>Former directorships in the last 3 years:</u>

CGA Mining Limited	appointed November 2009 and resigned January 2013

1. DIRECTORS AND COMPANY SECRETARY – continued

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

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

Mr. Day was appointed by the Board of Directors on January 21, 2015.

2. DIRECTORS' INTERESTS

The relevant interest of each Director in the shares, warrants and options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by Directors to the ASX in accordance with s205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Interest in Securities at the date of this report	
	Shares [(1)]	Listed Warrants
Michael J Carrick	527,734	-
Justine A Magee	345,404	-
David A Cruse	894,280	73,082
Phil C Lockyer	65,385	-
Robert N Scott	80,770	-

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

3. CORPORATE INFORMATION

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

4. CORPORATE GOVERNANCE STATEMENT

RTG's Corporate Governance Statement has been released as a separate document and is located on the Company's website at the following link: www.rtgmining.com

5. MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the financial year ended December 31, 2016 and the number of meetings attended by each Director. There were three committees of Directors in existence during the financial year, these being, the Audit Committee, Remuneration and Nomination Committee and the Disclosure Committee. We refer you to our Corporate Governance section at the end of the Director's Report for more information.

Committee Meetings	Directors' Meetings	Risk and Audit	Remuneration and Nomination	Disclosure
Number of Meetings Held	8	4	2	4
Number of Meetings Attended				
Michael J Carrick	7	n/a	2	n/a
Justine A Magee	6	n/a	n/a	n/a
Robert N Scott	8	4	2	4
Phil C Lockyer	6	3	2*	4
David A Cruse	8	4	2	4

By invitation.

6. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the year was mineral exploration and development through its investment in Associates. At the date of this report the Company's main projects are the Mabilo and Bunawan Projects in the Philippines. There have been no significant changes in the nature of principal activities of the Consolidated Entity during the year other than as disclosed in the "Significant Changes in the State of Affairs" section of the Directors' Report.

7. EMPLOYEES

	2016	2015
The number of full time equivalent people employed by the Consolidated Entity (including consultants).	6	6

8. REVIEW OF OPERATIONS AND RESULTS

During the year a Feasibility Study ("FS") for both Stage 1 (the utilization of existing infrastructure to minimize initial capital requirements through a direct shipping ore operation) and Stage 2 (completion of plant to process a number of high grade concentrate products) was completed for the Mabilo Project. A strategy was identified for an early start-up that would allow early cash-flow and nominal capital expenditure requirements.

Timing for start-up of operations has been delayed due to Mt. Labo Exploration and Development Corporation ("Mt. Labo") rescinding the previous settlement agreement with its joint venture partner, due to the non-performance of the joint venture partner, Galeo Equipment Corporation ("Galeo"). Mt. Labo rescinded the settlement agreement, reverting back to the original unincorporated joint venture agreement between the two parties, opting to seek remedies through arbitration. Notice of termination and arbitration was served during the December quarter. Mt. Labo obviously does not believe arbitration necessarily results in sensible business outcomes and will likely cause a delay to operational activities, but believes it is the only avenue available to it, to protect its interests from the ongoing misconduct of Galeo and its founder.

During the December quarter, the Company commenced a reconnaissance 1,500m diamond drilling program at the Bunawan Project, following the renewal of its exploration license.

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

8. REVIEW OF OPERATIONS AND RESULTS – continued

The Company recognised an impairment expense over its investment in Associates at December 31, 2016 of $80,747,290. As outlined in the financial statements, the impairment has been determined using a fair value less costs of disposal method in consideration of external factors; including the current political risk associated with the mining projects held in the Philippines as well as the current litigation between Mt. Labo and its joint venture partner.

Net loss after tax for the year ended December 31, 2016 was $84,823,358 (December 31, 2015 - Net loss after tax of $9,237,776).

9. DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended December 31, 2016.

10. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

- The Company announced the completion of the FS on March 18, 2016, supporting the profitability of the Mabilo project.

- In July 2016, the Company secured the Environmental Compliance Certificate for the Mabilo Project and secured the renewal of Exploration Permit EP-014-2013-V.

- In May 2016, a NI 43-101 Technical Report was released for the Mabilo Copper-Gold-Iron Project detailing a 33% increase in NPV realised with only a 10% lift in commodity prices, with a 33% IRR after tax based on US$5,000/t Cu and US$1,200/oz Au.

- The Company successfully completed the issue of approximately 33 million shares at a price of A$0.60 per share to institutional and sophisticated investors pursuant to a private placement announced by the Company on July 15, 2016 and raising proceeds of approximately $14 million.

- On June 28, 2016 the Company announced the sale of its interest in the Segilola Gold Project. The Company announced the completion of the sale to Thor Explorations Ltd ("Thor") for total consideration of $8.5 million, including $3.0 million consideration upfront, including $1.5 million in cash and $1.5m in Thor listed shares. An additional $2 million cash payment and a capped royalty on the Segilola Gold Project of $3.5 million was included as part of the consideration for the sale, but has not yet been received.

- In December 2016, Mt. Labo Exploration and Development Corporation ("Mt. Labo") rescinded the previous settlement agreement with its joint venture partner, Galeo Equipment Corporation ("Galeo") due to non-performance by Galeo and has served a notice of termination and arbitration as required.

- Due to the above, Galeo is no longer a shareholder of Mt. Labo and its interest at December 31, 2016 everted to a 36% unincorporated joint venture interest which has subsequently been terminated for failure to cure material breaches of the joint venture agreement. Galeo is disputing that position in the Philippine Courts.

- In December 2016, Ms. Gloria Tan Climaco, a highly respected and successful Philippine business person has agreed to join the Board of Mt. Labo Exploration and Development Corporation ("Mt. Labo") as Chairman and has made a significant investment in the company.

11. EVENTS SINCE THE END OF THE FINANCIAL YEAR

There has not been any matter or circumstance, except for those matters referred to in note 24 to the financial statements or noted above, that have arisen since the end of the financial year, that has significantly affected or may significantly affect the operations of the Group, the results of the operations, or the state of affairs of the Group in the future financial years.

12. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

13. WARRANTS

Unissued shares

As at the date of this report, the Company had 8,784,687 warrants on issue. The total outstanding capital of the Company as at the date of this report was 167,585,577 fully paid shares. The warrants do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued as a result of the exercise of warrants and options

During the financial year, no warrants were exercised. Details on movements in warrants for the year are disclosed in note 13 to the financial statements. No warrants or options have been granted subsequent to the end of the financial year.

14. REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for Directors and Executives of the Company and the Group. For the purposes of this report, Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (Executive or otherwise) of the Parent Entity.

Details of Key Management Personnel

Directors

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

Executives

Mark Turner	Chief Operating Officer
Nicholas Day	Chief Financial Officer and Company Secretary

Remuneration Governance

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

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

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

Remuneration Policy

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

14. REMUNERATION REPORT (Audited) – continued

Remuneration Consultants

The Remuneration and Nomination Committee reviews information from external sources in relation to its existing remuneration structure. The process of evaluation has remained in-house and informal during the year, with two major reviews of the Board, employees and Directors undertaken in March and November 2016.

During the year ended December 31, 2016, the Company made use of the Aon Hewitt Gold and General Mining Remuneration reports and were guided by recommendations on remuneration from these reports. An amount of A$5,533 was paid. Aon Hewitt have not made any recommendations under undue influence from management and not provided any other services to the Company.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. Each Director receives a fee for being a director of the Company. The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between Directors as agreed. The aggregate Non-Executive Director's remuneration including 9.5% superannuation guarantee is currently A$300,000 ratified at a general meeting on April 10, 2015.

Executive Remuneration

Fixed Remuneration
Fixed remuneration consists of base remuneration (which is calculated on a total cost basis), as well as employer contributions to superannuation funds.

Arrangements put in place by the Board of Directors to monitor the performance of the Consolidated Entity's Executives include:

- A review by the Remuneration and Nomination Committee reporting to the Board of the Group's financial performance in relation to external KPIs assessed against remuneration reports from Aon Hewitt; and
- Annual performance appraisals incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

Remuneration levels are reviewed as required by the Remuneration and Nomination Committee on an individual contribution basis. This incorporates analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

Variable Remuneration – Short Term Incentive ("STI")
Objective
The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the Executives charged with meeting those targets. The total STI amount available is at the discretion of the Board, however it is set at a level so as to provide sufficient incentive to the Executive to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure
Actual STI payments granted to each Executive depend on the extent to which key Group objectives are met. The objectives typically consist of financial and non-financial, corporate and individual measures of performance. Typically included are measures such as contribution to financing and capital raising objectives, risk management and relationship management with key stakeholders. These measures were chosen as they represent the key drivers for the short term success of the business and provide a framework for delivering long term value.

STI payments are made at the discretion of the Board and Remuneration and Nomination Committee. Amounts are determined in line with the extent to which a key business objective has been met and the individuals responsibilities and contribution. The process occurs shortly after the key objective has been met and payments are delivered as a cash bonus upon approval, in order to closely align the achievement and reward.

14. REMUNERATION REPORT (Audited) – continued

STI Bonus for December 31, 2016 Financial Period and for December 31, 2015 Financial Year
For December 31, 2016 and December 31, 2015 financial period's there were no STI payments made to Executives. No STI bonus amounts have been forfeited during the December 31, 2016 and December 31, 2015 financial years. STI payments are made at the discretion of the Board and Remuneration and Nomination Committee.

Variable Remuneration - Long Term Incentive ("LTI")
Objective
The objective of the LTI plan is to reward Executives in a manner that aligns remuneration with the creation of shareholder wealth.

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

Service Agreements

In relation to Directors and Executives, in the case of serious misconduct, employment may be terminated without notice, with no entitlement to termination payment other than remuneration pro rata up to and including the date of termination. Executive Directors and Mr. Mark Turner currently have a reciprocal twelve month notice of termination clause. These contracts are for 3 years to February 1, 2019. Mr Nicholas Day has a six month reciprocal notice of termination clause. Details of the nature and amount of each element of the emolument of each Director and Key Management Personnel of the Company and each of the Executive Officers of the Company and the Consolidated Entity receiving the highest emolument for the financial year are as follows:

14. REMUNERATION REPORT (Audited) – continued

(a) Details of remuneration

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

12 months ended **December 31, 2016**	Short-term			Post-employment benefits	Share based payments			Long term benefits
	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation benefits	Loan funded share plan	Total	Total performance related	Annual and long service leave *
	US$	US$	US$	US$	US$	US$	%	US$
Directors								
Mr Michael Carrick	148,739	-	41,748	17,849	-	208,336	-	-
Ms Justine Magee	279,833	-	21,389	23,525	-	324,747	-	23,242
Mr Robert Scott	49,207	-	-	-	-	49,207	-	-
Mr Phil Lockyer	44,139	-	-	4,193	-	48,332	-	-
Mr David Cruse	44,285	-	-	4,207	-	48,492	-	-
Executives								
Mr Mark Turner	285,496	-	59,395	14,874	-	359,765	-	9,055
Mr Nicholas Day	176,900	-	-	14,477	-	191,377	-	7,022
Total	**1,028,599**	-	**122,532**	**79,125**	-	**1,230,256**	-	**39,319**

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

12 months ended **December 31, 2015**	Short-term			Post-employment benefits	Share based payments			Long term benefits
	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation benefits	Loan funded share plan	Total	Total performance related	Annual and long service leave *
	US$	US$	US$	US$	US$	US$	%	US$
Directors								
Mr Michael Carrick	150,721	-	40,243	18,087	-	209,051	-	
Ms Justine Magee	282,938	-	18,087	22,608	-	323,633	-	27,702
Mr Robert Scott	53,085	-	-	-	-	53,085	-	-
Mr Phil Lockyer	44,730	-	-	4,249	-	48,979	-	
Mr David Cruse	44,896	-	-	4,266	-	49,162	-	-
Executives								
Mr Mark Turner	290,061	-	38,014	16,949	-	345,024	-	25,624
Mr Nicholas Day	172,151	-	-	14,218	-	186,369		9,152
Total	**1,038,582**	**-**	**96,344**	**80,377**	**-**	**1,215,303**	**-**	**62,478**

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

14. REMUNERATION REPORT (Audited) – continued

Equity instruments held by Directors and Key Management Personnel

(i) Shares issued to Directors and Executives

The details of the allocation of loan funded shares to Key Management Personnel are as follows:

December 31, 2016	Opening balance January 1, 2016	Other changes	Closing balance December 31, 2016	Share issue price ($C)*	Vested % to the end of December 31, 2016
Directors					
Mr Michael Carrick	300,000	-	300,000	1.65	100%
Ms Justine Magee	300,000	-	300,000	1.65	100%
Mr David Cruse	50,000	-	50,000	1.65	100%
Mr Philip Lockyer	50,000	-	50,000	1.65	100%
Mr Robert Scott	50,000	-	50,000	1.65	100%
Executives					
Mr Mark Turner	250,000	-	250,000	1.65	100%
Mr Nicholas Day	-	-	-	-	-

December 31, 2015	Opening balance January 1, 2015	Other changes	Closing balance December 31, 2015	Share issue price ($C)*	Vested % to the end of December 31, 2015
Directors					
Mr Michael Carrick	300,000	-	300,000	1.65	100%
Ms Justine Magee	300,000	-	300,000	1.65	100%
Mr David Cruse	50,000	-	50,000	1.65	100%
Mr Philip Lockyer	50,000	-	50,000	1.65	100%
Mr Robert Scott	50,000	-	50,000	1.65	100%
Executives					
Mr Mark Turner	250,000	-	250,000	1.65	100%
Mr Nicholas Day	-	-	-	-	-

On March 28, 2013, shares were issued to Key Management Personnel of the Company under the Loan Funded Share Plan ("LFSP" or "the Plan") that was approved by Shareholders at the 21 March 2013 special shareholders meeting of Ratel Group Limited. The shares were issued to employees under the following terms (Refer to note 20 for further details):

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

Details of the non-recourse loans granted to employees can be found at note 20.

14. REMUNERATION REPORT (Audited) – continued

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

There were no options or warrants granted to Executives of the Company during the period ended December 31, 2016 (December 31, 2015: nil).

(iii) Share holdings

December 31, 2016	Balance at start of the year	Acquired	Granted under the Loan Share Plan	Other changes during the period*	Balance at the end of the year
Directors					
Mr Michael Carrick	527,734	-	-	-	527,734
Ms Justine Magee	345,404	-	-	-	345,404
Mr David Cruse	894,280	-	-	-	894,280
Mr Philip Lockyer	65,385	-	-	-	65,385
Mr Robert Scott	80,770	-	-	-	80,770
Executives					
Mr Mark Turner	250,000	-	-	-	250,000
Mr Nicholas Day	-	-	-	-	-

December 31, 2015	Balance at start of the year	Acquired	Granted under the Loan Share Plan	Other changes during the period*	Balance at the end of the year
Directors					
Mr Michael Carrick	527,734	-	-	-	527,734
Ms Justine Magee	345,404	-	-	-	345,404
Mr David Cruse	894,280	-	-	-	894,280
Mr Philip Lockyer	65,385	-	-	-	65,385
Mr Robert Scott	80,770	-	-	-	80,770
Executives					
Mr Mark Turner	250,000	-	-	-	250,000
Mr Nicholas Day	-	-	-	-	-

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

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

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

14. REMUNERATION REPORT (Audited) – continued

(iv) Options and warrant holdings

31 December 2016	Balance at start of the year	Acquired	Other changes during the period	Balance at the end of the year
Directors				
Mr Michael Carrick	-	-	-	-
Ms Justine Magee	-	-	-	-
Mr David Cruse	73,082	-	-	73,082
Mr Philip Lockyer	-	-	-	-
Mr Robert Scott	-	-	-	-
Executives				
Mr Mark Turner	-	-	-	-
Mr Nicholas Day	-	-	-	-

31 December 2015	Balance at start of the year	Acquired	Other changes during the period	Balance at the end of the year
Directors				
Mr Michael Carrick	-	-	-	-
Ms Justine Magee	-	-	-	-
Mr David Cruse	73,082	-	-	73,082
Mr Philip Lockyer	-	-	-	-
Mr Robert Scott	-	-	-	-
Executives				
Mr Mark Turner	-	-	-	-
Mr Nicholas Day	-	-	-	-

Other transactions with Key Management Personnel

Transactions with related parties consist of companies with Directors and Officers in common and companies owned in whole or in part by Executive Officers and Directors as follows for the twelve months ended December 31, 2016 and 2015:

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

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

	31 December 2016	31 December 2015
Director fees	49,207	53,085
Total	**49,207**	**53,085**

End of remuneration report.

15. INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company has paid insurance premiums of $35,130 (2015: $54,700) in respect of Directors' and Officers' liability contracts, for current and former Directors and Officers, including senior Executives of the Company and Directors, and Senior Executives and Secretaries of its controlled entities. The insurance premiums relate to:

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

Indemnification of Auditors

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

Indemnification of Directors

The Company has agreed to indemnify all the Directors and Executive Officers for any breach by the Company for which they may be held personally liable.

16. ENVIRONMENTAL REGULATION

The Consolidated Entity has a policy of complying with its environmental performance obligations. No material environmental issues have occurred during the year ended December 31, 2016 or up to the date of this report.

17. AUDITOR'S INDEPENDENCE DECLARATION AND NON AUDIT SERVICES

Throughout the year, the Auditors performed non audit services for the Company in addition to their statutory duties. A total of $34,501 (December 31, 2015: $69,105) was paid for these services (refer to note 14 for further details).

The Auditor of the Company is BDO Audit (WA) Pty Ltd.	**31 December 2016**	**31 December 2015**
	US$	**US$**
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
• An audit or review of the financial report of the entity and any other entity in the consolidated group.	37,475	65,767
• Other services in relation to the entity and any other entity in the consolidated group		
- Tax compliance	31,330	68,895
- Other assurance services	3,171	210
	71,976	**134,872**

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is included at page 54 of the financial report and forms part of this report.

This report is made in accordance with a resolution of the Directors on March 30, 2017.

JUSTINE ALEXANDRIA MAGEE
President and Chief Executive Officer

Perth, March 30, 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31 December 2016 US$	31 December 2015 US$
Continuing operations			
Other income	3	264,946	4,059
Exploration and evaluation expenditure	4	(531,579)	(381,203)
Business development expenses	4	(1,174,682)	(1,134,768)
Share of Associates loss	4	(386,275)	(2,097,550)
Impairment expense	4	(80,747,290)	(3,172,081)
Foreign exchange loss		(78,031)	(11,302)
Administrative expenses	4	(2,870,290)	(2,443,470)
Loss before income tax from continuing operations		**(85,523,201)**	**(9,236,315)**
Income tax benefit	5	-	-
Loss for the year from continuing operations		**(85,523,201)**	**(9,236,315)**
Discontinued operations			
Profit / (loss) from discontinued operations	23	699,843	(1,461)
Net loss for the year		**(84,823,358)**	**(9,237,776)**
Other comprehensive (loss) / income			
Items that may be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		318,218	245,876
Net gain on available-for-sale financial assets		8,755	-
Total comprehensive loss for the year		**(84,496,385)**	**(8,991,900)**
Loss attributable to:			
Equity holders of the Company		**(84,823,358)**	**(9,237,776)**
Total comprehensive loss attributable to:			
Equity holders of the Company		**(84,496,385)**	**(8,991,900)**
Loss per share from continuing operations			
Basic loss per share (cents)	15	(56.93)	(7.09)
Diluted loss per share (cents)	15	(56.93)	(7.09)
Loss per share attributable to ordinary shareholders			
Basic loss per share (cents)	15	(56.71)	(6.90)
Diluted loss per share (cents)	15	(56.71)	(6.90)

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

	Note	31 December 2016 US$	31 December 2015 US$
Current assets			
Cash and cash equivalents	**6**	11,207,422	4,561,717
Receivables	**7**	1,061,555	378,679
Prepayments	**8**	41,515	42,138
Total current assets		**12,310,492**	**4,982,534**
Non-current assets			
Receivables	**7**	2,000,000	-
Property, plant and equipment	**9**	187,311	202,611
Available-for-sale financial assets	**10**	1,508,755	-
Investment in Associates	**22**	10,988,032	88,272,829
Total non-current assets		**14,684,098**	**88,475,440**
Total assets		**26,994,590**	**93,457,974**
Current liabilities			
Trade and other payables	**11**	295,142	252,537
Provisions	**12**	164,585	142,169
Total current liabilities		**459,727**	**394,706**
Total liabilities		**459,727**	**394,706**
Net assets		**26,534,863**	**93,063,268**
Shareholder’s equity			
Issued capital	**13**	138,376,685	124,708,862
Reserves	**13**	8,072,701	3,445,571
Accumulated losses	**13**	(119,914,523)	(35,091,165)
Total shareholder’s equity		**26,534,863**	**93,063,268**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

Twelve months to 31 December 2015	*Issued capital*	*Acquisition reserve*	*Asset revaluation reserve*	*Share based payment reserve*	*Foreign currency translation reserve*	*Accumulated losses*	*Total*
	US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*
Balance at 1 January 2015	**113,900,141**	**(4,300,157)**		**7,601,285**	**(101,433)**	**(25,853,389)**	**91,246,447**
Loss for the year	-	-	-	-	-	(9,237,776)	**(9,237,776)**
Currency translation differences	-	-	-	-	245,876	-	**245,876**
Total comprehensive income / (loss) for the year	**-**	**-**	**-**	**-**	**245,876**	**(9,237,776)**	**(8,991,900)**
Shares issued during the year	11,762,803	-	-	-	-	-	**11,762,803**
Share issue expenses	(954,082)	-	-	-	-	-	**(954,082)**
Balance at 31 December 2015	**124,708,862**	**(4,300,157)**	**-**	**7,601,285**	**144,443**	**(35,091,165)**	**93,063,268**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	31 December 2016 US$	31 December 2015 US$
Operating activities			
Payments for exploration and evaluation		(531,579)	(375,328)
Payments to suppliers and employees		(4,002,181)	(3,362,643)
Interest received		23,796	4,059
Other receipts		241,150	-
Net cash flows used in operating activities	**6**	**(4,268,814)**	**(3,733,912)**
Investing activities			
Payments for property, plant and equipment		(10,704)	(680)
Proceeds from sale of properties	**23**	1,500,000	-
Loans to associated entities		(3,516,743)	(4,630,125)
Loans to non-related entities		(832,878)	-
Increase / (decrease) to bank guarantees		136,614	(16,183)
Net cash flows used in investing activities		**(2,723,711)**	**(4,646,988)**
Financing activities			
Proceeds from shares issued		14,955,390	11,762,803
Share issue expenses		(1,286,542)	(954,082)
Net cash flows from financing activities		**13,668,848**	**10,808,721**
Net increase in cash and cash equivalents		6,676,323	2,427,821
Cash and cash equivalents at the beginning of the year		4,561,717	2,394,974
Net foreign exchange difference		(30,618)	(261,078)
Cash and cash equivalents at end of the financial year	**6**	**11,207,422**	**4,561,717**

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The consolidated financial report has been prepared as a general purpose financial report which has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorised for issue by the directors at a meeting held on March 30, 2017.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for available for sale financial assets which have been measure at fair value. Historical costs are generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in United States dollars unless otherwise noted.

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

The Company is a for profit entity.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its controlled entities, referred collectively throughout these financial statements as the "Consolidated Entity" or "the Group", as at December 31, 2016. Transactions between companies within the Consolidated Entity have been eliminated on consolidation. For a description of the Company's subsidiaries, refer to note 16.

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

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

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

(i) Significant accounting judgments

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

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

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

(ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Non-consolidation of entities
Mt Labo Exploration and Development Corporation ("Mt Labo"); Bunawan Mining Corporation ("Bunawan"); St Ignatius; and Oz Metals Exploration and Development Corporation ("Oz Metals") ("the Associates").

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

Board Control:
The Boards of each of the Philippine companies are comprised of four members, with each company Board sharing a maximum of one common Board member with RTG Mining Inc. It follows that the common RTG Board members can not directly control the Boards of the Philippine companies.

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

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

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

Share based payment transactions
The Group measures the costs of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The Group measures the cost of cash-settled share based payments at fair value at grant date taking into account the terms and conditions upon which the instruments were granted, as discussed in note 20.

Impairment of non-financial assets
Non-financial assets are reviewed at each reporting date to determine whether there are any indicators that the carrying amount may not be recoverable.

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

Significant accounting estimates and assumptions – continued

Carrying value of the investment in Associates
The Group assesses whether there is objective evidence that the investment in Associates is impaired by reference to the underlying mining projects held by the Associates in the Philippines. These mining projects include the Mabilo project, held by Joint Venture partners Mt. Labo and Galeo, which entered into the development phase during the year, therefore requiring an impairment assessment in accordance with IAS 36 Impairment of Assets. This assessment requires judgement in analysing possible impacts caused by factors such as the price of gold and copper, operating and capital estimates, ownership relationships and the political risk in which the project operates.

Further to the above, the decline in the market capitalisation of RTG, whereby the net assets of RTG were significantly greater than its market capitalisation, was an indicator of impairment. RTG also determined that external factors, the political risk associated with the mining projects being held by the Associates in the Philippines (refer to note 22) and the litigation between the Joint Venture partners in the Mabilo project (refer to note 22), were also indicators of impairment. Therefore, impairment testing was performed on the Mabilo project resulting in a non-cash impairment charge of $80,747,290, recorded in the consolidated statement of profit or loss and comprehensive income at 31 December 2016.

When assessing recoverable amounts, RTG makes estimates and assumptions which are subject to risk and uncertainty. RTG has assessed the recoverable amount using a fair value less costs of disposal (FVLCD) method, using a market capitalisation approach in accordance with IFRS 13 Fair Value (level 1 fair value hierarchy under IFRS 13). The FVLCD method under IAS 36 Impairment of Assets requires a determination of the fair value, being the price that would be received to sell the project in an orderly transaction between market participants at measurement date. In this context, RTG considers that the fair value that a willing buyer would place on the Mabilo project includes the political risk factors and the risks associated with litigation between the Joint Venture partners which is incorporated in the market capitalisation approach disclosed above.

Material uncertainty arising from the political risk and litigation associated with the mining projects in the Philippines.
There is material uncertainty over the outcome of the political risk and litigation (as disclosed in note 22) associated with the mining projects in the Philippines.

b) Cash and cash equivalents

Cash and short term deposits in the consolidated statement of financial position include cash at bank and short term deposits with an original maturity of three months or less.

c) Plant and equipment

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

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

Office, plant and equipment – over 1 to 10 years

The assets' residual values, useful lives and amortization methods are reviewed, and adjusted if appropriate, at each financial year.

Impairment
The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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

c) Plant and equipment – continued

De-recognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of profit or loss and other comprehensive income in the period the item is derecognised.

d) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is represented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

e) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave
Provision is made for the Group's liability for employee entitlements arising from services rendered by employees to reporting date. Employee entitlements due to be settled within one year have been measured at their nominal amounts based on remuneration rates which are due to be paid when the liability is settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave
The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit valuation method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

f) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profits or taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, Associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

f) Income tax – continued

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry–forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investment in subsidiaries, Associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are recognised at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the consolidated statement of profit or loss and other comprehensive income. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and the same taxation authority.

g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (“GST”), except where the amount of GST incurred is not recoverable from the relevant taxation authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the relevant taxation authorities is included as a receivable or payable in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

h) Foreign currency translation

Both the functional currency and presentation currency of the Company is United States dollars (US$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of profit or loss and other comprehensive income.

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

h) Foreign currency translation – continued

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

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

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

i) Share based payment transactions

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

The cost of equity-settled transactions with Directors and employees is measured by reference to fair value at the date at which they are granted. The fair value is determined using a Black & Scholes further details of which are given in note 20.

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

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

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

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

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

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

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

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

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

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

j) Exploration and evaluation

Exploration and evaluation expenditures are written off as incurred, except for acquisition costs and where an area of interest is established.

Exploration assets acquired from a third party are carried forward provided that either i) the carrying value is expected to be recouped through the successful development and exploitation or sale of an area of interest or ii) exploitation and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in relation to the area are continuing and the rights of the tenure are current. If capitalised exploration and evaluation costs do not meet either of these tests, they are expensed to profit or loss.

An area of interest is established where a discovery of economically recoverable resource is made. The area of interest will be established as a mineral project. All activity relating to the area of interest is then subsequently capitalised. Where development is anticipated, costs will be carried forward until the decision to develop is made.

Each area of interest is reviewed at least bi-annually to determine whether it is appropriate to continue to carry forward the capitalised costs.

Upon approval for the development of an area of interest, accumulated expenditure for the area of interest is transferred to capitalised development expenditure.

k) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

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

l) Contributed equity

Shares are classified as equity and are recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income.

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

m) Impairment of non-financial assets – continued

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

n) Trade and other receivables

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

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

o) Borrowing costs

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

p) Revenue recognition

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

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

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Parent Entity and Board of Directors.

r) Earnings per share

(i) Basic earnings/(loss) per share:
Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than shares, by the weighted average number of shares outstanding during the year, adjusted for bonus elements in shares issued during the year.

(ii) Diluted earnings per share:
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential shares and the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential shares.

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

s) Parent Entity financial information

The financial information for the Parent Entity, RTG Mining Inc., disclosed in note 17 has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiaries which are accounted for at cost in the financial statements of RTG Mining Inc.

t) Financial Assets

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

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

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

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

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

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

Details of how the fair value of financial instruments is determined are disclosed in note 19.

u) Investment in Associates

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

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

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

u) Investment in Associates – continued

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

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

v) Fair value

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Group.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

For assets and liabilities for which fair value is measured or disclosed in the financial statements, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

w) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

x) Discontinued operations

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

y) Government grants

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

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

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended December 31, 2016. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

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

IFRS 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 January 2018 and based on an initial impact assessment, the new standard is not expected to significantly impact revenue recognition.

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

3. OTHER INCOME

		31 December 2016 US$	31 December 2015 US$
Interest income		23,796	4,059
Research and development tax credit received		241,150	-
		264,946	**4,059**

4. EXPENSES

		31 December 2016 US$	31 December 2015 US$
Exploration and evaluation expenditure			
Consultants fees		68,449	22,374
Employee fees		175,081	171,650
Travel expenses		288,049	187,179
		531,579	**381,203**
Business development expenses			
Conferences		83,830	84,688
Employee and director fees		407,189	419,440
Project analysis		47,465	56,201
Travel expenses		379,436	497,874
Other expenses		256,762	76,565
		1,174,682	**1,134,768**
Administrative expenses			
Accounting, tax services and audit fees		229,942	254,314
Computer support fees		42,304	41,700
Consultants fees		298,638	72,636
Depreciation expenses		26,004	28,050
Employee and director fees		1,236,533	1,101,139
Insurance expenses		38,890	53,176
Legal expenses		508,890	416,406
Listing and shareholder reporting costs		164,622	202,341
Occupancy expenses		155,390	179,216
Other expenses		169,077	94,492
		2,870,290	**2,443,470**
Share of Associates loss			
Share of net losses of Associates		386,275	2,918,462
Share of drilling cost accrual		-	(820,912)
		386,275	**2,097,550**
Impairment expense			
Impairment of investment in Associates	(i)	80,747,290	-
Available-for-sale financial asset impairment		-	1,841,854
Derivative financial asset impairment		-	1,330,227
		80,747,290	**3,172,081**

(i) Impairment of investment in Associates of $80,747,290 (December 31, 2015: nil) recognised during the financial period. Refer to note 22.

5. INCOME TAX

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

	31 December 2016 US$	31 December 2015 US$
(a) Income tax expense		
Current Income tax expense / (benefit)	-	-
Adjustments in respect of current income tax of previous years	-	-
Deferred Income tax		
Relating to the origination and reversal of temporary differences	1,148,826	(1,682,270)
Gain not recognised for income tax purposes	-	-
Deferred tax assets not brought to account	(1,148,826)	1,682,270
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-
(b) Reconciliation of tax expense and accounting loss before income tax		
Accounting loss before income tax	(84,823,358)	(9,237,776)
At the domestic income tax rate of 30% (Australia)	(25,445,007)	(2,771,333)
Expenditure not allowable for income tax purposes	24,987,889	1,392,916
Gain not recognised for income tax purposes		
Adjustments in respect of current income tax of previous years	-	-
Deferred tax assets not brought to account	459,118	1,378,417
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-
(c) Deferred income tax		
Deferred income tax at 31 December 2014 relates to the following:		
Deferred tax assets		
Accruals	94,344	34,467
Provision for doubtful debts	22,490	22,490
Tax losses available to offset against future taxable income	1,938,033	2,130,534
Assets held for sale	-	1,016,202
Foreign exchange losses	-	-
Deferred tax assets not brought to account	(2,054,867)	(3,203,693)
	-	-

The tax losses have not been recognised as their realisation is not considered probable at this stage. The recovery of any tax losses is dependent upon compliance with relevant tax authorities and regulations.

6. CASH AND CASH EQUIVALENTS

	31 December 2016 US$	31 December 2015 US$
Cash on hand	72	25
Cash at bank	11,207,350	4,561,692
	11,207,422	**4,561,717**

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

For further information on financial risk management refer to note 19.

Cash flows from operating activities reconciliation

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

Net loss after related income tax	(84,823,358)	(9,237,776)
Adjustment for non-cash income and expense items:		
Depreciation	26,004	28,050
Drilling provision reversal	-	(820,912)
Share of Associates loss	386,275	2,918,461
Impairment expense	80,747,290	3,172,081
Gain on sale of subsidiary	(699,843)	-
Unrealised foreign exchange losses	78,031	141,035
Other	-	(24,337)
Changes in assets and liabilities:		
(Increase) / decrease in receivables	(259)	107,084
(Increase) / decrease in prepayments	624	(12,399)
Increase / (decrease) in payables	16,422	(5,199)
Net cash outflow from operating activities	**(4,268,814)**	**(3,733,912)**

7. RECEIVABLES

Current assets			
GST receivable		22,454	19,552
Other receivables		206,223	359,127
Loan receivables	(i)	832,878	-
		1,061,555	**378,679**
Non-current assets			
Other receivable	(ii)	2,000,000	-
		2,000,000	**-**

7. RECEIVABLES – continued

Terms relating to the above financial instruments:

(i) As at 31 December 2016, $832,878 was advanced to Central Exploration Pty Ltd ("CEPL"), an un-listed Australian proprietary company. Subsequent to year end, $800,000 of the receivable was converted into an equity investment in CEPL. Refer to note 24 for further information.

(ii) As part of the settlement for the sale of the Company's interest in the Segilola Gold Project to Thor Explorations Ltd ("Thor") that occurred during the year, Thor has agreed to pay the Company $2,000,000. Refer to note 23 for further information.

For further information on financial risk management refer to note 19.

8. PREPAYMENTS

	31 December 2016 US$	31 December 2015 US$
Other	41,515	42,138
	41,515	**42,138**

9. PROPERTY, PLANT & EQUIPMENT

Office equipment		
Opening balance	202,611	230,670
Additions	10,704	680
Disposals	-	-
Depreciation expense	(26,004)	(28,050)
Exchange differences	-	(689)
Closing balance	**187,311**	**202,611**

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Non-current			
Available for sale financial assets		1,508,755	-
		1,508,755	**-**
Reconciliation of movements in available-for-sale financial assets:			
Opening balance		-	1,841,854
Additions	(i)	1,500,000	-
Gain / (loss) on fair value measurement		8,755	-
Impairment expense	(ii)	-	(1,841,854)
Closing balance		**1,508,755**	**-**

(i) As part of the sale of the Company's interest in the Segilola Gold Project to Thor Explorations Ltd ("Thor") that occurred during the year, the Company received $1,500,000 in Thor listed shares.

(ii) During the prior year, the Company adopted a conservative approach and on the recommendation of the Risk and Audit Committee, fully impaired the convertible note and investment in Elephant Copper.

Risk exposure and fair value measurements

Information about the Company's methods and assumptions used in determining fair value is provided in note 19.

11. TRADE AND OTHER PAYABLES

	31 December 2016 US$	31 December 2015 US$
Trade creditors – third parties	154,267	116,143
Accrued expenses	140,875	136,394
	295,142	**252,537**

Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms. There are no amounts that are expected to be settled greater than 12 months. Refer to note 19 for further information on trade and other payables.

12. PROVISIONS

Employee entitlements	164,585	142,169
	164,585	**142,169**

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

13. ISSUED CAPITAL AND RESERVES

(a) Issued and paid up share capital

	31 December 2016 Number	31 December 2015 Number	31 December 2016 US$	31 December 2015 US$
Issued and paid up capital	**167,585,577**	134,252,237	**138,376,685**	124,708,862

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:

	Number	US$
Opening balance at 1 January 2016	134,252,237	124,708,862
Shares issues	33,333,340	14,955,389
Shares issue costs	-	(1,287,566)
Total shares on issue at 31 December 2016	**167,585,577**	**138,376,685**
Opening balance at 1 January 2015	111,973,237	113,900,141
Shares issues	22,279,000	11,762,803
Shares issue costs	-	(954,082)
Total shares on issue at 31 December 2015	**134,252,237**	**124,708,862**

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.

13. ISSUED CAPITAL AND RESERVES – continued

Movements in warrants during the period were as follows:

	Number
Opening balance at 1 January 2016	8,784,687
Exercise	-
Total warrants on issue at 31 December 2016	**8,784,687**
Opening balance at 1 January 2015	8,784,687
Exercise	-
Total warrants on issue at 31 December 2015	**8,784,687**

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

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

(b) Reserves

Nature and purpose of reserves

Acquisition reserve
The acquisition reserve is used to record the difference between the consideration transferred and the equity acquired for common control business combinations.

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

Share based payment reserve
The share based payment reserve is used to record the value of share based payments provided to employees, including Key Management Personnel and Directors as part of remuneration. The notional value attributed to the shares issued under the Loan Share Plan is included in this reserve as accounting standards deem the non-recourse loan to contain an embedded option (Refer to note 20).

Foreign currency translation reserve ("FCTR")
Exchange differences arising on translation of the controlled entity and the Company's share of Associates FCTR are recorded in other comprehensive income as described in note 22 and accumulated in a reserve within equity. The cumulative amount is reclassified to profit of loss when the net investment is disposed of.

13. ISSUED CAPITAL AND RESERVES – continued

(c) Accumulated losses

	31 December 2016 US$	31 December 2015 US$
Balance at the beginning of the financial year	(35,091,165)	(25,853,389)
Net loss for the year	(84,823,358)	(9,237,776)
Balance at the end of the financial year	**(119,914,523)**	**(35,091,165)**

(d) Dividends

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

Refer to note 19 for information on capital risk management.

14. AUDITOR'S REMUNERATION

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

Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
• An audit or review of the financial report of the entity and any other entity in the consolidated group.	37,475	65,767
• Other services in relation to the entity and any other entity in the consolidated group		
- Tax compliance	31,330	68,895
- Other assurance services	3,171	210
	71,976	**134,872**

15. LOSS PER SHARE

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

(a) Loss used in calculating earnings per share	31 December 2016 US$	31 December 2015 US$
Loss attributable to ordinary equity holders of the parent		
- Continuing operations	(85,523,201)	(9,236,315)
- Discontinued operations	699,843	(1,461)
Loss attributable to ordinary equity holders of the parent	**(84,823,358)**	**(9,237,776)**

(b) Weighted average number of shares	Number of shares	Number of shares
Weighted average number of shares used in calculating basic (loss) / earnings per share	148,997,049	130,450,171
Effect of dilutive options *	-	-
Weighted average number of shares used in calculating diluted (loss) / earnings per share	**148,997,049**	**130,450,171**

* Options first issued in 2014 (refer to note 13) are considered to be potential ordinary shares but, as they are anti-dilutive for the year ended December 31, 2016, they have been excluded from the calculation of diluted earnings per share.

16. RELATED PARTY DISCLOSURE

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

Name of Entity	Country of Incorporation	Equity Interest (%)	Investment (US$)	Equity Interest (%)	Investment (US$)
		31 December 2016	31 December 2016	31 December 2015	31 December 2015
Controlled Entities					
Sierra Mining Pty Ltd	Australia	100	-	100	-
SRM Gold Limited	British Virgin Islands	100	-	100	-
Sierra Philippines Pty Ltd	Australia	100	-	100	-
Ratel Group Limited	British Virgin Islands	100	2	100	2
CGX Limited	British Virgin Islands	100	2	100	2
Ilesha Mining Holdings Limited	British Virgin Islands	100	22,546	100	22,546
Ilesha Mining Co-operative	The Netherlands	100	39,845	100	39,845
Ilesha Mining Limited	The Netherlands	100	40	100	40
Segilola Gold Ltd (1)	Nigeria	-	-	100	100,555
Joint Ventures					
Segilola Joint Venture Co (1)	Nigeria	-	-	38	-

(1) The Company finalised the sale of its interest in the Segilola Gold Project to Thor, a TSX-V listed company on August 22, 2016. As a result of the transaction, the Company no longer hold an interest in Segilola Gold Ltd or Segilola Joint Venture Co. Refer to note 23 for further information.

(a) Controlling Entity

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

(b) Other transactions with related parties

Transactions with related parties

Transactions with related parties consist of companies with Directors and officers in common and companies owned in whole or in part by executive officers and Directors as follows for the twelve months ended December 31, 2016 and 2015:

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

16. RELATED PARTY DISCLOSURE – continued

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

	31 December 2016 US$	31 December 2015 US$
Director fees	49,207	53,085
	49,207	**53,085**

During the period ended December 31, 2016 the Group entered into transactions with related parties in the wholly-owned group:

- Loans of $1,408,194 were advanced to the Company from short term inter-company accounts, and
- Loans of $3,516,743 were advanced on to Associates of the Company.

These transactions were undertaken on the following terms and conditions:

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

(c) Key Management Personnel compensation

Short term employee benefits	1,151,131	1,134,926
Post-employment benefits	79,125	80,377
Long term benefits	39,319	85,586
Share based payments	-	-
	1,269,575	**1,300,889**

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

17. PARENT ENTITY INFORMATION

Information relating to RTG:	31 December 2016 US$	31 December 2015 US$
Current assets	12,100,689	4,760,333
Total assets	22,841,377	94,103,564
Current liabilities	(1,301,983)	(1,239,406)
Total liabilities	(1,301,983)	(1,239,406)
Issued capital	138,376,685	124,708,862
Share option reserve	7,601,285	7,601,285
Asset revaluation reserve	8,755	-
Asset acquisition reserve	-	(4,974,629)
Accumulated losses	(124,447,331)	(34,471,359)
Total shareholders' equity	**21,539,394**	**92,864,159**
Loss of the Parent Entity	(88,648,972)	(9,174,190)
Total comprehensive loss of the Parent Entity	**(88,648,972)**	**(9,174,190)**

18. COMMITMENT AND CONTINGENCIES

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

[1] Corporate office lease payments due.

31 December 2015		**Payments due by period**		
Contractual obligations	**Total**	**Within one year**	**One year and not later than five years**	**More than 5 years**
Lease obligations [1]	103,275	103,275	-	-
Total contractual obligations	**103,275**	**103,275**	**-**	**-**

[1] Corporate office lease payments due.

19. FINANCIAL RISK MANAGEMENT

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

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

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

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

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

Credit risk

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

Receivable balances are monitored on an ongoing basis and to the extent that recovery is deemed to be uncertain the Company raises a provision or impairs the asset against expected recovery. The credit quality of financial assets that are neither past due nor impaired are assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. The Company has a $2 million receivable from Thor who have no external credit rating. See note 7 for further information. The Group monitors cash and cash equivalents credit risk through holding its cash through banks and financial institutions with a minimum Standard and Poors credit rating of 'A' or greater. The credit risk associated with cash and cash equivalents is considered negligible by the Group. The Group does not hold collateral as security. The Group does not have any receivables past due or impaired.

19. FINANCIAL RISK MANAGEMENT – continued

Liquidity risk

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

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

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

	31 December 2016 US$	31 December 2015 US$
Within one month		
Trade and other payables	295,142	252,537
One month or later and no later than one year		
Trade and other payables	-	-
	295,142	252,537

The Group manages liquidity risk through maintaining sufficient cash loan facilities or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. The Group's liquidity needs can likely be met through existing cash on hand, subject to the current forecast operating parameters being met.

Market rate risk

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is diminished as the Group holds no interest bearing financial liabilities.

The Group's policy is to manage its exposure to interest rate risk by holding cash in short-term fixed rate deposits and variable rate deposits. The Group's exposure to interest rate risk on post-tax profit or loss arises from higher or lower interest income from cash and cash equivalents. The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

At reporting date, the Group's maximum exposure to interest rate risk is as follows:

	31 December 2016 US$	31 December 2015 US$
Interest-bearing financial instruments		
Cash at bank	2,801,440	4,561,717
Short-term deposits at call	8,405,982	-
	11,207,422	**4,561,717**

The Group's cash at bank and short-term deposits at call had a weighted average floating interest rate at December 31, 2016 of 0.97% (December 31, 2015: 0.07%)

19. FINANCIAL RISK MANAGEMENT – continued

Interest rate risk sensitivity
If interest rates were to move up by 1% with all other variables held constant, the pre-tax impact on the Group's profit as well as total equity would be a movement of $84,060 (December 31, 2015: $33,299), a 1% decrease would be a movement of $68,386 (December, 31 2015: $3,330).

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign currency risk throughout the year primarily exists as the functional currency of the Company is US Dollars and net assets of the Controlled Entity are held in predominantly in Australian Dollars, with negligible exposure to the Euro and Canadian Dollars.

The Group reduces its risk of exposure to the currencies listed above by holding financial instruments, principally cash and cash equivalents, creating a natural hedge.

At the reporting date, the Groups exposure to financial instruments in foreign currencies was:

	31 December 2016 US$	31 December 2015 US$
Financial Assets		
Cash and cash equivalents	4,085,183	1,231,040
Trade and other receivables	834,690	138,074
Prepayments	41,515	42,138
	4,961,388	**1,411,252**
Financial Liabilities		
Trade and other payables	275,142	246,886
	275,142	**246,886**
Net exposure	**4,686,246**	**1,164,366**

Foreign currency risk sensitivity
The following table summarises the sensitivity of financial instruments held at balance date to movement in the exchange rate of the USD to the AUD with all other variables held constant. The impact on the Group's profit or loss before tax is due to changes in the fair value of monetary assets and liabilities.

	Change in AUD rate	Impact on profit or loss before tax and equity US$
2016		
	+10%	(631,116)
	-10%	771,364
2015		
	+10%	(121,066)
	-10%	147,969

19. FINANCIAL RISK MANAGEMENT – continued

Fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the accounting policies disclosed in note 1. All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, is described as follows:

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

Recognised fair value measurements
The following table presents the Group's assets measured at fair value at 31 December 2016:

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

At 31 December 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
	US$	**US$**	**US$**	**US$**
Available-for-sale financial asset	-	-	-	-
Total	-	-	-	-

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.

Capital risk management

The Group's total capital is defined as equity attributable to equity holders of the parent and cash and cash equivalents amounted to $149,584,107 at 31 December 2016 (31 December 2015: $129,270,578).

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

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

20. SHARE BASED PAYMENTS

Loan funded share plan

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

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

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

Loan Funded Share Plan Shares issued at 31 December 2016

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

Loan Funded Share Plan Shares issued at 31 December 2015

Name	Date of issue	Share issue price ($C)	Balance at 1 January 2015	Other Changes	Granted during the period	Forfeited during the period	Balance at 31 December 2015
Michael Carrick	28 March 2013	1.65	300,000	-	-	-	300,000
Justine Magee	28 March 2013	1.65	300,000	-	-	-	300,000
David Cruse	28 March 2013	1.65	50,000	-	-	-	50,000
Philip Lockyer	28 March 2013	1.65	50,000	-	-	-	50,000
Robert Scott	28 March 2013	1.65	50,000	-	-	-	50,000
Mark Turner	28 March 2013	1.65	250,000	-	-	-	250,000
Other employees	28 March 2013	1.65	250,000	-	-	-	250,000

21. SEGMENT REPORTING NOTE

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

The Company operates in a single segment, being mineral exploration and development. With the exception of its some of its minor exploration and evaluation assets which are held in Africa, all of the Company's other significant assets are held in the Philippines (see note 22).

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

31 December 2016

Operating segment	**Philippines**	**Australia**	**Other**	**Consolidated total**
	2016	**2016**	**2016**	**2016**
Revenue	**US$**	**US$**	**US$**	**US$**
Revenue from external customers	-	-	-	-
Interest income	-	23,796	-	23,796
Other	-	241,150	-	241,150
Total revenue				**264,946**
Results				
Segment profit / (loss) before tax	(81,133,567)	(12,896,520)	8,506,886	(85,523,201)
Revenue	-	264,946	-	264,946
Administrative expenses	-	(2,783,383)	(86,907)	(2,870,290)
Foreign exchange	-	(4,152,688)	4,074,657	(78,031)
Share of associate loss	(386,275)	-	-	(386,275)
Impairment expense	(80,747,290)	(4,519,135)	4,519,135	(80,747,290)
Other expenses	-	(1,706,261)	-	(1,706,261)
Segment loss before income tax from continuing operations				**(85,523,201)**
Depreciation expense	-	(26,004)	-	**(26,004)**

21. SEGMENT REPORTING NOTE – continued

31 December 2016

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

31 December 2015

Operating segment	Philippines	Australia	Other	Consolidated total
	2015	2015	2015	2015
Revenue	US$	US$	US$	US$
Revenue from external customers	-		-	
Interest revenue	-	4,059	-	4,059
Total revenue				**4,059**
Results				
Segment profit / (loss) before tax	(2,097,550)	(7,076,631)	(62,134)	(9,236,315)
Revenue	-	4,059	-	4,059
Administrative expenses	-	(2,384,387)	(60,083)	(2,443,470)
Foreign exchange	-	(8,252)	(3,050)`	(11,302)
Share of associate loss	(2,097,550)	-	-	(2,097,550)
Impairment expense	-	-	(3,172,082)	(3,172,082)
Other expenses	-	(1,515,971)	-	(1,515,970)
Segment loss before income tax from continuing operations				**(9,236,315)**
Depreciation expense	-	(28,050)	-	-
Segment assets				
Corporate assets	88,272,829	5,170,008	15,137	93,457,974
Total assets				**93,457,974**
Segment liabilities				
Corporate liabilities	-	(394,706)	-	**(394,706)**

22. INVESTMENT IN ASSOCIATES

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

	31 December 2016 US$	31 December 2015 US$
Investment in Associates		
Opening balance	80,650,232	83,197,341
Impairment	(69,607,950)	-
Share of Associates net loss	(386,275)	(2,918,461)
Share of foreign currency translation reserve	332,025	371,352
	10,988,032	**80,650,232**
Loans to Associates		
Loans to Associates	11,139,340	7,622,597
Impairment	(11,139,340)	-
	-	**7,622,597**
Closing balance	**10,988,032**	**88,272,829**

The Associates have a December 31 reporting date.

As outlined in note 1, the Group assesses recoverability of its investment in Associates at each reporting date. As disclosed in note 1(a)(ii) 'significant estimates and assumptions', the impairment recognised of $80,747,290 (December 31, 2015: nil) has been determined using a fair value less costs of disposal method in consideration of external factors; including the current political risk associated with the granting of mining licences in relation to the mining projects held by the Associates in the Philippines, as well as the current litigation between Mt. Labo and its Joint Venture partner.

The newly elected government in the Philippines has rescinded some mining licences previously awarded, not related to the projects of the Group's Associates. This creates uncertainty as to whether the government may further rescind mining licenses in the area in the future.

During the year, Mt. Labo has rescinded the previous settlement agreement with its joint venture partner, Galeo due to non-performance by Galeo and has served a notice of termination and arbitration as required. As such, Galeo is no longer a shareholder of Mt. Labo and its interest in the joint venture has reduced to a 36% unincorporated joint venture interest. Galeo is disputing that position in the Philippine Courts. As part of the litigation process, Galeo has commenced a number of nuisance and harassment actions, including the arrest of 2 officers of Mt. Labo, without proper foundation. Subsequent to year end the joint venture was terminated on January 31, 2017. For further information refer to note 24.

The Associates had no contingent liabilities or capital commitments as at December 31, 2016 (nil: December 31, 2015).

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

- Completion of the Feasibility Study;
- Finalisation of metallurgical test work and resource modelling;
- Reassessment of infrastructure for the Mabilo Project;
- Commencement of diamond drilling program at the Bunawan Project; and
- Continued community relations and environmental compliance in the Philippines.

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

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

22. INVESTMENT IN ASSOCIATES – continued

Extract from the Associates statement of financial position

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

31 December 2015	**Bunawan Mining Corporation**	**Oz Metals Exploration & Development Corporation**	**St Ignatius Exploration & Mineral Resources Corporation**	**Mt Labo Exploration and Development Corporation**	**Total**
Current assets	57,640	21,662	2,572	478,939	560,813
Non-current assets	443,551	65,884	113,712	1,324,880	1,948,027
Total assets	**501,191**	**87,546**	**116,284**	**1,803,819**	**2,508,840**
Current liabilities	6,161,597	23,421	74,705	9,555,249	15,814,972
Non-current liabilities	189,138	2,216,903	-	70,683	2,476,724
Total liabilities	**6,350,735**	**2,240,324**	**74,705**	**9,625,932**	**18,291,696**
Net assets / (liabilities)	**(5,849,544)**	**(2,152,778)**	**41,579**	**(7,822,113)**	**(15,782,856)**
Share of Associates profit / (loss)	(521,763)	(138,936)	(1,350)	(2,256,412)	(2,918,462)
Share of net assets	(2,339,817)	(861,111)	16,631	(3,128,845)	(6,313,142)
Closing share of net assets total					(6,313,142)
Add: fair value uplift *					86,955,500
Add: share of associate FCTR					7,874
					80,650,232

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

23. DISCONTINUED OPERATIONS

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

Financial performance of the discontinued operation	**31 December 2016 US$**	**31 December 2015 US$**
Consideration received		
Cash	1,500,000	-
Available-for-sale financial asset	1,500,000	-
Non-current receivable	2,000,000	-
	5,000,000	**-**
Assets and liabilities		
Asset acquisition reserve	4,300,157	-
	4,300,157	**-**
Consideration received	5,000,000	-
Less: net assets sold	(4,300,157)	-
Expenses	-	(1,461)
Profit / (loss) from discontinued operations	**699,843**	**(1,461)**
Net cash flows of the discontinued operation		
Operating	-	(1,461)
Investing	-	-
Financing	-	-
Net cash outflow	**-**	**(1,461)**

24. EVENTS AFTER REPORTING DATE

Subsequent to the end of the year, the Company has converted a loan plus an additional $50,000 of cash into an equity investment in CEPL, on January 2, 2016, as part of the new business development initiatives.

As detailed in the Directors' Report, Mt. Labo rescinded the previous settlement agreement with its joint venture partner, Galeo due to non-performance and had served notice of termination and arbitration during the year. Subsequent to year end, following a 60 day notice period pursuant to the Joint Venture Agreement, the joint venture was terminated on January 31, 2017, due to Galeo not remedying the notified breaches of the Joint Venture Agreement. Galeo is disputing this position.

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

DIRECTORS' DECLARATION

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

(a) the financial statements and notes of the consolidated entity:

  (i) give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the twelve month period ended 31 December 2016; and

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

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

On behalf of the Board.

JUSTINE ALEXANDRIA MAGEE
President and Chief Executive Officer

Perth, March 30, 2017

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

As lead auditor of RTG Mining Inc. for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

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

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

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 31 March 2017

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INDEPENDENT AUDITOR'S REPORT

To the members of RTG Mining Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RTG Mining Inc. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 year then ended, and notes to the financial report, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Australia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Carrying Value of Investment in Associates and Loans to Associates

Key audit matter	How the matter was addressed in our audit
At the 31 December 2016 the carrying value of the Investment in Associates and Loans to Associates was \$10,988,032, after an impairment charge of \$80,747,290, as disclosed in Notes 4 and 22. As the carrying value of the Investment in Associates and Loans to Associates represents significant assets of the Group, we considered it key to our audit as there were indicators of impairment present and the impairment assessment includes significant judgement in analysing possible impacts caused by factors such as the price of gold and copper, operating and capital estimates, ownership relationships and the political environment in which the projects operate.	We obtained the entity's determination of the recoverable amount of the Investment in Associates and Loans to Associates and our procedures included amongst others: • Evaluating the probability of the Mabilo project proceeding to development by discussions with management, review of publicly available information and review of the independent feasibility study of the project; • Assessing the carrying value of RTG's net assets with regards to the group's market capitalisation as at 31 December 2016. • Assessing the group's ownership, through its investment in associates, in the relevant projects as at 31 December 2016. • Challenging the appropriateness of the Capitalised Market Approach valuation method used to determine the fair value in accordance with IFRS 13 Fair value.

Emphasis of matter

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

Other information

The directors are responsible for the other information. The other information comprises the information in the annual report for the year ended 31 December 2016, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located in Appendix 1 to this report.

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 15 of the directors' report for the year ended 31 December 2016.

In our opinion, the Remuneration Report of RTG Mining Inc. for the year ended 31 December 2016 complies with section 300A of the Corporations Act 2001.

Responsibilities

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

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 31 March 2017

Appendix 1

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

AUSTRALIAN SECURITIES EXCHANGE ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. The additional information was applicable as at 24 February 2017.

DISTRIBUTION OF All SECURITY HOLDERS

Analysis of numbers of Shareholders by size of holding:

Category			Number of shareholders
1	-	1,000	3
1,001	-	5,000	1
5,001	-	10,000	-
10,001	-	100,000	5
100,001	and over		6
			15

There are 3 shareholders holding less than a marketable parcel of shares.

SUBSTANTIAL SHAREHOLDERS

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

Name	Number of equity securities	Power %
Hains Family	24,952,359	14.89%
Franklin Resources Inc.	19,937,479	11.9%
B2Gold	13,551,574	8.10%

VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

SHARES

Each share is entitled to one vote when a poll is called otherwise each member present at a meeting or by proxy has one vote on a show of hands.

CHESS DEPOSITARY NOMINEE (CDI) HOLDERS

A CDI represents a beneficial interest in an underlying Share. CDIs rank equally in all respects with existing Shares in RTG Mining Inc.; however, there are certain differences between CDIs and Common Shares (in particular in relation to voting and how other rights are exercised)

OPTIONS

These securities have no voting rights.

The Company has used its cash in a way consistent with its business objectives.

TOP 20 SHARE HOLDERS

Rank	Name	Shares	% of Units
1.	CHESS DEPOSITARY NOMINEES PTY LIMITED	128,565,210	76.72
2.	CDS & CO	33,027,519	19.71
3.	MARK SAVAGE REVOCABLE TRUST	1,846,200	1.10
4.	MARK SAVAGE <A/C MARK SAVAGE REVOCABLE>	1,622,647	0.97
5.	JAYVEE & CO TR FRANKLIN GOLD AND PRECIOUS METALS FUND	1,397,790	0.83
6.	JAYVEE & CO TR FRANKLIN GOLD AND PRECIOUS METALS FUND	1,000,000	0.60
7.	JUSTINE ALEXANDRIA MAGEE	45,404	0.03
8.	SALIM SHARIFF	30,000	0.02
9.	EXCHANGES CONTROL FOR CLASS M01	24,246	0.01
10.	CASTLE SPRINGS PTY LTD	13,889	0.01
11.	MARIE MARTHE JOSEE BONIEUX	11,250	0.01
12.	HANNAH HUDSON	1,389	0.00
13.	RTG MINING INC <EMPLOYEE SHARE PLAN>	15	0.00
14.	JULIENNE PAULA DADLEY BULL	10	0.00
15.	EXCHANGES CONTROL FOR CLASS C01	8	0.00
	Total Top Holders Balance	**167,585,577**	**100**
	Total Number of Shares on Issue	**167,585,577**	**100**

TOP 20 QUOTED CHESS DEPOSITARY NOMINEE (CDI) HOLDERS

Rank	Name	Units	% of Units
1.	CITICORP NOMINEES	17,505,290	13.62
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,425,456	11.22
3.	CARPE DIEM ASSET MANAGEMENT PTY LTD <LOWE FAMILY A/C>	7,720,030	6.00
4.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	5,861,729	4.56
5.	J P MORGAN NOMINEES AUSTRALIA LIMITED	3,905,243	3.04
6.	HOPETOUN CONSULTING PTY LTD	3,502,557	2.72
7.	ARREDO PTY LTD	3,002,500	2.34
8.	MR BRIAN HENRY MCCUBBING + MRS ADRIANA MARIA MCCUBBING <B MCCUBBING SUPER FUND A/C>	2,160,000	1.68
9.	MR IAN MIDDLEMAS	1,920,000	1.49
10.	AWJ FAMILY PTY LTD <ANGUS W JOHNSON FAMILY A/C>	1,902,850	1.48
11.	MAXIMO SARA	1,717,515	1.34
12.	CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	1,705,000	1.33
13.	MINTURN PTY LTD <PRIMA SUPERANNUATION FUND AC>	1,646,778	1.28
14.	R W ASSOCIATES PTY LTD <RW ASSOC SUPER FUND A/C>	1,460,000	1.14
15.	MR MARK SAVAGE <MARK SAVAGE REVOCABLE A/C>	1,400,000	1.09
16.	RTG MINING INC <EMPLOYEE SHARE A/C>	1,399,985	1.09
17.	BARKFARM PTY LTD <BLB/JAB SUPER FUND A/C>	1,338,000	1.04
18.	MR JOHANNES RAADSMA	1,200,000	0.93
19.	LAUNCESTON GASWORKS PTY LTD	1,152,462	0.90
20.	MR ANGUS WILLIAM JOHNSON + MRS LINDY JOHNSON <DENA SUPER FUND A/C>	1,116,363	0.87
	Total Top Holders Balance	**76,041,758**	**59.15**
	Total Remaining Holders Balance	**52,523,452**	**40.85**
	Total Chess Depositary Nominee (CDI) Holders	**128,565,210**	**100**

DISTRIBUTION OF All CDI HOLDERS
Analysis of numbers of listed equity security holders by size of holding:

Category			Number of shareholders
1	-	1,000	45
1,001	-	5,000	151
5,001	-	10,000	99
10,001	-	100,000	346
100,001	and over		140
			781

There are 83 CDI holders holding less than a marketable parcel of shares.

TOP 20 WARRANT HOLDERS

Rank	Name	Units	% of Units
1.	CITICORP NOMINEES PTY LIMITED	854,288	9.72%
2.	PITTAR NOMINEES PTY LTD <THE PITTAR FAMILY A/C>	694,869	7.91%
3.	HOPETOUN CONSULTING PTY LTD	466,951	5.32%
4.	MRS VICKI GAYE PLAYER + MR SCOTT JAMES PLAYER <V G PLAYER SUPER FUND A/C>	345,110	3.93%
5.	CDS & CO	334,499	3.81%
6.	MR TIMOTHY CHARLES SCHNEIDEMAN	333,778	3.80%
7.	DINWOODIE INVESTMENTS PTY LTD	255,558	2.91%
8.	ARREDO PTY LTD	252,500	2.87%
9.	MR IAN MIDDLEMAS	213,333	2.43%
10.	MAXIMO SARA	190,835	2.17%
11.	CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	189,444	2.16%
12.	MINTURN PTY LTD <PRIMA SUPERANNUATION FUND AC>	182,976	2.08%
13.	PITTAR NOMINEES PTY LTD <THE PITTAR FAMILY A/C>	177,134	2.02%
14.	RJ GULLEY HOLDINGS PTY LTD <ROBERT GULLEY SUPER 1 A/C>	142,850	1.63%
15.	LAUNCESTON GASWORKS PTY LTD	142,209	1.62%
16.	REXI MARKETING PTY LTD	121,998	1.39%
17.	JACKHAMISH PTY LTD	113,333	1.29%
18.	MR DOUG GRAY + MRS GHISLAINE GRAY <GLENMORE ESTATE S/FUND A/C>	112,407	1.28%
19.	DINWOODIE INVESTMENTS PTY LTD <DINWOODIE INVESTMENTS A/C>	108,889	1.24%
20.	MR ANGUS WILLIAM JOHNSON + MRS LINDY JOHNSON <DENA SUPER FUND A/C>	104,000	1.18%
	Total Top Holders Balance	**5,336,961**	**60.75%**
	Total Remaining Holders Balance	**3,447,726**	**39.25%**
	Total Warrant Holders	**8,784,687**	**100**

DISTRIBUTION OF All WARRANT HOLDERS
Analysis of numbers of listed equity security holders by size of holding:

Category			Number of shareholders
1	-	1,000	261
1,001	-	5,000	190
5,001	-	10,000	55
10,001	-	100,000	80
100,001	and over		20
			606

There are 364 holders holding less than a marketable parcel of shares. l

SCHEDULE OF INTERESTS AND LOCATION OF TENEMENTS

Tenement reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
MPSA-MLC-MRD-459-V	Philippines	*Nalesbitan Project*	40%	40%
Exploration Permit ("EP") 014-2013-V (subject to renewal)	Philippines	Approved 1st EP renewal *Mabilo Project*	40%	40%
EXPA-000209-V	Philippines	*Mabilo Project*	40%	40%
EXPA-000188-V	Philippines	*Mabilo Project*	40%	40%
Exploration Permit Application ("EXPA") 118-XI	Philippines	RTG's interest is held through its interest in its associate entity Bunawan Mining Corporation.	40%	40%
APSA-003-XIII	Philippines		40%	40%
EXPA-037A-XIII	Philippines		40%	40%
EP 033-14-XIII	Philippines		40%	40%
EP-001-06-XI	Philippines		40%	40%
EP-01-10-XI	Philippines	RTG's interest is held through its interest in its associate entity Oz Metals Exploration & Development Corporation. (Both EP-02-10-XI and EP-01-10-XI are subject to 2nd Renewal)	40%	40%
EP-02-10-XI	Philippines		40%	40%
EXPA-123-XI	Philippines		40%	40%

MINERAL RESOURCES AND RESERVES STATEMENT

Summary of Resources

The Company's Resources as at December 31, 2016 and 2015, reported in accordance with the 2012 Edition of the JORC Code, are as follows:

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

Annual Review of Resources

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

Summary of Reserves

The Company's Reserves as at December 31, 2016, reported in accordance with the 2012 Edition of the JORC Code, are as follows**:**

Probable Mineral Reserve Estimate								
Ore							Waste	Strip Ratio
Class	**Type**	**Mt**	**Fe %**	**Au g/t**	**Cu %**	**Ag g/t**	**Mt**	
Probable	Gold Cap	0.351	40.1	3.11	0.38	3.26	77.713	10.0
	Supergene	0.104	36.5	2.20	20.7	11.9		
	Oxide Skarn	0.182	43.6	2.52	4.17	19.9		
	Fresh	7.155	45.9	1.97	1.70	8.73		
Total Probable Ore		**7.792**	**45.5**	**2.04**	**1.95**	**8.79**		

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

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

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

Application of edge dilution and ore loss to the Resource model resulted in a 4% increase in the mining model tonnage and a 5% decrease in gold, copper and silver grades. This mining model was used in all mine planning activities, including pit optimization, mine design and mine scheduling.

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

Governance of Resources and Reserves

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

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

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

Competent Person Statement

The information in this Report that relates to exploration results at the Mabilo Project is based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr Ayres is a member of the Australian Institute of Geoscientists and a full-time employee of Mt. Labo Exploration and Development Company, a Philippine mining company, and an associate company of RTG Mining Inc. Mr Ayres has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr. Ayres has verified the data disclosed in this Report, including sampling, analytical and test data underlying the information contained in the Report. Mr. Ayres consents to the inclusion in the Report of the matters based on his information in the form and the context in which it appears.

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

The information in this Report that relates to Mineral Reserves and Mining is based on information prepared by or under the supervision of Mr Carel Moormann, who is a Qualified Person and Competent Person. Mr Moormann is a Fellow of the AusIMM and is employed by Orelogy Consulting, an independent consulting company. Mr Moormann has sufficient experience that is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr Moormann has verified the data disclosed in this Report, including sampling, analytical and test data underlying the information contained in the Report. Mr Moormann consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

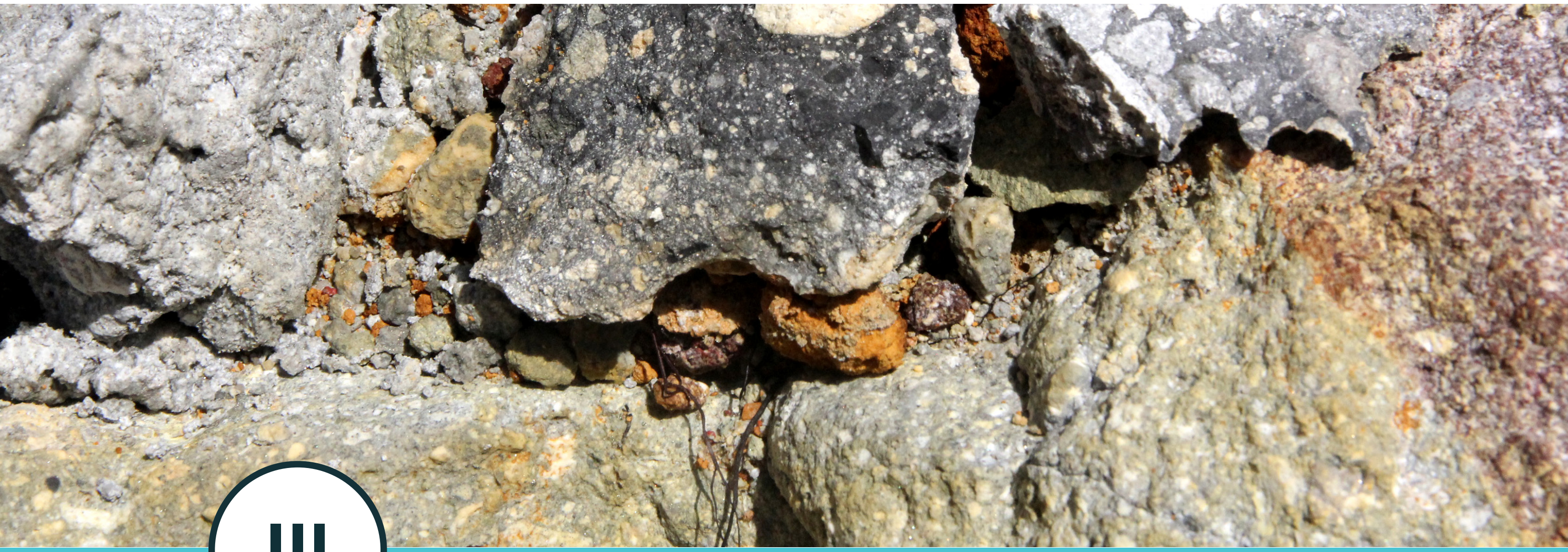
The information in this Report that relates to Metallurgy and Processing is based on information prepared by or under the supervision of David Gordon, who is a Qualified Person and Competent Person. David Gordon is a Member of the Australasian Institute of Mining and Metallurgy and is employed by Lycopodium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

The information in this Report that relates to areas outside of exploration results, Mineral Resources, Mineral Reserves and Metallurgy and Processing is based on information prepared by or under the supervision of Mark Turner, who is a Qualified Person and Competent Person. Mark Turner is a Fellow of the Australasian Institute of Mining and Metallurgy and is employed by RTG Mining Inc., the Company. Mark Turner has sufficient experience that is relevant to the information under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mark Turner has verified the data disclosed in this Report. Mark Turner consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

For the ASX Feasibility Study announcement including JORC tables Section 1 to 4 please refer to the RTG Mining website (www.rtgmining.com) and on the ASX, under announcements (www.asx.com.au).

The information in this report relating to Bunawan exploration results, mineral resources or ore Reserves is based on information provided to Mr Robert McLean by RTG Mining Inc. Mr McLean is an independent consultant geologist and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr McLean has the relevant qualifications, experience, competence and independence to qualify as an "Expert" under the definitions provided in the Valmin Code, "Competent Person" as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and as a "Qualified Person" under National Instruments 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr McLean consents to the inclusion in the report of the matters based on the information he has been provided and the context in which it appears.

ANNUAL INFORMATION FORM



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ANNUAL INFORMATION FORM (“AIF”)

For the year ended December 31, 2016

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

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

www.rtgmining.com

Dated: March 30, 2017

RTG MINING INC. - TABLE OF CONTENTS

Currency

Unless otherwise specified, all dollar references are to United States (US) dollars. On December 31, 2016, one (1) US dollar was worth approximately 1.3446 Canadian dollars ("C$") and approximately 1.3895 Australia dollars ("A$") based on rates provided by currency site www.oanda.com.

Forward Looking Statements

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

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

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

1. CORPORATE STRUCTURE

Name, Address and Incorporation

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

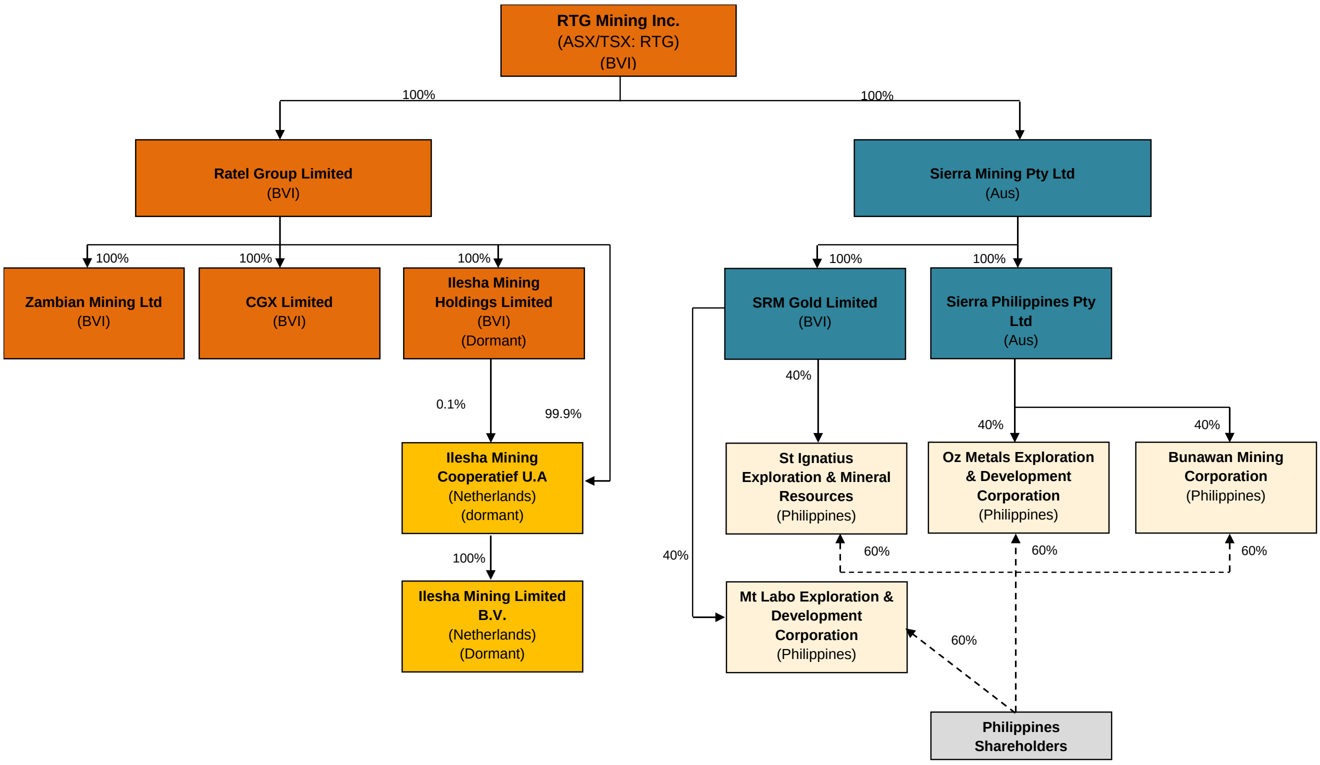

Figure 1 RTG Group Structure as at March 30, 2017

2. GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

YEAR ENDED 2016

The significant changes in the state of the Company during the year ended December 31, were:

- In May 2016, a NI 43-101 Technical Report was released for the Mabilo Copper-Gold-Iron Project following on from the announcement of the Feasibility Study ("FS") on March 18, 2016 on the TSX*. The Mabilo Project is both high grade and low cost underpinning the robust economics presented in the FS including a 33% IRR after tax.

- The twelve months to December 31, 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 Mabilo Exploration Permit, EP-014-2013-V.

- The Company successfully completed the issue of approximately 33 million shares at a price of A$0.60 per share to institutional and sophisticated investors pursuant to a private placement announced by the Company on July 15, 2016 and raising proceeds of approximately $14 million.

- On June 28, 2016 the Company announced the sale of its interest in the Segilola Gold Project. The Company announced the completion of the sale to Thor Explorations Ltd ("Thor") for total consideration of $8.5 million, including $3.0 million consideration upfront, consisting of $1.5 million in cash and $1.5m in Thor listed shares.

- Mt. Labo Exploration and Development Corporation ("Mt. Labo") has rescinded the previous settlement agreement with its joint venture partner, Galeo Equipment Corporation ("Galeo") due to non-performance by Galeo and has served a notice of termination and arbitration as required.

- Due to the above, Galeo is no longer a shareholder of Mt. Labo and its interest at 31 December 2016 reverted to a 36% unincorporated joint venture interest which has subsequently been terminated for failure to cure material breaches of the joint venture agreement. Galeo is disputing that position in the Philippine Courts.

- Ms. Gloria Tan Climaco, a highly respected and successful Philippine business person has agreed to join the Board of Mt. Labo as Chairman and has made a significant investment in the Company.

- During the December quarter, the Company commenced a 1,500m diamond drilling program at the Bunawan Project, following the renewal of its exploration license.

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

* The Company confirms that all the material assumptions underpinning the FS as announced to the ASX on the March 18, 2016 continue to apply and have not materially changed. A copy of the announcement can be found on the Company's website at www.rtgmining.com. The FS is based on a treatment rate of 1Mtpa. A treatment rate of 1.35Mtpa was also considered in an upside case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa. The capital cost estimates were derived from first principles for the 1 Mtpa process plant to an accuracy of +/- 15% and then the capital cost estimates were factored with an accuracy of +/- 25% for the 1.35 Mtpa process plant. The operating cost estimates were derived from first principles for the 1Mtpa process plant and then plant costs were factored with an accuracy of +/- 25% for the 1.35Mtpa operating scenario. All costs are in 2015 US dollars.

YEAR ENDED 2015

- The Company announced on February 10, 2015 that it had resolved to raise approximately A$15 million in a placement to Australian and international institutional and sophisticated investors ("2015 Placement"). The 2015 Placement consisted of 22.3 million new securities at a price of A$0.68 cents per security issued in two tranches.

- It was a year of significant progress at the Mabilo Project (as defined below):

  (i) there was extensive drilling and the preparation of an updated JORC and NI 43-101 (as defined below) compliant mineral Resource statement delivering a high grade new development opportunity with significant exploration upside remaining;
  (ii) the identification of an early start up strategy that will enable early cashflows, with nominal capital expenditure requirements;
  (iii) completion of extensive metallurgical test work and mineral Resource modelling, establishing a proposed flowsheet for development of the project;
  (iv) completion of extensive marketing reviews identifying strong offtake opportunities for the proposed products;
  (v) completion of a Philippine compliant FS on the proposed DSO to fast track permitting for proposed operations; and
  (vi) completion of a FS (as defined below) for both Stage 1 (the proposed DSO) and Stage 2, a plan to produce a number of high grade concentrate products post year end.

YEAR ENDED 2014

- On June 4, 2014, RTG completed the implementation of the schemes of arrangement (the "Schemes") pursuant to the terms of the previously announced Scheme Implementation Deed dated February 24, 2014 (the "Deed") between RTG and Sierra to acquire all of the outstanding securities of Sierra and their projects in the Philippines.

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

3. EVENTS SUBSEQUENT TO DECEMBER 31, 2016

Subsequent to the end of the year, the Company has converted a loan plus an additional $50,000 of cash into an equity investment in Central Exploration Pty Ltd ("CEPL"), an Australian proprietary company, on January 2, 2016 as part of the new business development initiatives.

As detailed above, Mt. Labo rescinded the previous settlement agreement with its joint venture partner, Galeo due to non-performance and had served notice of termination and arbitration during the year. Subsequent to year end, following a 60 day notice period pursuant to the Joint Venture Agreement, the joint venture was automatically terminated on January 31, 2017, due to Galeo not remedying the notified breaches of the Joint Venture Agreement. Galeo is disputing this position.

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

4. DESCRIPTION OF THE BUSINESS

Business of the Company

OBJECTIVES AND STRATEGY

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

Company Assets

The Company's business is dependent on foreign operations, as many of its properties, including its principal asset, are located in the Philippines.

THE MABILO PROJECT

The Company's principal asset and focus is the Mabilo Project. The Mabilo Project is located in Camarines Norte Province, Eastern Luzon, Philippines. It is comprised of one exploration permit (EP-014-2013-V) of approximately 498 ha and two exploration permit applications (EXPA-000188-V) of 1,991 ha and (EXPA 0000 209-V) of 498 ha. The Mabilo Project area is relatively flat and is easily accessed by 15 km of all-weather road from the highway at the nearby town of Labo. The Mabilo Project through 2016 was run as a joint venture between an associate of the Company, Mt. Labo and Galeo Equipment Corporation ("Galeo") in the Philippines ("MJV"). As of the 31st of January Mt. Labo terminated the joint venture with Galeo. For further discussion on this topic see the Mt. Labo Joint Venture Update below.

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

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

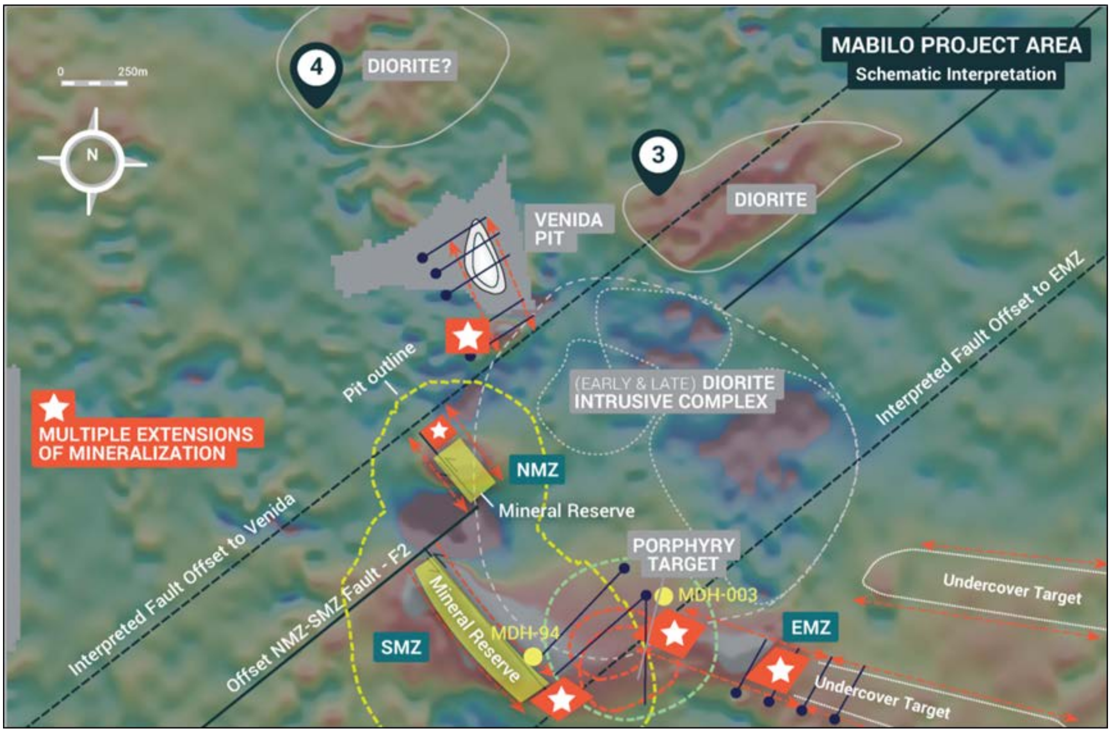

Figure 2 - RTP ground magnetic image with modelled South, North and East magnetic bodies, showing exploration upside targets.

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

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

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

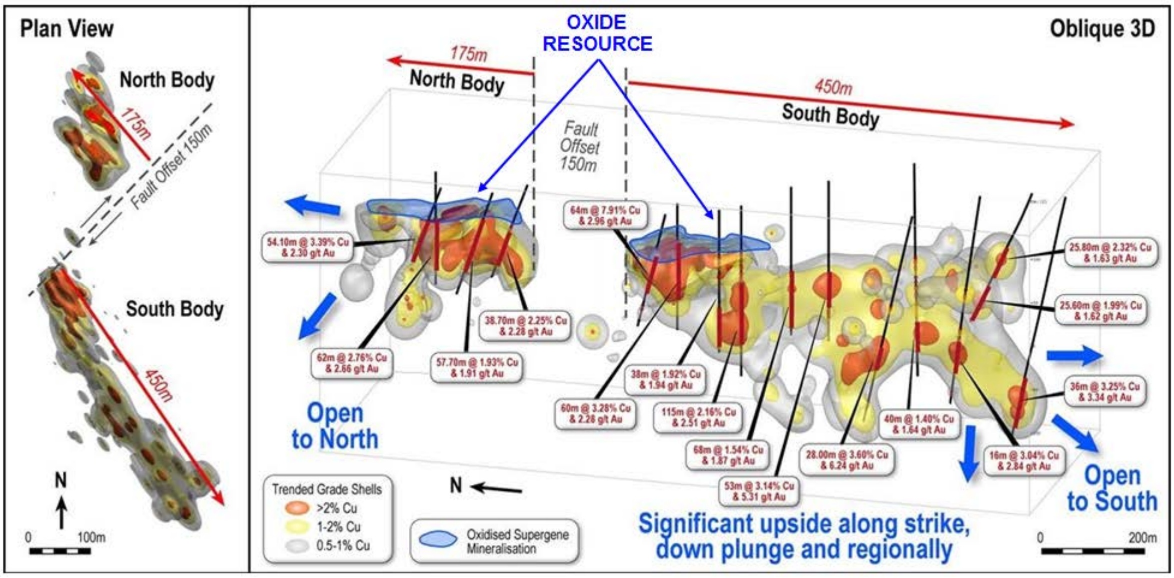

Figure 3- North and Southern Mineralized Zones with intercept highlights - Schematic Oblique view 3D

The Feasibility Study

The Company announced on March 18, 2016 the results from an independent NI 43-101 compliant FS for 100% of the high grade Mabilo Project in Southeast Luzon, Philippines*. The Mabilo Project is both high grade and low cost, underpinning the robust economics presented in the FS including a 33% IRR after tax at US$5,000/t Cu US$1,200/oz Au prices (43.6% with only a 10% lift in commodity prices) and an equivalent operating cost of US$0.80/lb copper equivalent or US$425/oz gold equivalent for concentrate production at a throughput rate of 1.35mtpa**.

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

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

CuEq = (Cu produced/contained*$5000) + (Au produced/contained*$1200+ (Any Contained Fe metal produced* $50))/$5000

AuEq = (Cu produced/contained*$5000) + (Au produced/contained*$1200+ (Any Contained Fe metal produced* $50))/$1200

The Mabilo Project 1.35 Mtpa Case Highlights
A Robust New Development Opportunity

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

Development Schedule
Optimized Approach to Maximize Returns at the Mabilo Project

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

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

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

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

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

The Mabilo Project Feasibility Economics (After-Tax)
Highly Sensitive to Both a Growth in Commodity Prices and Mineral Resources

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

Table 1 Financial Analysis*

	1 Mtpa Case	**1.35Mtpa Case**	**10% Increase in Commodity Prices to 1.35 Mtpa**	**20% Increase in Commodity Prices to 1.35 Mtpa**
IRR	**26.09%**	**33.45%**	**43.62%**	**56.29%**
NPV 0%	**US$197M**	**US$223M**	**US$285M** **28% Increase**	**US$361M** **63% Increase**
5%	**US$126M**	**US$156M**	**US$207M** **33% Increase**	**US$269M** **72% Increase**
8%	**US$96M**	**US$125M**	**US$171M** **37% Increase**	**US$226M** **81% Increase**
Payback for Plant (Years)	**2.5**	**2.5**	**2.42**	**2.25**

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

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

Overview Of Planned Operations
Producing 3 High Quality Concentrates Through the Plant

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

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

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

Table 2 CAPEX and Production Metrics

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

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

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

CuEq = (Cu produced/contained$5000) + (Au produced/contained*$1200+ (Any Contained Fe metal produced* $50))/$5000*

AuEq = (Cu produced/contained$5000) + (Au produced/contained*$1200+ (Any Contained Fe metal produced* $50))/$1200*

Table 3 Production Metrics for Stage 2

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

Mineral Reserves
March 2016 Mineral Reserve Estimate

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

Table 4 Probable Mineral Reserve Estimate

Ore							Waste	Strip Ratio
Class	**Type**	**Mt**	**Fe %**	**Au g/t**	**Cu %**	**Ag g/t**	**Mt**	
Probable	Gold Cap	0.351	40.1	3.11	0.38	3.26	77.713	10.0
	Supergene	0.104	36.5	2.20	20.7	11.9		
	Oxide Skarn	0.182	43.6	2.52	4.17	19.9		
	Fresh	7.155	45.9	1.97	1.70	8.73		
Total Probable Ore		**7.792**	**45.5**	**2.04**	**1.95**	**8.79**		

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

The mineral Resource estimation as of November 2015 provided by CSA Global classified the mineral Resources for the Mabilo Project as Indicated and Inferred. Only Indicated mineral Resources as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) were used to establish the Probable Mineral Reserves. No mineral Reserves were categorized as Proven.

Application of edge dilution and ore loss to the mineral Resource model resulted in a 4% increase in the mining model tonnages and a 5% decrease in gold, copper and silver grades. This mining model was used in all mine planning activities, including pit optimization, mine design and mine scheduling.

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

Mineral Resource Estimate

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

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

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

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

Capital Costs

2-Stage Development: Overall Low Capital Costs

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

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

Table 6

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

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

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

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

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

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

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

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

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

Table 7 Average Operating Costs

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

Mining

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

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

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

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

Metallurgy And Processing

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

The treatment plant design incorporates the following unit process operations:

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

A planned flowsheet for the process is shown below.

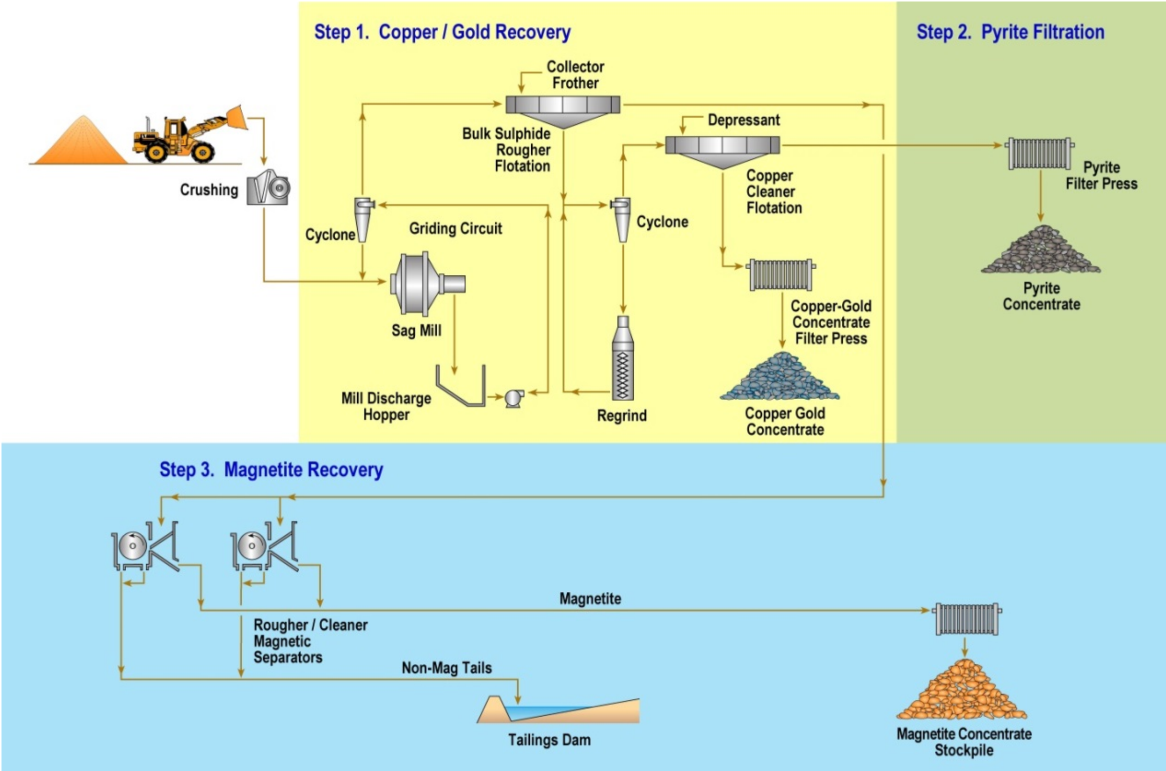

Figure 4 Process Flow Sheet

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

MT. LABO JOINT VENTURE UPDATE

Mt. Labo has rescinded the previous settlement agreement with its joint venture partner, Galeo due to non-performance. Subsequently, Galeo is no longer a shareholder of Mt. Labo and its interest in the joint venture had reduced to a 36% unincorporated joint venture interest, which has subsequent to year end been terminated. Galeo is contesting these positions in the Philippine Courts. Following a 60 day notice period pursuant to the Joint Venture Agreement, the joint venture was automatically terminated on January 31, 2017, due to Galeo not remedying the notified breaches of the Joint Venture Agreement which again it is contesting. As part of the litigation process, Galeo has commenced a number of nuisance and harassment actions, including the arrest of 2 officers of Mt. Labo, without proper foundation. Mt Labo plans to instigate arbitration proceedings to enforce its rights against Galeo. Arbitration is unpredictable and may not result in favourable business outcomes and will likely cause a delay to operational activities, however, Mt. Labo believes it is the only avenue available to it to protect its interests.

NALESBITAN PROJECT (THE “NALESBITAN PROJECT”)

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

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

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

BUNAWAN PROJECT ("THE BUNAWAN PROJECT")

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

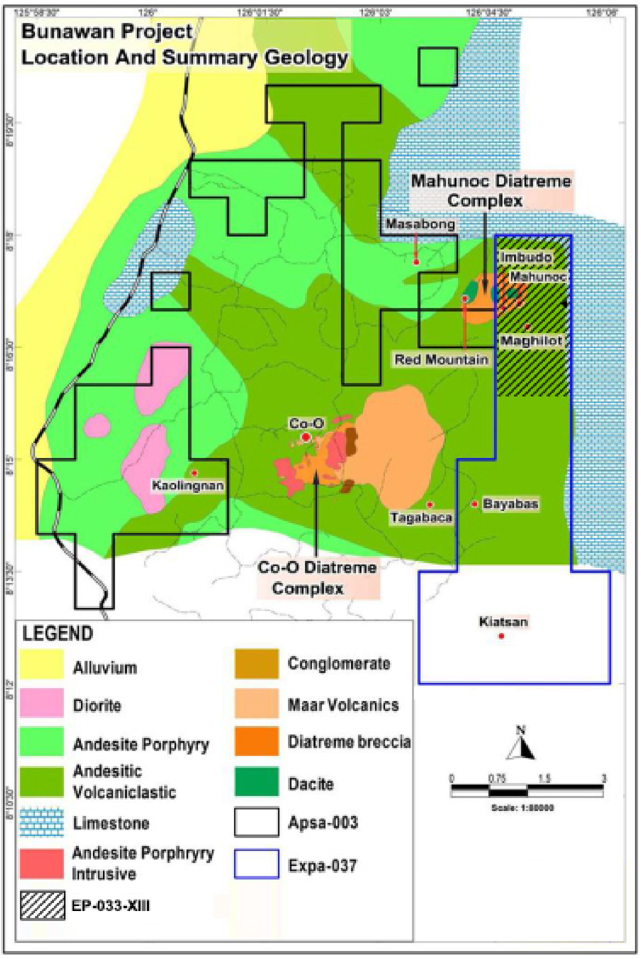

Figure 5 Location Plan with Regional Geology Showing Both the Co-O and Mahunoc Diatreme Complexes

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

In parallel with the efforts on the Mabilo Project, the Bunawan Project exploration permit was secured , which Sierra had been working on for some period of time.

Following the granting of the exploration permit, RTG announced in November 2014 that it had commenced a reconnaissance drilling program. At the end of 2014 nine holes had been completed for 3,074 metres. Mineralisation was intercepted in 6 of the 9 holes drilled, including 7m @ 4.18g/t Au and 4m @ 12.33g/t Au. Results were announced in February 2015.

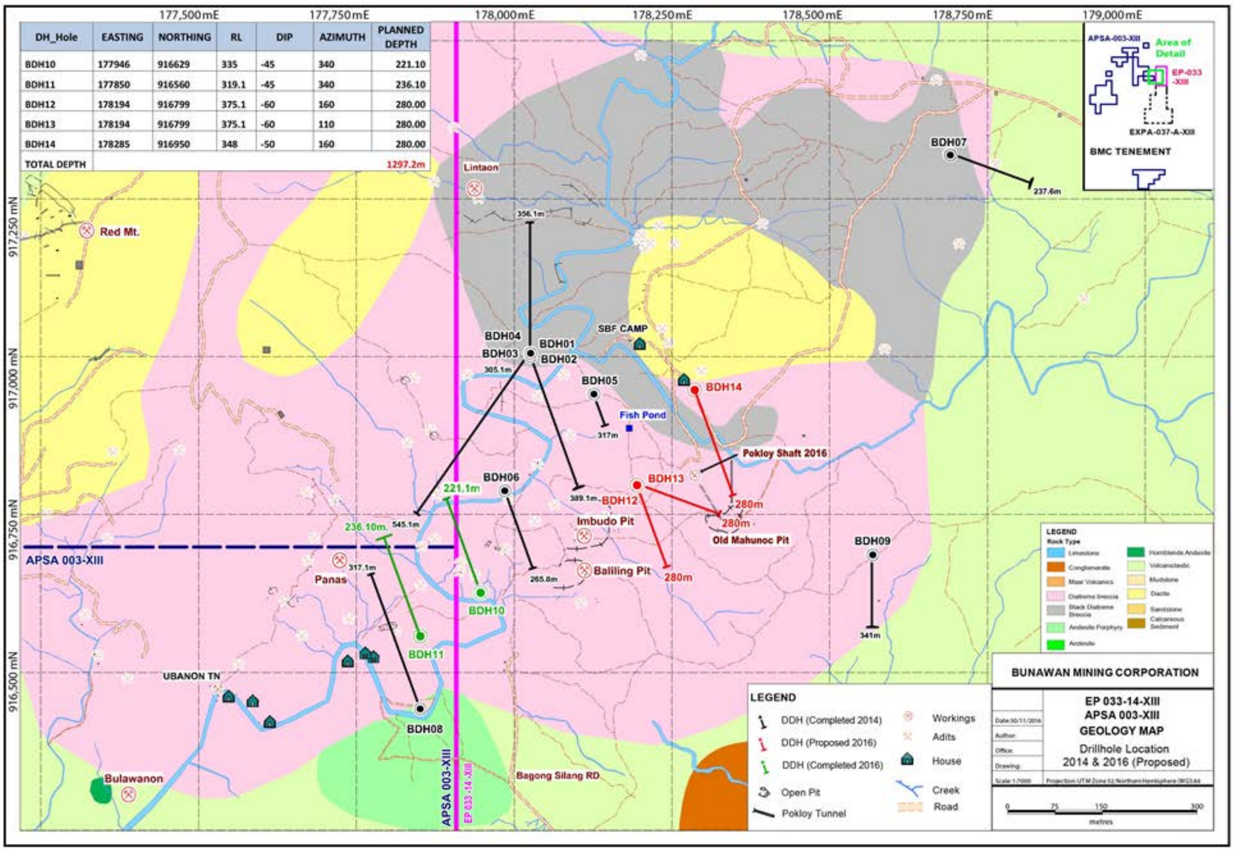

Figure 6– **Bunawan Location of 2nd Stage Diamond Drilling Program**

In October 2016 the Mines and Geosciences Bureau ("MGB") in the Philippines renewed the Exploration License (EP-000033-14-XIII) ("EP") for the Bunawan Project in the Philippines for a further 2 years.

With the renewal of the EP, a reconnaissance 1,500m diamond drilling program commenced mid-November, targeting key areas highlighted in the December 2015 Gradient Array - Induced Polarization (GAIP) and Dipole-Dipole Induced Polarisation (DDIP) programs.

The program has targeted areas where the IP response from the GAIP and DDIP programs (see Figure 7 below) coincided with the structure from the magnetics and geochemistry. Two holes had been completed by the end of the year. Core cutting and delivery for assaying had been completed for the first hole.

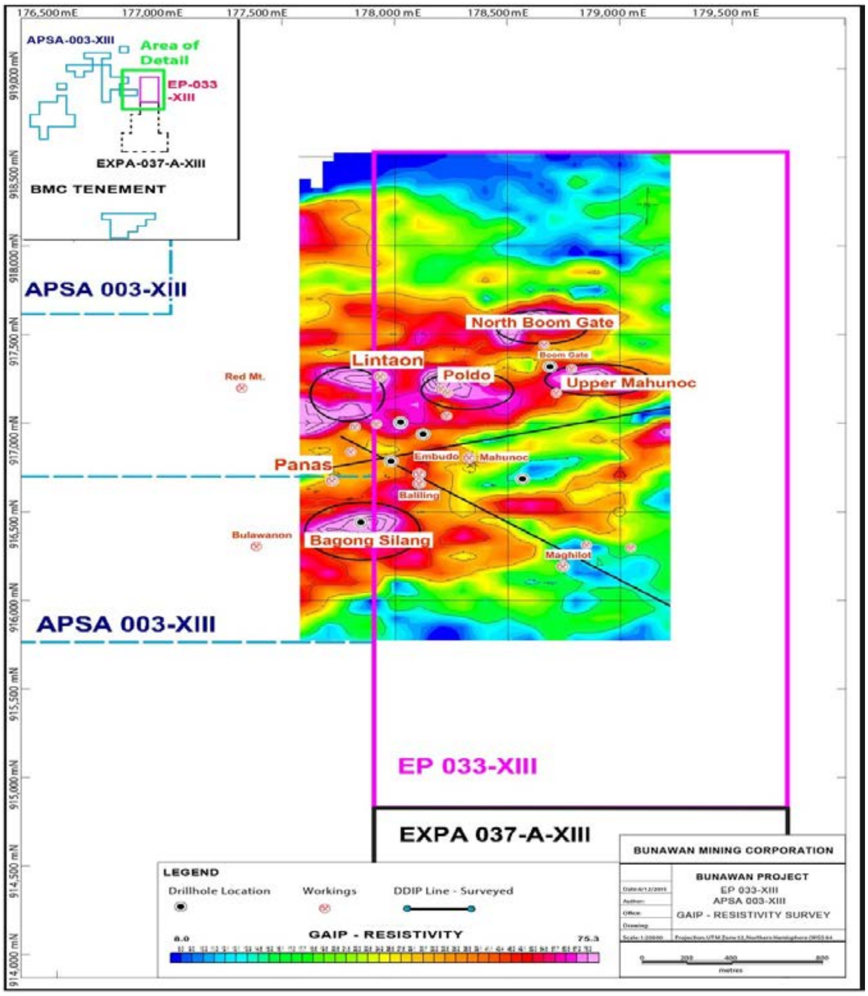

Figure 7 - Bunawan Target Zones from 2015 GAIP and DDIP programs

BAHAYAN PROJECT (THE "BAHAYAN PROJECT")

The Bahayan Project in the Philippines comprises exploration permit application 123 ("EXPA-123-XI") covering 69.2km^2 of ground near the Diwalwal mining camp. High-grade gold veins were discovered at Diwalwal in the early 1980's, although there has been little modern exploration at Diwalwal and surrounding areas. Based on the MGB XI MTSR as of December 2016, EXPA-123-XI has been endorsed to the MGB Central Office and is awaiting the clearance of the MGB Director.

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

Work at the Bahayan Project during the fourth quarter of 2015 included the completion of 60.2 line kms of ground magnetic survey, further geological mapping, rock chip sampling and petrographic work. The Bahayan Project continues to show potential and the ground magnetic work has highlighted a number of areas that warrant further interpretation and follow up resistivity work.

MAWAB PROJECT (THE "MAWAB PROJECT")

The Mawab Project in the Philippines comprises two contiguous applications which have a combined area of 65.66 km2. They are located in the Masara Mineral Field, one of most highly mineralised section of the Pacific Cordillera where there are a number of past mines and deposits currently at an advanced stage of development.

TAGUIBO PROJECT (THE "TAGUIBO PROJECT")

The Taguibo Project in the Philippines comprises one granted exploration permit and two applications for exploration permits covering a combined area of 128.7 km^2. Exploration permit no. 000001-06-XI was granted on the October 18, 2006. The two applications have been cleared and have priority of application.

MKUSHI COPPER PROJECT (THE "MKUSHI COPPER PROJECT")

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

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

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

SEGILOLA GOLD PROJECT (THE "SEGILOLA GOLD PROJECT")

On August 22, 2016, the Company announced the completion of the sale of its Segilola Gold Project in Nigeria to Thor Explorations Ltd, a TSX-V listed company. The total consideration was US$8.5M, with US$3M already paid upfront, including US$1.5M in cash and US$1.5M in Thor Explorations Ltd ("Thor") listed shares.

Employees

As of December 31, 2016, RTG has 6 full-time equivalent employees. Management considers the relationship between RTG and its employees as sound.

Specialized Skill and Knowledge

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

Competitive Conditions

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

Cycles

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

Changes to Contracts

As detailed above, Mt. Labo rescinded the previous settlement agreement with its joint venture partner, Galeo due to non-performance and had served notice of termination and arbitration during the year. Subsequent to year end, following a 60 day notice period pursuant to the Joint Venture Agreement, the joint venture was automatically terminated on January 31, 2017, due to Galeo not remedying the notified breaches of the Joint Venture Agreement. Galeo is disputing this position.

Mt. Labo obviously does not believe arbitration necessarily results in sensible business outcomes and will likely cause a delay to operational activities, but believes it is the only avenue available to it, to protect its interests from the ongoing misconduct of Galeo and its founder.

Environmental Protection

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

Environment And Social Impact

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

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

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

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

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

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

Baseline Monitoring and Data

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

Risk Factors

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

COUNTERPARTY RISK

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

There are also specific risks in relation to:

i. The Share Sale Agreement for Ratel Group Limited dated August 26, 2013 entered into between Zambian Mining (as seller) and Elephant Copper (as buyer) in that Elephant Copper has failed to comply with its post completion obligations under the Share Sale Agreement by failing to repay the DHL Payment by January 1, 2014 or completing an IPO by December 31, 2013. Elephant Copper has now also breached its obligations of repayment on January 1, 2015 under the Convertible Note. There is a risk that Elephant Copper will not perform its post completion obligations under the Share Sale Agreement. To date the Company has fully provided for the consideration received and to be received under the Share Sale Agreement.

ii. On August 22, 2016 the Company announced the completion of the sale of its Segilola Gold Project in Nigeria to Thor, a TSX-V listed company, for total consideration of US$8.5M, including US$2.95M consideration upfront under a Share Purchase Agreement ("SPA"). The remaining US$5.5M, includes:

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

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

LITIGATION RISKS

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

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

i. Deferred Consideration Claim being conditional on receiving approval of the Motion for Reconsideration of a Notice of Denial of the Nalesbitan Project APSA-V-002;

ii. A claim for royalty on small scale mining permit production;

iii. Bunawan Project permit APSA-03-XIII being subject to a number of claims including the cases of Valley Mining and Development Corp. vs. Safariland Resources Co. and PICOP Resources, Inc. vs. Safariland Resources Co. and

iv. Mt. Labo has rescinded the previous settlement agreement with its joint venture partner Galeo due to non-performance; and has served a notice of termination and arbitration as required. Galeo in response has recorded a list of complaints in the Courts of the Philippines against Mt. Labo and a number of Mt. Labo's Directors and Officers.

POLITICAL RISKS IN THE REPUBLIC OF THE PHILIPPINES

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

From time to time, the New People's Army that is located near RTG's mining tenements impose demands (by way of access fee or contribution) which can increase exploration risk. The Australian Department of Foreign Affairs maintains a travel advisory level of 'high degree of caution' for travel to the Philippines as a whole and a 'reconsider your need to travel' advice warning for Eastern Mindanao. While RTG will be operating exploration projects in Eastern Mindanao, its properties are not located in high risk areas.

The announced policy of the current Secretary of Mines in the Philippines that no new mines will be developed in the country. That position may ultimately change but it creates significant uncertainty as to the timing and likelihood of a future development of projects the Company is or may become involved in.

EXCHANGE RATE RISK

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

UNCERTAINTY OF MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

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

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

SHARE MARKET CONDITIONS

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

CHANGES TO TAX ENVIRONMENT

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

EXPLOITATION, EXPLORATION AND MINING LICENCES

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

In addition, there are risks attaching to exploration and mining operations in a developing country which are not necessarily present in a developed country. These include economic, social or political instability or change, hyperinflation, currency instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties as well as government control over mineral properties. Any future material adverse changes in government policies, representatives or legislation that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of combined group’s or rights to title or tenure.

NATURE OF MINERAL EXPLORATION AND MINING

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

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

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

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

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

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

Operations in countries like the Philippines may involve an exposure to security related issues such as rebel activity which may cause physical damage to property or other damage to the assets of the Company or employees and others. The basis for this activity may be personally motivated, or motivated by ideology or for commercial gain and the Company may have limited control over or warning (if any) of such actions. Such actions could have an adverse effect on the Company or perceptions thereof.

PAYMENT OBLIGATIONS

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

COMMERCIAL RISKS OF MINERAL EXPLORATION AND EXTRACTION

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

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

COMMODITY PRICE VOLATILITY

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

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

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

DEPENDENCE ON KEY PERSONNEL

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

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

INSURANCE

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

NEW PROJECTS AND ACQUISITIONS

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

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

DILUTION

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

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

ENVIRONMENTAL RISK

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

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

More specifically, the operations of the Company are subject to extensive environmental, health, and safety regulation relating to the safety and health of employees, the protection of air and water quality, hazardous waste management, and mine reclamation in the jurisdictions in which they operate. These regulations establish limits and conditions on the ability of a mining company to conduct its operations. The cost of compliance with these regulations can be significant. The regulatory environment could change in ways that would substantially increase its liability or the costs of compliance and that could have material effect on operations or financial position of the Company.

EXPLORATION IN THE REPUBLIC OF THE PHILIPPINES

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

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

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

GENERAL TITLE RISKS IN THE REPUBLIC OF THE PHILIPPINES

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

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

REGULATIONS IN THE PHILIPPINES

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

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

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

LAND ACCESS IN THE REPUBLIC OF THE PHILIPPINES

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

JOINT VENTURE RISKS

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

Common Risk Factors

INVESTMENT IN PUBLICLY QUOTED SECURITIES

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

POTENTIALLY VOLATILE SHARE PRICE AND LIQUIDITY

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

MARKET PERCEPTION

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

ECONOMIC RISK

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

CHANGES IN GOVERNMENT POLICIES AND LEGISLATION

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

FUTURE CAPITAL NEEDS AND ADDITIONAL FUNDING

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

5. Current Material Project

Mabilo Project National Instrument 43-101 Technical Report

Lycopodium, CSA Global, Orelogy, Behre Dolbear Australia Pty Ltd and Knight Piesold were retained by RTG to complete the most recent independent technical report titled “RTG Mining Inc Mabilo Project National Instrument 43-101 Technical Report” dated May 2, 2016, on the Mabilo Copper-Gold-Iron Property (the “Mabilo Property”) filed in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects to support RTG’s public disclosure about the Mabilo Property (the “Technical Report”). The Technical Report was filed on May 3, 2016 and is incorporated by reference into this AIF. The Technical Report is available on under the Company’s profile on SEDAR (www.sedar.com). The following a summary of the Technical Report in accordance with disclosure required under NI 51-102F2.

PROJECT DESCRIPTION, LOCATION AND ACCESS

Location

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

Description

The Mabilo Project is a proposed open pit mining and processing project based upon an unincorporated Joint Venture between Mt. Labo Exploration and Development Corporation (64% - 'MLEDC'); and Galeo Equipment Corporation (36% - 'Galeo') signed on 10 May, 2013 and titled the Mabilo JV (MJV). The primary tenement is held by MLEDC, whilst either party may acquire additional tenements within a 15 km Cooperation Zone under the same conditions as the JVA. It is noted that the current unincorporated joint venture with Galeo was terminated on January 31, 2017.

Rights, Royalties and Encumbrances

Eldore Royalty Agreements

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

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

Galeo Equipment Corporation Joint Venture Partner

On 10 May, 2013 Mt. Labo Exploration and Development Corporation (MLED), Sierra Mining Limited (Sierra) and Galeo Equipment Corporation ('GALEO') entered into an unincorporated Joint Venture Agreement ('JVA') wherein Galeo could earn up to 36% share of the Project from surface down to 200 m by fulfilling certain obligations. The parties will jointly prospect, explore and possibly develop all minerals within the tenements held by MLEDC down to 200 m below surface. The parties entered into an agreement on 19 November, 2013 to remove the depth restriction.

Galeo fulfilled all of the earn-in obligations on 19 August, 2015 and now holds 36% interest in the Joint Venture. The parties also entered into a Memorandum of Understanding on 22 November, 2013 whereby Galeo can increase its holdings to 42% by meeting certain criteria. The Mabilo Mining Project ('MMP') is managed by a Project Manager appointed by the Joint Venture partners whilst the JVA is managed by a five-member management committee. Since the writing of the report, the joint venture terminated on 31 January 2017. Refer to section 4 for further details.

Water Rights

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

HISTORY

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

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

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

The survey used company staff and equipment hired from Alpha Geoscience in New South Wales, Australia. Modeling and drill targeting was completed by Dr Clive Foss of Encom Technology ("Encom"), in Sydney, Australia (Maude, 2012). Encom noted that the magnetic susceptibilities in the area to the south of Venida were extremely high and that the strong anomalous "lows" (indicating highly magnetic rocks) were indicating magnetite mineralization. Encom modelled seven target bodies interpreted as the sources for the magnetite anomalies but Eldore did not drill the targets.

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

GEOLOGICAL SETTING, MINERALIZATION AND DEPOSIT TYPES

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

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

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

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

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

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

EXPLORATION

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

DRILLING

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

SAMPLING, ANALYSIS AND DATA VERIFICATION

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

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

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

MINERAL PROCESSING AND METALLURGICAL TESTING

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

The original testwork (Phase I, completed in 2014 at ALS Metallurgy (ALS)) established that a bulk sulphide flotation route was appropriate for the magnetite skarn to maximize the copper recovery. Regrinding of the rougher concentrate and cleaning at high pH to depress the pyrite achieved readily saleable copper concentrate grades. The bulk sulphide flotation route had additional benefits, allowing separate containment of the acid generating pyrite tails and preserving this fraction with elevated gold grades for potential future treatment or sale. The definitive testwork programme (Phase II) focused on optimizing the processing route for the bulk sulphide flotation and cleaning to upgrade the copper concentrate.

Metallurgical Recoveries

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

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

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

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

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Mineral Resources

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

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

Modeled magnetite skarn envelopes were interpreted based on drillhole lithological logging, since this unit is high in magnetite content. The unit was limited against interpreted structures. Within the magnetite skarn unit small zones along sections of the edges are not mineralized with Au and Cu above the selected 0.3 g/t Au or 0.3% Cu grade cut-off. Separate Au / Cu mineralized magnetite skarn envelopes were generated to ensure that the grade continuity can be more accurately represented during grade estimation. Other lithological units modeled in the system are also not necessarily mineralized to potentially economic levels of Au, Cu and Fe throughout their full extent. These envelopes were modeled using lithological logging and nominal lower cut-off grades of 0.3 g/t Au or 0.3% Cu. The 3-D envelopes representing the mineralized zones were grouped into 14 domains based on lithology type and deposit location for estimation and reporting.

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

Density was assigned to the model based on linear regression formulas determined for the weathered and unweathered zones. The regression formulas are based on the correlation between density and Fe which followed statistical analysis. The overall average density of the mineralized weathered zones is 2.96 t/m^3 compared to 3.70 t/m^3 for the unweathered zones. The average density from measured samples taken outside the interpreted mineralized zones was assigned to waste blocks: 2.2 t/m^3 was assigned in the Labo volcanic sequence, 2.33 t/m^3 was assigned in the weathered zone and 2.71 t/m^3 was assigned in the unweathered zone.

Table 8 Mabilo Project Mineral Resource Estimate Results as at November 2015

Mineral Resource Estimate Results - Reporting at 0.3 g/t Au Lower Cut-off - Mabilo South and North Deposits									
Classification	**Weathering**	**Million Tonnes**	**Cu %**	**Au g/t**	**Ag g/t**	**Fe %**	**Contained Au ('000s Oz)**	**Contained Cu ('000s t)**	**Contained Fe ('000s t)**
Indicated	Oxide + Supergene	0.78	4.1	2.7	9.7	41.2	67.1	32.1	320.8
Indicated	Fresh	8.08	1.7	2.0	9.8	46.0	510.5	137.7	3,713.7
Indicated	Total All Materials	8.86	1.9	2.0	9.8	45.6	577.6	169.8	4,034.5
Inferred	Oxide + Supergene	0.05	7.8	2.3	9.6	26.0	3.5	3.7	12.3
Inferred	Fresh	3.86	1.4	1.5	9.1	29.1	181.5	53.3	1,121.8
Inferred	Total All Materials	3.91	1.5	1.5	9.1	29.0	184.9	57.0	1,134.1
Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralized geological units. The Mineral Resource is quoted from all classified blocks above a lower cut-off grade 0.3 g/t Au within these wireframe solids. Differences may occur due to rounding, no recovery factors considered, Mineral Resources that are not Mineral Reserves have not demonstrated economic viability.									

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

Mineral Reserve Estimating Approach

The key activities in estimating the mineral reserves were:

- Pit Optimization – Whittle-4X™ pit optimization software was used to identify the optimum pit shell in terms of value and tonnage, using the parameters and the shell selection process described in Section 15 of the Technical Report.

- Mine Design – An ultimate pit was designed in MineSight™ general mine planning software, with the guidance of the selected shell, and pit design inputs summarized in Section 15 of the Technical Report. Internal stages were designed to target higher value areas in accordance with the intermediate Whittle-4X shell information, pit design criteria and an iterative process using mine scheduling feedback.

- Mine Scheduling – Maptek's Evorelution™ software was used to generate a practical Life of Mine (LOM) production schedule aimed at meeting all scheduling objectives and constraints. The scheduling process is detailed in Section 16 of the Technical Report.

- Mining Cost Estimation – The mining costs were estimated, for a contract mining operation from first principals using the physicals generated by the LOM schedule. The assumptions in the mining cost estimate have been outlined in Section 15 and 16 of the Technical Report and the resulting cost estimates have been provided in Section 21 of the Technical Report.

- Economic Verification of the Feasibility Study – Overall project cash flow projections were reviewed to confirm that the Project is economically viable.

- Risk Assessment – A risk assessment was undertaken to identify the factors that could materially impact the mineral reserve estimate.

Mineral Reserves

The Mineral Reserves are summarized in Table 9.

Table 9 Mabilo Mineral Reserve Summary (dated 2 May 2016)

Ore							Waste	Strip Ratio
Class	**Type**	**Mt**	**Fe %**	**Au g/t**	**Cu %**	**Ag g/t**	**Mt**	
Probable	Gold Cap	0.351	40.1	3.11	0.38	3.26	77.713	10.0
	Oxide Skarn	0.182	43.6	2.52	4.17	19.9		
	Supergene	0.104	36.5	2.20	20.7	11.9		
	Fresh	7.155	45.9	1.97	1.70	8.73		
Total Probable Ore		**7.792**	**45.5**	**2.04**	**1.95**	**8.79**		

Risks

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

- The domains in the resource model have been developed based on geology and grade distribution, however they do not take into account all the variability in mineralization type that is significant for metallurgical performance. This importantly includes the degree of clay-silica-pyrite overprint and brecciation, as well as hypogene bornite domains. An initial geometallurgical model has been developed using a combination of logging and multi-element analytical data but requires further refinement in tandem with metallurgical optimization.

- Access Risk - Tenement Rights. Approval needs to be obtained via a Mineral Production Sharing Agreement (MPSA), this is the mechanism to secure the Mabilo 'Contract Area' which is a term comparable to a mining lease in other jurisdictions. MPSA approval for the oxide mining phase (no processing) to secure the Mabilo 'Contract Area' has been entered into but not yet granted. During this phase ore and waste are mined and all ore is transported away without onsite treatment.

- Wall failure risk – slope angles. Pit optimization sensitivity indicates that the ultimate pit size is relatively sensitive to slope angle variation and that the cash flow is moderately sensitive. Slope failure will result in higher costs due to additional excavating requirements and/or delays in ore supplies causing revenue delays. Both will affect cash flow but are unlikely to affect the viability of the Project.

- Geotechnical Conditions – Slightly steeper wall angles have been used in the pit design than those specified in the Geotechnical report. The risks can be managed by:
    - ensuring that the slopes are adequately drained
    - adopting appropriate mining practices
    - utilization of slope monitoring radars for example.

MINING OPERATIONS

Mining Method

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

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

Pit Optimization

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

- The mineral resource model used in the optimization process was generated by CSA Global Pty Ltd (CSA) in February 2016 with 10 m x 10 m x 5 m (x, y, z) parent block sizes and 2.5 m x 2.5 m x 2.5 m sub-cells.

- Geological zones were defined and allocated a process stream and cost. Four ore types were defined and processing costs and recoveries assigned.

- Slope angle criteria were provided by Chris Orr of George, Orr and Associates based on reviews and reports. Allowances were made for surface and ground water management.

- Oreloss and dilution were estimated in two steps. Step 1 estimates oreloss and dilution along the ore-waste boundary, this is referred to as 'edge dilution' while Step 2 estimates the oreloss and dilution within the ore zones (Internal Dilution) due to mixing from blasting movement and grade control delineation of ore types.

- The mining costs were derived based on IMC's Mabilo Mine Operating Cost Estimate report followed by a review by Orelogy Consulting.

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

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

- Minimum 8 year mine life.

- Economic at 30% lower revenues.

- Strip ratio of 10:1 or less.

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

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

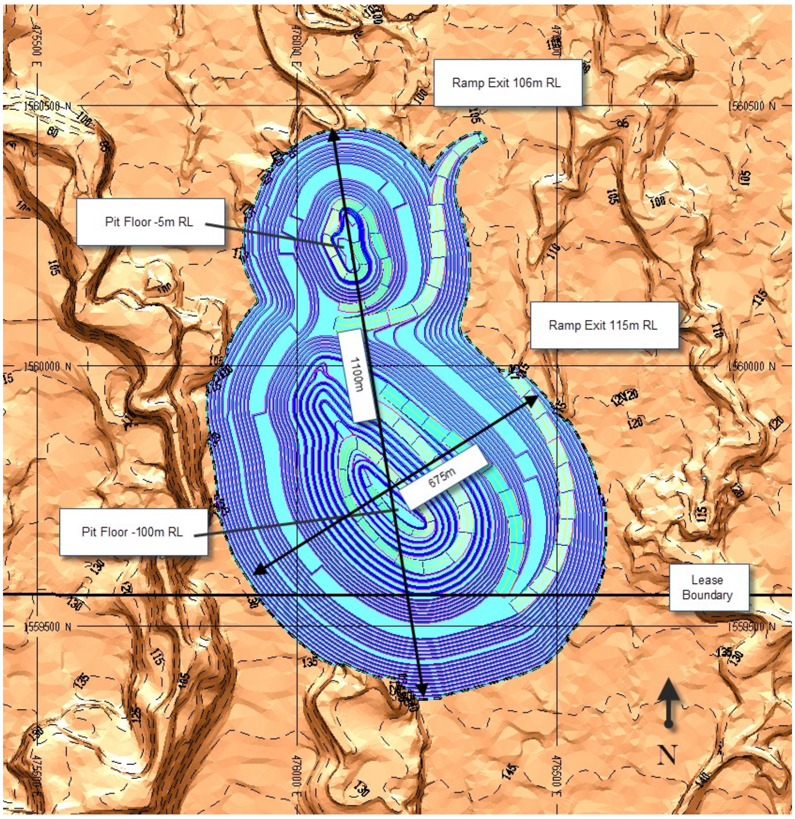

Figure 8 Ultimate Pit Design

Mining Schedule

Mining and processing schedules were generated within Maptek Evolution™ software. Ore types considered in the scheduling process are Gold Cap Ore, Supergene Copper Ore and Fresh Ore. Oxide Skarn Ore, a relatively low value product, is recovered as it is exposed. Several schedule iterations were performed to refine the match between production by period and the required equipment fleet necessary to produce a realistic schedule. The results are summarized in Table 10.

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

Table 10 Ore Mined - Tonnages and Grades by Year

	Supergene			Gold Cap		Oxide Skarn				Fresh Ore				
Year	**Ore kt**	**Au g/t**	**Cu %**	**Ore kt**	**Au g/t**	**Ore kt**	**Au g/t**	**Cu %**	**Ag g/t**	**Ore kt**	**Au g/t**	**Cu %**	**Fe %**	**Ag g/t**
1	70.9	2.2	22.4	302.0	3.3	80.2	3.51	4.74	29.10	18.1	2.8	4.3	49.7	13.1
2	32.9	2.1	16.9	36.4	2.0	4.0	1.05	2.84	8.98	30.2	1.9	3.1	43.9	8.3
3	0.0			7.5	2.6	9.1	3.32	6.76	13.60	659.6	2.2	2.6	45.7	9.9
4	0.0			5.2	1.5	88.6	1.60	3.46	12.73	996.8	1.8	1.8	49.3	7.9
5	0.0			0.0		0.0				1,000.3	2.0	1.7	48.1	6.5
6	0.0			0.0		0.0				1,000.6	2.3	1.6	48.9	5.0
7	0.0			0.0		0.0				1,001.8	1.8	1.4	46.4	4.8
8	0.0			0.0		0.0				1,003.5	1.8	1.5	42.6	7.6
9	0.0			0.0		0.0				1,002.0	1.8	1.5	41.2	15.1
10	0.0			0.0		0.0				442.4	2.2	1.7	43.1	19.3
Total	**103.8**	**2.2**	**20.7**	**351.2**	**3.1**	**181.9**	**2.52**	**4.17**	**19.91**	**7,155.4**	**2.0**	**1.7**	**45.9**	**8.7**

PROCESSING AND RECOVERY OPERATIONS

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

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

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

Ores will be mined in the following sequence:

- Gold cap ores will be mined, crushed and shipped to a local processing facility (14 months).

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

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

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

- 1,000,000 t/y of primary ore.

- Crushing plant mechanical availability of 80%.

- Mechanical availability for the remainder of the plant of 91.3% supported by crushed ore storage and stand-by equipment in critical areas.

- Sufficient automated plant control to minimize the need for continuous operator intervention and allow manual override and control if and when required.

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

Selected Process Flowsheet

The treatment plant design incorporates the following unit process operations:

- Single stage open circuit primary crushing to produce a crushed product size of 80% passing (P80) 120 mm.

- A crushed ore surge bin with a nominal capacity of 120 t. Surge bin overflow will be conveyed to a dead stockpile of 20,000 tonnes. Ore from the dead stockpile will be reclaimed by front end loader (FEL) to feed the mill during periods when the crushing circuit is off-line.

- •Grinding of ore in a SAG mill circuit in closed circuit with hydrocyclones to produce a P80 grind size of 90 µm.
- Bulk sulphide flotation to recover copper sulphides and gold bearing pyrite.
- Two-stage cleaner flotation to recover copper sulphides into a copper concentrate and pyrite.
- Concentrate thickening and pressure filtration to produce a copper concentrate filter cake.
- Pyrite thickening and either pressure filtration to produce a pyrite concentrate filter cake or discharge direct to tailings.
- Magnetic separation of the bulk sulphide tails to recover magnetite into concentrate.
- Concentrate thickening and pressure filtration to produce a magnetite concentrate filter cake.
- Combined tailings pumping to the tailings storage facility (TSF).

Processing Upside

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

- Crushing – The capacity of this facility will meet the throughput target. However increases in some conveyor drives will be required.
- Milling - The mill size will need to increase from 3.4 MW to 4.2 MW to treat the increased throughput. An increase in the number of classifying cyclones is required as well as increases in associated pumps.
- Flotation – To maintain residence time an increase in the number of rougher and cleaner flotation cells together with increases in associated pumps.
- Regrind – An increase in the regrind mill size together with increases in associated pumps will be required.
- Filter capacity – An increase in filtration capacity together with increases in associated pumps will be required.
- Services – Increases in water pumps and air systems will be required.
- An indicative capital and operating cost estimate for this scenario sees the capital cost rise by 7.3% and the process operating cost drop by $1.0/t.

Alternative Mine Schedule – 1.35 Mtpa

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

The mining schedule showed that:

- Total mine life is approximately 7.5 years
- The Oxide mining phase targets and results are the same as the 1.0 Mtpa schedule:

- Four month pre-strip period.
- Supergene Copper ore and the vast majority of the Gold Cap ore from Month 5 to Month 10.
- No change to timing of Oxide Skarn ore for the first two batches in Months 7 to 11 and Month 23 to Month 25. The third batch of Oxide Skarn will be mined earlier in Month 34 to Month 40.
- Mining rates initially require three Komatsu PC1250 excavators for 2.5 months then two Komatsu PC1250 excavators until Month 16.

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

INFRASTRUCTURE, PERMITTING AND COMPLIANCE ACTIVITIES

Infrastructure

Infrastructure will be developed in two stages:

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

Seismic Assessment

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

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

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

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

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

Surface Water Management

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

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

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

Power Supply and Distribution

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

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

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

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

The proposed configuration of the power station is:

- 8 x 1.6 MW 4,160 V high speed generators (6 duty, 2 stand-by).
- Step down auxiliary transformer 4.16 / 0.380 kV.

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

Telecommunications

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

Tailings Storage

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

It is envisaged that a market may be identified for the pyrite tailings and this will be transported off site. Currently the TSF is sized for co-disposal of both tailings streams. The TSF is designed with a storage capacity of 3.55 Mt, sufficient for 10 years of operation. The Stage 1 is designed with a two year storage capacity.

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

Site Water Balance

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

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

- The decant and under drainage from the TSF will be returned to the plant site and the plant site will feed excess water to a water treatment plant as required before off site discharge.

- In pit dewatering will be pumped to a wetland facility prior to discharge to the ECDs.

- Water from the waste dump and other operational areas, and any dewatering wells around the pit perimeter will be discharged to the ECDs.

- Areas undisturbed by the mine operations will continue to shed water along their natural drainage path. Disturbed areas shall be kept to a minimum.

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

- Average rainfall conditions with 'treatment and release' allowed.

- 100 year ARI, wet year sequence with 'treatment and release' allowed.

- 100 year ARI, dry year sequence with 'treatment and release' allowed.

- 100 year ARI 72 hour storm event with no evaporation, no decant return and no release allowed.

Relocation Housing

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

Construction Camp

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

Accommodation Camp

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

Plant Buildings

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

- Main entrance gatehouse with turnstile and entry boom gate control (16.5 m x 22 m).

- Plant area gatehouse (3 m x 3.5 m).

- Plant office (26.6 m x 13 m).

- First aid / clinic (10 m x 6 m).
- Training room (12 m x 10 m).
- Plant workshop (24 m x 12 m) with 10 t overhead crane and Warehouse (26 m x 12 m) in combined building.
- Office / ablutions for workshop.
- Process plant ablutions.
- Reagent storage (15 m x 37 m).
- Laboratory building (18 m x 29 m) and associated sample storage (14 m x 12 m).
- Dispatch building (8 m x 53 m).

Mine Service Buildings

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

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

Access and Site Roads

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

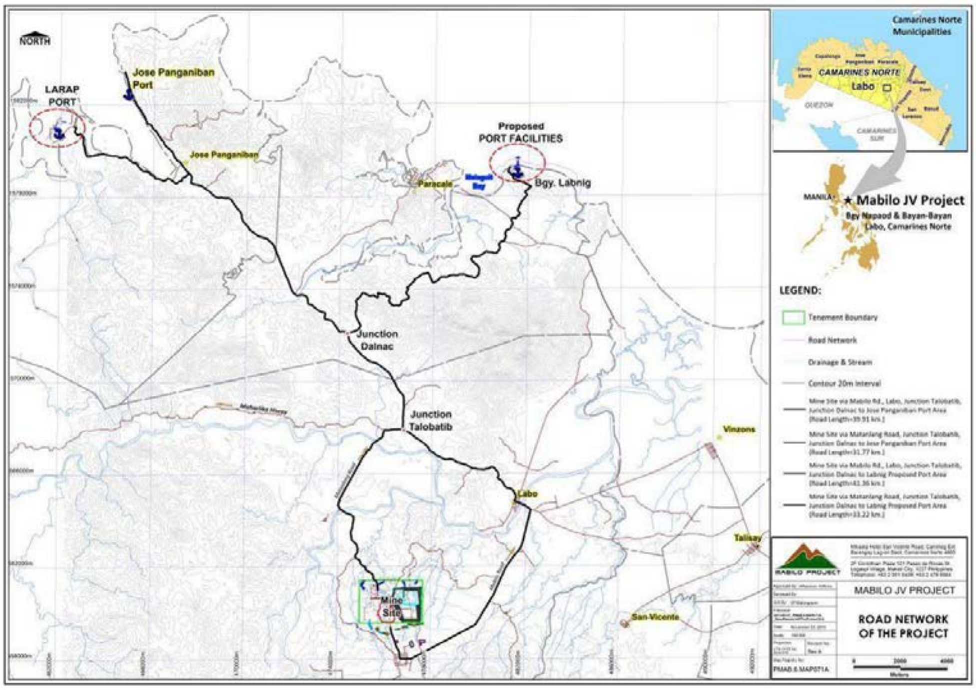

Figure 9 Road Network of the Project Site

Port Facilities

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

Land Tenure

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

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

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

Compliance

Environment and Social Impact

The Mabilo Project is located in Barangay Napaod, Municipality of Labo, the Province of Camarines Norte, Philippines (latitude 14°07' North, longitude 122°46'30'' East), approximately 190 aerial kilometers east-southeast of Manila or 315 kilometers by the Maharlika Highway from

Manila (311 km) and then by 12 kilometers of concreted road from the town of Labo.

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

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

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

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

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

Baseline Monitoring and Data

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

CAPITAL AND OPERATING COSTS

Operating Costs

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

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

- Copper concentrate 51,000 dtpa
- Pyrite concentrate 132,000 dtpa

- Magnetite concentrate 560,000 dtpa
- Total shipping 743,000 dtpa

Table 11 Summary of Mabilo Site Operating Cost Estimate (1.0 Mt/y) (US$, 4Q2015)

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

[1] Average cost per tonne milled
[2] Cost per tonne of Oxide Skarn/supergene ore
[3] Cost per tonne of wet concentrate

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

The mining costs for the Mabilo Project were compiled using information sourced from the IMC's
Mabilo Mine Operating Cost Estimate report[R3]:

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

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

Total mining costs are summarized in Table 12 and Figure 10.

Table 12 Summary Mabilo Mining Cost Estimate (1.0 Mt/y)

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

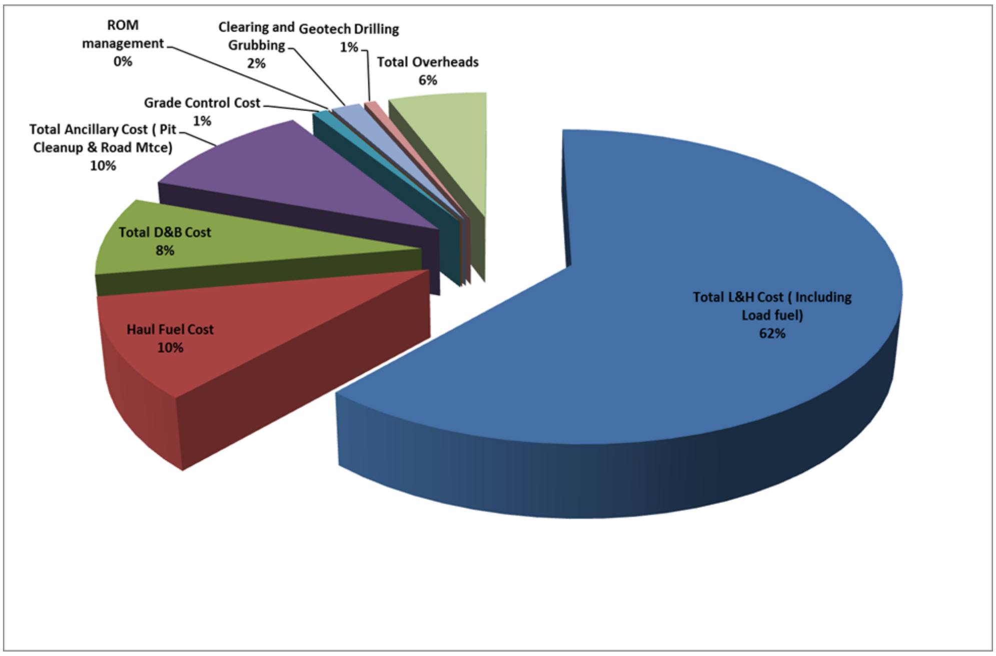

Figure 10 Breakdown of Total Mining Costs

Processing Costs

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

- Manning levels and pay rates advised by MJV to suit the proposed process plant unit operations and plant throughput.
- Consumable prices from supplier budget quotations and the Lycopodium database.
- Flotation reagent consumption and metal / concentrate recoveries based on laboratory testwork results and the mining schedule.
- Modeling by Orway Mineral Consultants (OMC) for crushing and grinding energy and consumables, based on ore characteristics derived from relevant testwork.
- First principle estimates where required based on typical operating experience or standard industrial practice.
- Benchmarking within the Philippines and comparison with costs at other similar operations.Operating cost detail has been sourced in US dollars, Australian dollars and

Philippine Pesos. No other currencies were used in the operating cost estimate. The following exchange rates have been used for the preparation of the operating cost estimate:

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

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

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

Table 13 Summary of Mabilo Fresh Ore Processing Operating Cost Estimate (1.0 Mt/y) (US$, 4Q2015)

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

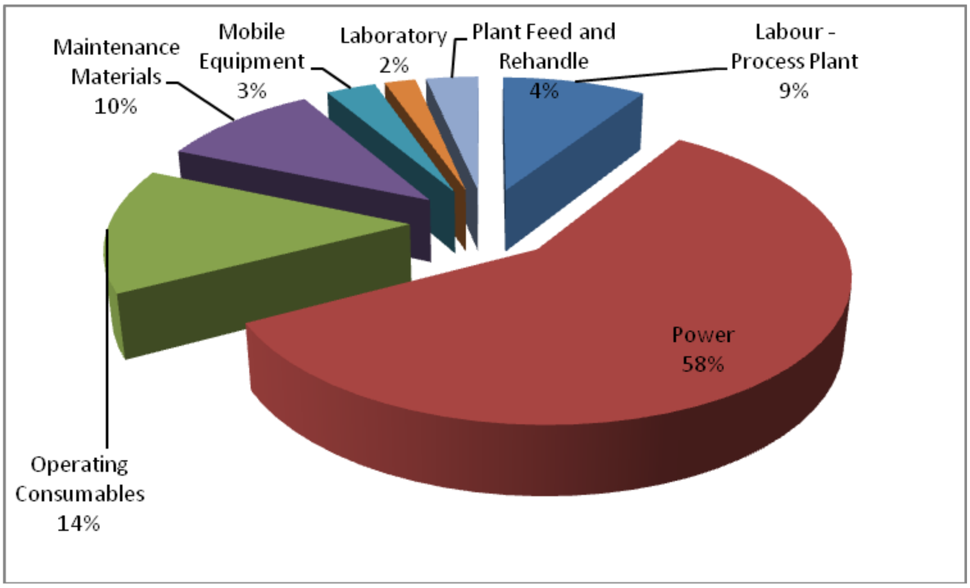

Figure 11 Process Plant Operating Cost Breakdown

Capital Cost Estimate

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

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

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

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

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

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

Summary Capital Costs

The capital estimate for oxide mining supplied by MJV is summarized in Table 14.

Table 14 Oxide Ore Initial Capital Cost Estimate Summary (US$, 4Q2015, ±15%)

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

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

Table 15 Primary Ore Initial Capital Cost Estimate Summary (US$, 4Q2015, ±15%)

Main Area	Initial Capital (USD000)	Source
EPCM Scope		
Treatment Plant	37,096	Lycopodium
Reagents and Plant Services	10,601	Lycopodium Lycopodium / Knight
Infrastructure	30,159	Piésold / MJV Lycopodium / Knight
Ground Reinforcement (Geotech)	2,539	Piésold Lycopodium / Knight
Construction Distributables	10,222	Piésold Lycopodium / Knight
Management Costs	11,462	Piésold
EPCM Subtotal	**102,079**	
Owners Scope		
Access Roads Outside of Tenement	1,604	MJV
Owners Project Costs excl roads	18,834	MJV
Owners Subtotal	**20,438**	
Contingency – EPCM Controlled scope	11,627	Lycopodium / Knight Piésold
Contingency – Owners scope	2,018	MJV
Other		
VAT	16,317	MJV
Pre-strip	18,115	MJV/Orelogy
Other Subtotal	**34,432**	
Total	**169,850**	

The Life of Mine Capital Cost Estimate is summarized in Table 16.

Table 16 Life of Mine Capital Cost Estimate

	(USD$'M)
Oxide Ore Capital Cost	17.36
Primary Ore Initial Capital Cost	169.85
Initial Capital Subtotal	187.21
Interest during construction (IDC) costs and capitalized debt fees	9.27
Sustaining Capital	33.75
Capital expenditure (Life-of-Mine)	230.23

Economics

A financial assessment of the Mabilo Project has been conducted using a cash flow model prepared by Corality on behalf of Mt. Labo and RTG. The model was structured using an excel workbook.

Input data came from a variety of sources, including the various consultants contributions to this study, pricing obtained from external suppliers and contractors, and exchange rates and project specific financial data such as the expected project taxation regime received from MJV. The assessment was based upon the following:

- The capital costs are based on the estimates presented in Section 21 of the Technical Report.
- Capital cost estimates and expenditure schedules prepared by Lycopodium, Knight Piesold and MJV.
- Owners capital cost estimates prepared by Lycopodium and MJV.
- Sustaining capital cost estimates for the tailings dam calculated using stage development quantities supplied by Knight Piesold.
- The mining, processing and administration costs are presented in Sections 21 of the Technical Report.
- Mine schedule and mining operation cost estimates based on the mining operations being contractor-operated, as developed by Orelogy for the study.
- Process operating costs estimates prepared by Lycopodium, with contributions from MJV and other members of the study team.
- Site general and administration costs prepared by MJV.
- Galeo's obligation to fund 1.5 Mt of initial pre-strip under its joint venture with RTG (Galeo Prestrip).
- Closure costs estimated by Knight Piesold and MJV. A provision for closure and rehabilitation costs of $8.48M has been allowed.
- Metallurgical performance characterized by testwork conducted for the study (Section
- 13 of the Technical Report).
- The metal prices were supplied by MJV based on the spot commodity prices at the time of feasibility completion.
- Offtake terms and pricing for the Project's products were supplied by Conrad.
- Refining costs, deductions and penalties have been applied against revenue.
- Royalty, tax, discount rates and other model inputs provided by MJV and SGV & Co.
- The cash flow model assumes full funding through equity and debt.
- The cash flow analysis excludes any effects due to inflation and all dollars are expressed as real United States dollars as at 1Q2016.

Table 17 Project Financial Measures Summary (1 Mtpa)

	Basis of Estimate	
Revenue from Gold (based on $1,200/oz)	391.92	$M
Revenue from Copper (based on $5,000/t)	532.37	$M
Revenue from Iron (based on $50/t)	89.22	$ M
Revenue from Silver (based on $14/oz)	14.08	$ M
Total Cash Cost (C1)	459.45	$ M
Total Cash Cost (C1)	(0.12)	$/lb Cu
Total Cash Cost (C2)	689.69	$M
Total Cash Cost (C2)	0.67	$/lb Cu
All-in Cost * (C3)	733.06	$M
All-in Cost * (C3)	0.82	$/lb Cu
Capital Expenditure (Life-of-Mine)	230.23	$M
Initial Capital Investment (excl working capital)	187.21	$M
Deferred and Sustaining Capital	33.75	$M
Plant and Equipment Salvage	-	$M
Closure / Rehabilitation Cost	8.55	$M
Pre-Tax Economics		
Free Cash Flow After Cost Allocation (undiscounted)	294.52	$M
Internal Rate of Return (IRR)	41.48	%
Project NPV (discounted at 5.0%)	216.19	$M
Payback Period	2.5	Years
After-Tax Economics		
Free Cash Flow After Cost Allocation (undiscounted)	179.05	$M
Internal Rate of Return (IRR)	26.25	%
Project NPV (discounted at 5.0%)	126.71	$M
Payback Period	2.5	Years

*** Total cash cost, including sustaining and deferred capital.**

EXPLORATION, DEVELOPMENT AND PRODUCTION

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

6. DIVIDENDS

The Company does not anticipate that it will pay dividends in the foreseeable future. The declaration of dividends on the share capital of the Company is within the discretion of the Board and will depend on their assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company. At the present time, the Company is not in operating phase, hence has not currently declared a profit from which to distribute dividends from.

7. DESCRIPTION OF THE CAPITAL STRUCTURE

The Company is authorised to issue an unlimited number of shares, of which 167,585,577 are issued and outstanding as at the date of this AIF. Each share entitles the holder to one vote. All shares held in the Company rank equally as to dividends, voting powers and equal participation in assets upon liquidation. The Company also has Chess Depositary Nominee (“CDI”) Holders. A CDI represents a beneficial interest in an underlying share. CDIs rank equally in all respects with

existing shares in RTG; however, there are certain differences between CDIs and shares (in particular in relation to voting and how other rights are exercised). The Company also has in place a Loan Funded Share Plan (“Plan”) which allows the Company to issue shares of up to 10% of the issued and outstanding RTG Shares from time to time on a non-diluted basis, to eligible directors and employees. There are currently 1,400,000 shares on issue under this Plan, post 1:10 share consolidation completed June 2014
.
As of the date of this AIF, there are 167,585,577 RTG Shares issued and outstanding and 8,784,687 options over RTG Shares with an exercise price of $CAD 1.50 and expiry of June 4, 2017.

8. MARKET FOR SECURITIES

The shares of the Company are listed for trading on the ASX and TSX under the trading symbol “RTG”.

Trading Price and Volume

The following table outlines the volume, high and low prices of the RTG Shares on the TSX on a monthly basis from January 1, 2016 through to December 31, 2016.

Table 18 Twelve Months of Trading on the TSX

Year	Month	High (C$)	Low (C$)	Volume (No. of RTG Shares)
2016	December	0.34	0.24	19,500
2016	November	0.30	0.21	83,000
2016	October	0.40	0.30	60,000
2016	September	0.52	0.32	11,200
2016	August	0.65	0.50	30,000
2016	July	0.67	0.58	50,500
2016	June	0.61	0.55	108,200
2016	May	0.51	0.45	11,500
2016	April	0.70	0.45	39,000
2016	March	0.70	0.45	83,500
2016	February	0.60	0.40	144,100
2016	January	0.48	0.38	35,700

The following table outlines the volume, high and low prices of the RTG Shares on the ASX on a monthly basis from January 1, 2016 through to December 31, 2016.

Table 19 Twelve Months of Trading on the ASX

Year	Month	High (A$)	Low (A$)	Volume (No. of RTG Shares)
2016	December	0.30	0.22	1,593,892
2016	November	0.26	0.18	6,559,035
2016	October	0.39	0.26	6,345,752
2016	September	0.49	0.34	5,390,182
2016	August	0.62	0.47	998,345
2016	July	0.73	0.58	4,875,222
2016	June	0.75	0.57	4,930,394
2016	May	0.61	0.40	1,618,179
2016	April	0.57	0.45	1,395,938
2016	March	0.60	0.50	1,212,537
2016	February	0.64	0.40	2,022,191
2016	January	0.42	0.32	661,603

Prior Sales

The following table summarizes the issuance by the Company of RTG Shares or RTG Options convertible into RTG Shares in the most recent financial year to December 31, 2016.

Table 20 Prior Issuances of Shares by the Company

Shares	**Number**	**Price per Share ($A)**	**Price Per Share ($C)**
Opening balance at January 1, 2016	**134,252,237**	**0.34**	0.34
Private Placement on July 22, 2016 – Shares	5,850,000	0.60	N/A
Private Placement on July 22, 2016 – CDIs	27,482,340	0.60	N/A
Total shares on issue at December 31, 2016	**167,585,577**		

Options*	**Number**	**Price Per Options ($C)**
Opening balance at January 1, 2016	8,784,687	
Exercise of options	-	N/A
Total options on issue at December 31, 2016	**8,784,687**	

*Exercisable at C$1.50 on or before June 4, 2017.

9. ESCROWED SECURITIES

There are currently no securities under escrow arrangements.

10. DIRECTORS AND OFFICERS

The following table indicates the names of the current directors and executive officers of the Company, place of residence, position within the Company, principal occupations within the 5 preceding years, periods which each has served as a director or officer and the number of shares or options beneficially owned, or controlled and directed, directly or indirectly, by the directors and executive officers as at March 30, 2017. The term of office of each of the directors of the Company expires at the Company's next Annual General Meeting of Shareholders.

Table 21 Directors and Officers of the Company

Name, Position and Place of Residence	Principal Occupations During Five Preceding Years	Period as a Director or Executive Officer	RTG Shares Beneficially Owned Directly or Indirectly
Mr. Michael Carrick(2) Director and Chairman Perth, Western Australia	Director and Chairman of RTG. Previously Director B2Gold Limited, Director and CEO of CGA Mining Limited, Director of RTG Limited, Director of RTG Mining Inc., AGR Limited, and Chief Executive Officer of Resolute Limited.	March 28, 2013 to present	527,734 shares
Ms Justine Magee Director and Chief Executive Officer Perth, Western Australia	Director and CEO of RTG. Previously Director of AGR Limited and Director and CFO of CGA Mining Limited.	March 28, 2013 to present	345,404 shares
Mr. Robert Scott(1) (2) (3) Independent Lead Director and Chair of Risk & Audit , Disclosure and Remuneration & Nominee Committees Perth, Western Australia	Non-Executive Director of RTG, former Non-Executive Director of CGA Mining Limited. Currently holds directorships on Sandfire Resources NL and Homeloans Limited. Mr Scott was previously a director of Manas Resources Limited, Neptune Marine Services and Lonestar Resources US Inc.	March 28, 2013 to present	80,770 shares
Mr. David Cruse(1) (2) (3) Independent Director Perth, Western Australia	Non-Executive Director of RTG, former Non-Executive Director of CGA Mining Limited, current director of Odyssey Energy Limited.	March 28, 2013 to present	894,280 shares
Mr. Phillip Lockyer(1) (3) Independent Director Perth, Western Australia	Non-Executive Director of RTG, former Non-Executive Director of CGA Mining Limited, Focus Minerals Limited, Perilya Limited, St Barbara Limited and GR Engineering Services Limited and currently holds directorships on Swick Mining Services Limited and Western Desert Resources Limited.	March 28, 2013 to present	65,385 shares

Mr. Mark Turner Chief Operation Officer, Perth, Western Australia	COO of RTG.Previously General Manager Operations for Resolute Mining Limted and has also worked for CGA Mining, Newcrest Mining Ltd and Hamersley Iron.	March 28, 2013	250,000 shares
Mr. Nick Day Company Secretary and Chief Financial Officer Perth, Western Australia	CFO and Company Secretary of RTG. Previously Mr Day was Director, CFO and Company Secretary of Coventry Resources Inc. He has also held Company Secretary and Financial Consultancy positions with Paringa Resources Limited; Black Range Minerals; Birimiam Gold; Ebooks.com; and was CFO and Company Secretary of Antaria and AIM & ASX listed mining company Albidon Ltd.	January 21, 2015 to present	N/A

(1) Member of Risk and Audit Committee
(2) Member of Remuneration and Nomination Committee
(3) Member of Disclosure Committee

As of the date of this AIF, approximately 1,913,573 shares of the Company were beneficially owned, or controlled or directed, directly or indirectly, by the current directors and executive officers of the Company as a group, representing approximately, 1.14% of the issued and outstanding shares of the Company on a non-diluted basis.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or has been in the last 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) while that person was acting in that capacity, was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, that was in effect for a period of more than 30 consecutive days; or
(b) was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, no director or executive officer or shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company:

(a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that while that person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this AIF become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of the Company, no director or executive officer of the Company has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

11. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

DEFERRED CONSIDERATION CLAIM

The interest in the Mabilo Project is held through Mt. Labo Exploration & Development Corporation. On November 2, 2011, Sierra, in conjunction with its Philippine associate, executed a Heads of Agreement with Mining Consultants, Ltd. ("MC") (the "Heads of Agreement") to acquire Mt. Labo, which holds the Nalesbitan Project and Mabilo Project. Consideration for the acquisition included deferred consideration of 1.75M new ordinary Sierra Shares plus cash consideration of A$125,000 ("Deferred Consideration"). The Deferred Consideration was conditional on receiving approval of the Motion for Reconsideration of a Notice of Denial of the Nalesbitan Project APSA-V-002 within two years from the date of execution of the Heads of Agreement. The two-year period expired on November 2, 2013 and the Motion for Reconsideration had not been approved. Sierra therefore did not pay the Deferred Consideration.

On October 29, 2013, one of the parties to the Heads of Agreement filed with the Makati City Regional Trial Court, Branch 146 ("RTC") a Petition for Declaratory Relief in the Philippines seeking to extend the date for receiving the favorable decision on the Motion for Reconsideration. Should the RTC uphold the Petition, the period within which to receive approval of the Motion for Reconsideration may be extended by up to 600 days and the Deferred Consideration may still become payable. The value of the current Deferred Consideration, if the action is successful, is currently estimated to be A$562,500.00.

On December 4, 2015, the RTC issued its Decision dismissing the Petition for Declaratory Relief. Petitioner Timothy E. Collver filed his Motion for Reconsideration to the RTC's Decision, while respondent Mt. Labo filed its Motion for Partial Reconsideration to the RTC's ruling that Executive Order No. 79, Series of 2012, constitutes force majeure with respect to the Heads of Agreement. The RTC denied both Motions. Petitioner Collver and respondent Mt. Labo filed separate appeals with the Philippine Court of Appeals, which has since consolidated them. The case is currently pending with the Court of Appeals.

CLAIM FOR ROYALTY ON SMALL SCALE MINING PERMIT PRODUCTION

Pursuant to the royalty agreement with regards to the Mabilo Project dated November 2, 2011 (the "Mabilo Royalty Agreement"), a royalty is payable in favour of MC in the amount of 1% of the Net Mining Revenue (defined as Gross Output for a Quarter less Deductible Expenses) over EP-014-2013-V.

In 2012, Mt. Labo granted consent to a Small Scale Mining Permit ("SSMP") holder within the boundaries of EP-014-2013-V. The SSMP entitles the holder to extract a maximum of 50,000 tonnes of ore per annum. Pursuant to the granting of the consent, the SSMP holder is required to pay to Mt. Labo an amount equal to 1% of gross sales. Despite repeated requests, the SSMP holder is yet to pay any amount to Mt. Labo and has not provided any production information. The SSMP and Mt. Labo's consent has subsequently expired, and RTG understands that production has ceased.C-20 Whilst RTG has been unable to quantify the production from the SSMP, there remains a risk that it may be liable to pay a royalty to MC and that legal action may be taken.

APSA-03-XIII – CLAIMS

The Bunawan Project permit APSA-03-XIII is subject to a number of claims including the cases of Valley Mining and Development Corp. vs. Safariland Resources Co. and PICOP Resources, Inc. vs. Safariland Resources Co. APSA- 03-XIII is held by Safariland Resources Co. on behalf of the Bunawan Project by way of an assignment agreement. The Valley Mining and Development Corp. and PICOP Resources, Inc. claims date back to 1998 and have not been progressed since then. Legal counsel for the Bunawan Project (on behalf of Safariland Resources Co.) has entered its appearance in Safariland Resources Co.'s case against PICOP Resources, Inc. The cases involving APSA-03-XIII appear to have been dismissed, based on a previous inquiry with the Philippine Mines and Geosciences Bureau Region XIII..

WATERSHED FOREST RESERVE – MABILO PROJECT EP-014-2013-V

Presidential Proclamation No. 318 established the Abasig-Matogdon-Mananap Watershed Forest Reserve as a protected area in the Province of Camarines Norte. Further, a Labo Municipal Ordinance No. 214 prohibits mining activities within a five (5)- kilometre radius from the designated watershed areas at various barangays of Labo, Camarines Norte, effectively increasing the area off-limits to mining activities. EP-014-2013-V is outside the area declared under Presidential Proclamation No. 318, however, part of the permit is within the five kilometre zone established by Municipal Ordinance No. 214.

In September 2013, Mt. Labo was denied the opportunity to present its work program to the legislative body on the basis that EP-014-2013-V falls partially within the protected area established by Municipal Ordinance No. 214. Sierra received legal advice that the Municipal Ordinance prohibiting mining activities within a five (5)- kilometre radius is without authority.

The local legislative body expressed its concerns at a public hearing regarding the possible effects of the project on the water supply. Mt. Labo has initiated water studies to address these concerns.

Based on the water studies conducted by Aqua-Dyne Technological Service, Inc., mining operations are not expected to affect the performance of the wells and springs.

GALEO CASES

On May 10, 2013, Mt. Labo and Galeo Equipment Corporation entered into a Joint Venture Agreement (the "JVA"). The JVA was subsequently amended and supplemented on August 13, 2013 and September 3, 2015. In the course of implementing the JVA, some disputes have arose among the parties.

In order to settle those disputes, among others, on June 10, 2016, Mt. Labo and Galeo Equipment Corporation entered on June 10, 2016 into a Memorandum of Agreement (the "MOA"), which was conditional on the fulfilment by the parties of certain obligations.

Galeo failed to comply with its reciprocal obligations provided in the MOA. Hence, the MOA was rescinded in late 2016.

Galeo, in turn, has filed a case for Injunction for recognition of Galeo's alleged status as stockholder with 42% interest in Mt. Labo; nullification (i) of all proceedings resulting in the election of new officers and directors of Mt. Labo and (ii) of the shareholdings of Crispiniano G. Acosta and SageCapital Partners, Inc.; in part in connection with Commonwealth Act No. 108 with a specific complaint against Mt. Labo Director Crispiniano Acosta to stop him from voting, transferring and or exercising any right pertaining to the shares he holds currently in Mt. Labo; and appointment of a Management Committee with the Regional Trial Court of Makati, Branch 141 ("Makati RTC").

At the start of 2017, the Makati RTC issued an Order denying Galeo the issuance of a Writ of Temporary Restraining Order/Writ of Preliminary Injunction.

Galeo then filed a *Motion for Reconsideration* around the same date. Galeo also filed an *Urgent Motion for Inhibition*.

The case is currently pending with the Makati RTC.

Galeo has, in addition, filed two criminal complaints against a director and a former director of Mt. Labo for their alleged violation of the Philippine Corporation Code. The respondents continue to fight the charges.

12. CONFLICTS OF INTEREST

Certain of the directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The Directors of the Company will be required to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

13. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company, no person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of the Company's shares, and no associate or affiliate of the foregoing persons, has or had any material interest, direct or indirect in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company, other than B2 Gold Limited("B2").

B2 was the largest shareholder of both Sierra and RTG. At the time of the release of the Scheme Booklet in April 2014, B2 held 7.44% of Sierra's share capital and 18.2% of RTG's sharecapital with the current interest in RTG being 8.1%.

14. TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the Company are:

Australian Register
Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth, Western Australia, 6000
Australia

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

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

Telephone: +1 416 263 9449
Facsimile: +1 416 981 9800

15. MATERIAL CONTRACTS

RTG or its subsidiaries have entered into and are currently party to the following contracts which may reasonably be regarded as material:

SHARE SALE AND PURCHASE AGREEMENT

On June 24, 2016 the Company completed the sale of its interest in the Segilola Gold Project in Nigeria to Thor Explorations Ltd, a TSX-V listed company, for total consideration of US$8.5M, including US$3.0M consideration upfront (US$1.5M in cash and US$1.5M in Thor Explorations Ltd ("Thor") listed shares). The remaining US$5.5M, includes:

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

JOINT VENTURE WITH GALEO

The Company has an interest through its associates in the Joint Venture Agreement dated May 10, 2013 ("the JVA") with mining contractor and supplier, Galeo, to explore and develop the Mabilo Project and the Nalesbitan Project.

Pursuant to the terms of the unincorporated joint venture, Galeo had earned a 36% interest in the Mabilo Project and the Nalesbitan Project, for conducting drilling services, providing its pro-rata share of funding requirements and providing management services including management of community relations, which had been reflected in an Amendment to the JVA to merge the interests above and below the original 200m limits.

Mt. Labo had also previously entered into a memorandum of understanding with Galeo whereby Galeo could earn an additional 6% interest in the joint venture to take the total interest Galeo could hold and retain up to 42%. The memorandum of understanding, which was subject to a number of conditions precedent, required Galeo to mine the first 1.5Mt of waste ore to earn the additional interest.

On June 10, 2016 Mt. Labo entered into a settlement agreement (Memorandum of Agreement; "MOA") with Galeo. The MOA resolved all open points between the parties and provided Galeo with a 42% interest in Mt. Labo subject to satisfaction of all terms of the agreement.

Mt. Labo has since rescinded the MOA with its then joint venture partner, Galeo due to non-performance. Subsequently, Galeo is no longer a shareholder of Mt. Labo and its interest in the joint venture at 31 December 2016 had reduced to a 36% unincorporated joint venture interest. Galeo is contesting that position in the Philippine Courts. Following a 60 day notice period pursuant to the Joint Venture Agreement, the joint venture was automatically terminated on January 31, 2017, due to Galeo not remedying the notified breaches of the Joint Venture Agreement, which again it is contesting. As part of the litigation process, Galeo has commenced a number of nuisance and harassment actions, including the arrest of 2 officers of Mt. Labo, without proper foundation. Mt Labo plans to instigate arbitration proceedings to enforce its rights against Galeo. Mt. Labo obviously does not believe arbitration necessarily results in sensible business outcomes and will likely cause a delay to operational activities, but believes it is the only avenue available to it, to protect its interests from the ongoing misconduct of Galeo and its founder.

NALESBITAN ROYALTY AGREEMENT

Mt. Labo, entered into a royalty agreement in respect of the Nalesbitan Project gold mine tenements (Mining Lease MRD-459 and APSA No-V-0002) with MC on November 2, 2011 (the "Nalesbitan Royalty Agreement"). The Nalesbitan Royalty Agreement was part of the transaction in November 2011 whereby Sierra acquired an interest in Mt. Labo and the existing royalty Sierra agreements were terminated. Pursuant to the new Nalesbitan Royalty Agreement, Sierra agreed to pay MC a royalty of 1% of the net mining revenue from the applicable tenements. There has been no production to date at the Nalesbitan Project and hence no payments have been made under this Nalesbitan Royalty Agreement by Mt. Labo.

MABILO ROYALTY AGREEMENT

Mt. Labo, entered into the Mabilo Royalty Agreement in respect of the Mabilo Project gold prospect tenements (EP-014-2013-V) with MC on November 2, 2011. The Mabilo Royalty Agreement was part of the transaction in November 2011 whereby Sierra acquired an interest in Mt. Labo and the existing royalty agreements were terminated. Pursuant to the new Mabilo Royalty Agreement, Sierra agreed to pay MC a royalty of 1% of the net mining revenue from the applicable tenements. Other than as discussed below, there has been no production to date at the Mabilo Project and hence no payments have been made under this Mabilo Royalty Agreement by Mt. Labo.

In 2012, Mt. Labo granted consent to a SSMP within the boundaries of EP-014-2013-V. The SSMP entitles the holder to extract a maximum of 50,000 tonne ore per annum. Pursuant to the granting of the consent, the SSMP holder is required to pay to Mt. Labo an amount equal to 1% of gross sales. Despite repeated requests, the SSMP holder is yet to pay any amount to Mt. Labo and has not provided any production information. The SSMP and Mt. Labo's consent has subsequently expired, and RTG understands that production has ceased.

Whilst RTG has been unable to quantify the production from the SSMP, there remains a risk that it may be liable to pay a royalty to MC and that legal action may be taken.

MAX SARA LOAN AGREEMENT

Sierra entered into a facility agreement with Max Sara, a Director of the Company's Associates, on December 23, 2010 whereby Sierra advanced A$283,650 to Max Sara to enable Max Sara to exercise 1,525,000 options with an exercise price of $0.186 and an expiry date of December 31, 2010. Sierra have granted an extension of repayment of the loan to March 31, 2018.

16. INTERESTS OF EXPERTS

BDO Audit (WA) Pty Ltd. is the auditor of the Company. The aforementioned firm held either less than one percent or no securities of the Company or of any associate or affiliate of the Company.

The information in this report that relates to exploration results at the Mabilo Project is based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr. Ayres is a member of the Australian Institute of Geoscientists and a full-time employee of Mt. Labo Exploration and Development Company, a Philippine mining company, and an associate company of RTG Mining Inc. Mr. Ayres has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr. Ayres has verified the data disclosed in this report, including sampling, analytical and test data underlying the information contained in the report. Mr. Ayres consents to the inclusion in the report of the matters based on his information in the form and the context in which it appears.

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

The information in this report that relates to Mineral Reserves and Mining is based on information prepared by or under the supervision of Mr. Carel Moormann, who is a Qualified Person and Competent Person. Mr. Moormann is a Fellow of the AusIMM and is employed by Orelogy, an independent consulting company. Mr. Moormann has sufficient experience that is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Mr. Moormann has verified the data disclosed in this report, including sampling, analytical and test data underlying the information contained in the report. Mr. Moormann consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Metallurgy and Processing is based on information prepared by or under the supervision of David Gordon, who is a Qualified Person and Competent Person. David Gordon is a Member of the Australasian Institute of Mining and Metallurgy and is employed by Lycopodium, an independent consulting company. David Gordon has sufficient experience that is relevant to the type of process under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. David Gordon has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in the release.

The information in this report that relates to areas outside of exploration results, Mineral Resources, Mineral Reserves and Metallurgy and Processing is based on information prepared by or under the supervision of Mark Turner, who is a Qualified Person and Competent Person. Mark Turner is a Fellow of the Australasian Institute of Mining and Metallurgy and is employed by RTG. Mark Turner has sufficient experience that is relevant to the information under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Mark Turner has verified the data disclosed in this report. Mark Turner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report relating to Bunawan exploration results, mineral Resources or ore Reserves is based on information provided to Mr. Robert McLean by RTG. Mr. McLean is an independent consultant geologist and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr. McLean has the relevant qualifications, experience, competence and independence to qualify as an "Expert" under the definitions provided in the Valmin Code, "Competent Person" as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and as a "Qualified Person" under NI 43-101. Mr. McLean consents to the inclusion in the report of the matters based on the information he has been provided and the context in which it appears.

For the ASX Feasibility Study announcement including JORC tables Section 1 to 4 please refer to the RTG Mining website (www.rtgmining.com) and on the ASX, under announcements (www.asx.com.au).

The information in this report relating to Bunawan exploration results, mineral resources or ore Reserves is based on information provided to Mr Robert McLean by RTG Mining Inc. Mr McLean is an independent consultant geologist and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr McLean has the relevant qualifications, experience, competence and independence to qualify as an "Expert" under the definitions provided in the Valmin Code, "Competent Person" as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and as a "Qualified Person" under NI 43-101. Mr McLean consents to the inclusion in the report of the matters based on the information he has been provided and the context in which it appears.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms currently hold or have received or will receive registed or beneficial interests in any securities or other property of the Company or of one of the Company's associates or affiliates.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

17. RISK AND AUDIT COMMITTEE

Risk and Audit Committee

The purpose of the Risk and Audit Committee of the Company is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company and its subsidiaries. It is the objective of the Risk and Audit Committee to maintain a free and open means of communication among the Board of the Company, the independent auditors and senior management of the Company.

The full text of the Charter of the Risk and Audit Committee is included as Schedule A to this AIF.

Composition of the Risk and Audit Committee

The Risk and Audit Committee is comprised of Robert Scott, Phil Lockyer and David Cruse. All members are independent within the meaning of NI 52-110. Each of the members is financially literate under Section 1.5 of NI 52-110.

Relevant Education and Experience

Robert N Scott – Lead Non–Executive Director and Chair of the Risk and Audit Committee

Mr. Scott is a Fellow of the Institute of Chartered Accountants in Australia with over 35 years experience as a corporate advisor. Mr. Scott is a former senior partner of the international accounting firms of KPMG and Arthur Andersen. Mr. Scott currently holds directorships on Sandfire Resources NL, Lonestar Resources Limited, and Homeloans Limited.

Mr. Scott was appointed a director of the Company on March 28, 2013 and the Company's Lead Director on October 30, 2015.

Phil C Lockyer – Non - Executive Director

Mr. Lockyer is a Mining Engineer and Metallurgist with more than 40 years experience in the mining industry, with an emphasis on gold and nickel, in both underground and open pit mining operations.

Mr. Lockyer was employed by WMC Resources for 20 years reaching the position of General Manager of Western Australia responsible for that company's gold and nickel divisions. Mr. Lockyer holds directorships on Swick Mining Services Limited, and Western Desert Resources.

Mr. Lockyer was appointed a director of the Company on March 28, 2013.

Mr. David A Cruse – Non-Executive Director

Mr. Cruse has had a long career in commerce and finance. He was a stockbroker for over 20 years, where he held senior management positions and directorships in the stockbroking industry, with particular focus on capital markets. Mr. Cruse has been involved in the identification and commercialization of a number of resource (including oil and gas) projects.

Mr. Cruse has held a directorship position on the board of Odyssey Energy Limited since 2008. Mr Cruse was appointed a director of the Company on March 28, 2013.

Pre-Approval Policies and Procedures

The Risk and Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires the Risk and Audit Committee preapproval of permitted audit and audit-related services.

Since the commencement of the Company's most recently completed financial year, there has not been any recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board of the Company.

External Auditor Services Fees

Audit Fees

The auditor of the Company is BDO Audit (WA) Pty Ltd. Throughout the year, the auditors performed the following services:

Table 22 Auditor Services

	2016	2015
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:	**US$**	**US$**
Audit fees	37,475	65,767
Tax services	31,330	68,895
Other assurance services	3,171	210
	71,976	**134,872**

Additional Information

Copies of all materials incorporated by reference herein and additional information relating to the Company may be obtained on SEDAR, under the Company's profile, at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorised for issuance under equity compensation plans, is contained in the Company's information circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Company's financial statements and Management and Discussion Analysis for the year ended December 31, 2016.

The Company is not relying on any of the exemptions set out in items 4,5 or 6 of Form 52-110F1.

Schedule A

Risk and Audit Committee Charter (the "Charter")

By appropriate resolution of the Board of Directors of RTG Mining Inc. (the "Board"), the Risk and Audit Committee (the "Committee") has been established as a standing committee of the Board with the terms of reference set forth below. Unless the context requires otherwise, the term "Company" refers to RTG Mining Inc. and its subsidiaries.

1. <u>PURPOSE</u>

1.1 The Committee is appointed by the Board of the Company to assist the Board in fulfilling its financial management oversight responsibilities. The Committee's primary duties and responsibilities are to:

Audit

(a) monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

(b) identify and monitor the management of the principal risks that could impact the financial reporting of the Company;

(c) monitor the independence and performance of the Company's external auditor; and

(d) provide an avenue of communication among the external auditor, management and the Board.

Risk

(e) ensure that the Company has established a policy for the oversight and management of material business risks;

(f) oversee the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material business risks throughout the Company;

(g) monitor the action being taken by management in addressing unacceptable levels of internal risk and ensuring that management periodically report to Board as to adherence to policies, guidelines and limits for the management of risk.

2. AUTHORITY

The Committee has the authority to:

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the Committee; and

(c) communicate directly with the internal and external auditors.

3. COMPOSITION

3.1 Committee members shall meet the requirements of the applicable securities regulatory rules and regulations. The Committee shall be comprised of at least three directors, as determined by the Board, each of whom shall be an “independent” director within the meaning of National Instrument 52-110 (“NI 52-110”) promulgated by the Canadian Securities Administrators and shall be free from any relationship that would interfere with the exercise of the director's independent judgment. All members of the Committee shall be “financially literate” within the meaning of NI 52-110 and at least one member of the Committee shall have accounting or related financial management expertise.

3.2 The members of the Committee shall be appointed by the Board and shall serve until their successors are appointed. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it, subject to the Committee continuing to satisfy the composition requirements mentioned above. The Board shall designate one member of the Committee as its Chair. If a Chair of the Committee is not designated or present at a meeting, the members of the Committee may designate a Chair for the meeting by majority vote of the Committee membership. The Chair of the Committee must be an independent director and cannot simultaneously hold the position of Chair of the Board.

3.3 The relevant members of the Committee and the qualifications and experience of the members of the Committee must be disclosed.

4. MEETINGS

4.1 Except as expressly provided in this Charter or the Articles of the Company, the Committee shall fix its own rules of procedure.

4.2 The Committee shall meet as many times a year as circumstances dictate. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the external auditor, and as a Committee to discuss any matter that the Committee or each of these groups believes should be discussed. In addition, the Committee should communicate with management quarterly as part of their review of the Company's interim financial statements and management's discussion and analysis.

4.3 At the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings must be disclosed.

4.4 At all meetings of the Committee, the presence of a majority of the members will constitute a quorum for the transaction of the business and the vote of a majority of the members present shall be the act of the Committee.

4.5 The Chair, any member of the Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Committee by notifying the Company's Corporate Secretary who will notify the members of the Committee. The Chair shall chair all Committee meetings that he or she attends, and in the absence of the Chair, the members of the Committee present may appoint a chair from their number for a meeting.

4.6 Members of the Committee may participate in a meeting of the Committee by conference telephone or similar communications equipment by means of which all people participating in the meeting can hear each other and participation in such a meeting will constitute presence in person at such a meeting.

4.7 Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if all of its members consent in writing to the action and such writing is filed with the records of proceedings of the Committee.

4.8 The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

4.9 Directors not on the Committee may attend meetings at their discretion. At the invitation of the Chair of the Committee, members of management and outside consultants may attend Committee meetings.

5. RESPONSIBILITIES

Review Procedures

5.1 The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").

5.2 Review and update, if applicable or necessary, this Charter annually and submit any amended Charter to the Board for approval.

5.3 Review the Company's annual audited financial statements, related management's discussion and analysis ("MD&A") and related documents prior to filing or distribution. This review should include discussion with management and the external auditor of significant issues regarding accounting principles, practices, and significant management estimates and judgments.

5.4 Review with financial management the Company's quarterly financial results and related documents prior to the release of earnings and/or the Company's quarterly financial statements, the auditor’s review report thereon, related MD&A and related documents prior to filing or distribution. As part of this review, the Committee should discuss any significant changes to the Company's accounting principles.

5.5 Review all filings with government agencies in Canada and assess the compliance of the Company in relation to governmental and stock exchange regulations as they apply to the Company respecting processes and controls.

5.6 Review all annual and interim earnings press releases before the Company publicly discloses the information.

5.7 Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

5.8 Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment.

5.9 Review the Company’s risk management framework annually for purposes of ensuring continually sound risk management framework.

5.10 Discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements.

5.11 Ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures.

External Auditor

5.12 The external auditor is ultimately accountable to the Committee and the Board, as representative of the shareholders. The Committee shall review the independence and performance of the auditor and annually recommend to the Board the appointment of the external auditor or approve any discharge of the external auditor when circumstances warrant.

5.13 Approve the fees and other significant compensation to be paid to the external auditor.

5.14 At least annually, the Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

5.15 Obtain annually, a formal written statement from the external auditor setting forth all relationships between the external auditor and the Company.

5.16 On an annual basis, the Committee should review and discuss with the external auditor all significant relationships the auditor has with the Company that could impair the auditor's independence.

5.17 Take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting.

5.18 Review the external auditor's audit plan, discuss and approve audit scope, staffing, locations, reliance upon management and general audit approach.

5.19 Prior to releasing the year-end financial report, the Committee will discuss the results of the audit with the external auditor. The auditor will review with the Committee any matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.

5.20 At each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

5.21 Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and, if applicable, former external auditor of the Company.

5.22 Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The authority to pre-approve non-audit services may be delegated by the Committee to one or more independent members of the Committee, provided that such pre-approval must be presented to the Committee's first scheduled meeting following such pre-approval. Pre-approval of non-audit services is satisfied if:

a. the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company and subsidiaries to the Company's external auditor during the fiscal year in which the services are provided;

b. the Company or a subsidiary did not recognize the services as non-audit services at the time of the engagement; and

c. the services are promptly brought to the attention of the Committee and approved, prior to completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

Financial Reporting Processes

5.23 The Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Committee shall consider and review with management and the auditors:

(a) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company’s internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management’s conclusions;

(b) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company’s periodic regulatory filings;

(c) any material issues raised by any inquiry or investigation by the Company's regulators;

(d) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

(e) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

The Committee should discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. The review will include a consideration of any significant findings prepared by the external auditor together with management's responses.

5.24 Review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the Committee's views to the Board.

5.25 Review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

5.26 Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management.

5.27 Review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments.

5.28 Following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

5.29 Review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements.

5.30 Review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.

5.31 Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

5.32 Review the financial disclosures certification process.

5.33 Establish procedure for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters or any material violation of securities laws or other laws, rules or regulations applicable to the Company and the operation of its business. Any such complaints or concerns that are received shall be reviewed by the Committee and, if the Committee determines that the matter requires further investigation, it will direct the Chair of the Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

Other Committee Responsibilities

5.34 Annually assess the effectiveness of the Committee against this Charter and report the results of the assessment to the Board.

5.35 The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

5.36 As required under Securities Rules, prepare and disclose a summary of the Charter in applicable continuous disclosure documents.

5.37 Perform any other activities consistent with this Charter, the Company's articles, and governing law, as the Committee or the Board deems necessary or appropriate.

5.38 Maintain minutes of meetings and report to the Board on significant matters arising at Committee meetings at the next scheduled meeting of the Board.

Other Duties

5.39 Periodically conduct a self-assessment of Committee performance.

5.40 Review financial and accounting personnel succession planning within the Company.

5.41 Annually review a summary of director and officers' related party transactions and potential conflicts of interest.

6. NO RIGHTS CREATED

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

7. CHARTER REVIEW

This Charter was adopted by the Board on August 13, 2015 and the Committee shall review and update this Charter annually and present it to the Board for approval.