



NTM GOLD LIMITED

ABN 24 119 494 772

31 DECEMBER 2017

Half-Year Financial Report

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Corporate Directory

NTM Gold Limited

ABN 24 119 494 772

Directors

Andrew Muir (Managing Director)
Paul Price (Chairman, Non-Executive Director)
Rodney Foster (Non-Executive Director)
Lloyd Jones (Non-Executive Director)
Edward (Ted) van Heemst (Non-Executive Director)

Company Secretary

Mark Maine

Registered Office

Unit 4, 20 Altona Street
West Perth WA 6005
Australia

Solicitors

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

Bankers

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

Share Registry

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

Stock Exchange Listing

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

Website

www.ntmgold.com.au

Auditors

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

Directors' report

The Directors of NTM Gold Limited and its controlled entities (NTM Gold or "the Group") present their report for the half-year ended 31 December 2017 (the Reporting Date).

Directors

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

Andrew Muir	Managing Director (Appointed 12 January 2018)
Paul Price	Chairman, Non-Executive Director
Rodney Foster	Non-Executive Director (Appointed Chief Executive Officer 3 August 2016 to 12 January 2018 and Non-Executive Director on 12 January 2018)
Lloyd Jones	Non-Executive Director
Edward (Ted) van Heemst	Non-Executive Director (Appointed 12 January 2018)

Review and results of operations

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

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

The Group realised a net loss for the half-year of \$382,996 (2016: \$354,713).

Review of operations

Redcliffe Gold Project

The Company continued exploration at its 100% owned Redcliffe Gold Project (Redcliffe) during the reporting period, with a number of drilling programmes completed. The aims of the programmes were to focus on high grade areas capable of increasing both oxide and primary resources at depth. Exploration targeting primary high grade gold mineralisation at depth has been minimal in the past, and as such no modern day underground operations exist along the Mertondale Shear Zone, despite the presence of numerous shallow oxide deposits/prospects. The Company is of the belief that this is the result of minimal deep exploration rather than the prospectivity of the project and is confident that further exploration will result in new discoveries.

A total of 55 RC holes for 10,436m were completed at the Nambi, GTS and Bindy prospects within Redcliffe. The drilling programs targeted extensions to high grade lodes beneath Nambi and GTS as well as completing first pass, wide spaced RC drilling at the newly discovered Bindy and KT-1 Prospects.

Nambi Deposit

Drilling at Nambi successfully intersected down plunge extensions to the high grade zones which remain open at depth and down plunge. The results have outlined priority follow-up drill targets for the next stage of drilling. The results have outlined high grade targets at the Main and E2 Lodes.

The Main Lode was the centre for historical open pit mining in the 1990s to depths of about 60m over 400m of strike. Historically, little attention was paid to the E1 or E2 lodes, with both only lightly drill tested.

The recent program tested all three lodes, with high-grade mineralisation intersected in all of them. Significantly, the lodes remain open to the south and at depth.

Drilling is scheduled to resume in the new year and will include both RC and diamond core.

Better results for the period included:

Hole Number	From (m)	To (m)	Result (5m) (g/t Au)	From (m)	To (m)	Result (1m) (g/t Au)	Lode
NBRC113	65	70	5m @ 9.86	65	69	4m @ 21.0	E2
Inc.	65	67	2m @ 40.60				
	250	255	5m @ 6.58	249	253	4m @ 10.10	MAIN
Inc.	250	252	2m @ 16.25				
NBRC114	35	45	10m @ 0.55	37	41	4m @ 1.85t	E1
	170	175	5m @ 3.0	168	173	5m @ 5.30	MAIN
Inc.	172	173	1m @ 18.90				
NBRC115	90	95	5m @ 2.01	88	94	6m @ 2.60	E2
Inc.	90	91	1m @ 9.89				
	250	260	10m @ 2.80	251	259	8m @ 4.11	MAIN
Inc.	250	255	5m @ 4.57				
NBRC116	80	85	5m @ 1.50	83	85	2m @ 3.67	E1
	185	195	10m @ 1.10	187	193	6m @ 3.1	MAIN

Directors' report (continued)

Review of operations (continued)

NBRC117	65	70	5m @ 0.12				
NBRC118				94	95	1m @ 2.32	E2
				148	151	3m @ 2.29	E1
NBRC119				131	133	2m @ 0.56	E1
				238	241	3m @ 8.44	MAIN
Incl.				238	240	2m @ 12.25	
NBRC120				45	46	1m @ 2.22	E2
				48	49	1m @ 1.4	
				50	51	1m @ 0.56	
				99	102	3m @ 1.46	E1
				185	190	5m @ 4	MAIN
Incl.				189	190	1m @ 12.6	
NBRC121				83	85	2m @ 0.66	E2
				135	139	4m @ 1.33	E1
				141	143	2m @ 0.75	
				225	228	3m @ 3.61	MAIN
NBRC122				74	76	2m @ 2.47	E2
				184	200	16m @ 1.02	MAIN
NBRC123				64	66	2m @ 1.92	E2
				118	120	2m @ 1	E1
				173	178	5m @ 1.16	MAIN
NBRC124				20	24	4m @ 1.33	E2
				74	75	1m @ 6.27	E1
				123	124	1m @ 1.21	MAIN
				130	132	2m @ 1	
NBRC125				84	86	2m @ 8.98	E2
				145	148	3m @ 3.54	E1
				245	251	6m @ 0.75	MAIN
NBRC126				51	52	1m @ 1.84	E2
				59	60	1m @ 3	
NBRC127				43	46	3m @ 14.2	E2
Incl.				43	44	1m @ 34.3	
				94	98	4m @ 1.95	E1
				175	181	6m @ 4.61	MAIN
Incl.				176	180	4m @ 5.76	

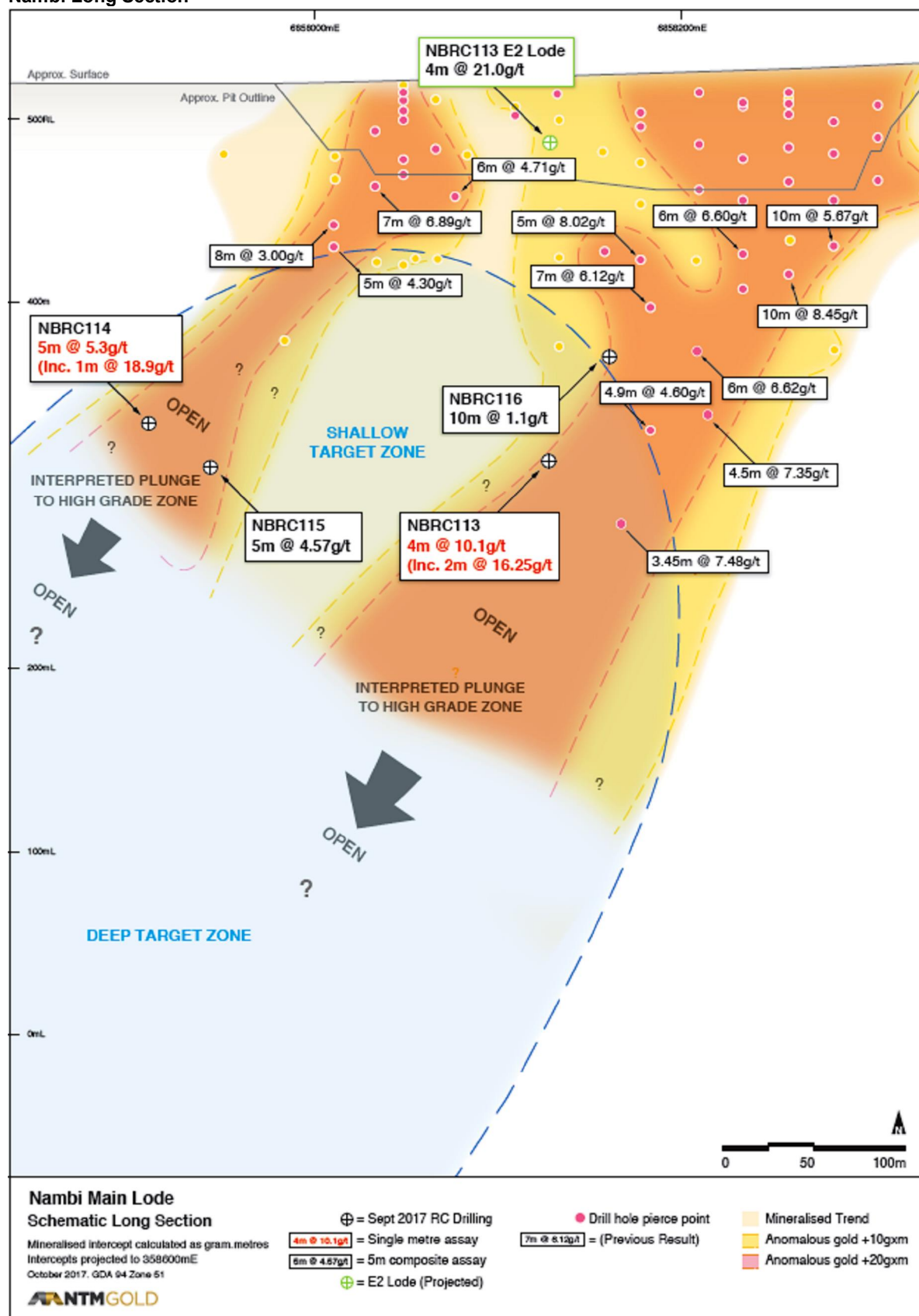
Preliminary geological interpretation of the Nambi system suggests a series of stacked, southerly plunging lodes associated with mylonitised, tightly folded sediment and volcanics.

Following on from the 5m composites, the single metre samples confirmed the high-grade nature of all three lodes. Occasional variability is apparent when comparing composite and single metre sample results, which may be attributed to the observed presence of particulate gold in RC drill samples, particularly with respect to the E2 lode. Further sampling, including screen fire assay, is to be undertaken to gain a better appreciation of the influence of coarse gold on assay repeatability.

Directors' report (continued)

Review of operations (continued)

Nambi Long Section



Directors' report (continued)

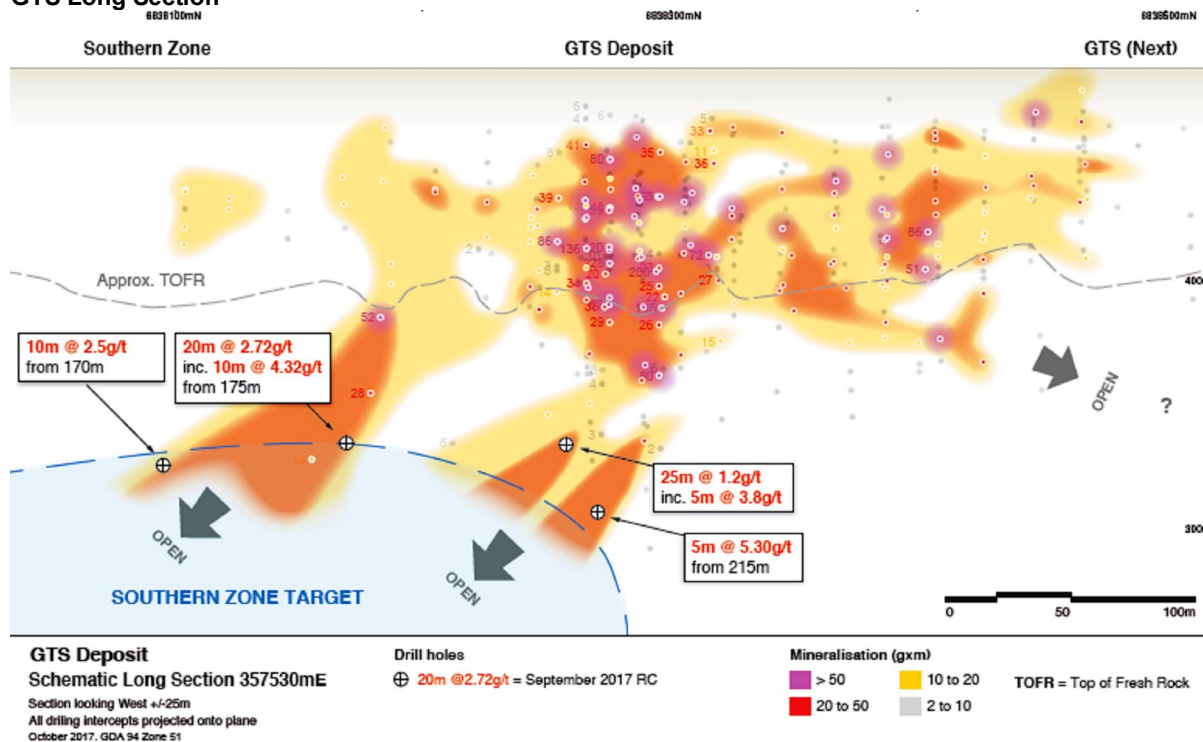
Review of operations (continued)

Golden Terrace South (GTS)

Drilling at GTS successfully intersected the interpreted southern extension of the main shoot up to 170m south of the main GTS oxide zone. The southern shoot remains open down plunge and is a priority drill target.

The main oxide zone consists of broad intervals of mineralisation which currently remain open. Down dip drilling of this oxide zone during the period returned higher-grade intercepts within broader intervals. The deposit has now been successfully extended to a depth of more than 150m.

GTS Long Section



Better results for the period included:

Hole Number	From (m)	To (m)	Result (g/t Au)
GTRC415	140	145	7m @ 1.35
	163	167	4m @ 2.8
	191	192	1m @ 6.23
GTRC416	166	187	21m @ 1.35
Incl.	174	175	1m @ 7.83
	206	210	6m @ 3.2
GTRC417	167	179	12m @ 2.65
Incl.	176	179	3m @ 5.9
GTRC418	170	171	1m @ 3.25
	177	193	14m @ 3.5
Incl.	181	185	4m @ 6.4
	222	226	4m @ 1.03
GTRC441	174	175	1m @ 11.1
	191	207	16m @ 2.71
Incl.	195	200	5m @ 5.99
GTRC442	115	119	4m @ 1.73
Incl.	118	119	1m @ 5.01
	123	137	14m @ 0.86
	143	153	10m @ 1.12
	190	192	2m @ 1.63
	196	199	3m @ 1.2
GTRC443	109	114	5m @ 1.21
	138	157	19m @ 2.4
Incl.	143	148	5m @ 3.9

Directors' report (continued)

Review of operations (continued)

GTRC444	158	166	9m @ 1.58
	188	196	8m @ 1.64
Incl.	192	193	1m @ 4.92
	241	246	5m @ 3.39
Incl.	242	245	3m @ 4.83
GTRC445	121	136	15m @ 1.26
	138	144	6m @ 1.1
	164	171	7m @ 1.23

Gold mineralisation at GTS is hosted within a steeply dipping folded package of intermediate to felsic volcanics/tuff, black shales (graphitic in part), shale, siltstone and mafic schists. A strong shear fabric is apparent with mineralisation intimately associated with quartz veining/silicification and disseminated sulphides. The deposit is also deeply weathered in parts, with intense weathering observed to more than 100m downhole.

Regional Targets

Initial, wide spaced drilling at several newly discovered regional prospects showed coherent, broad zones of mineralisation.

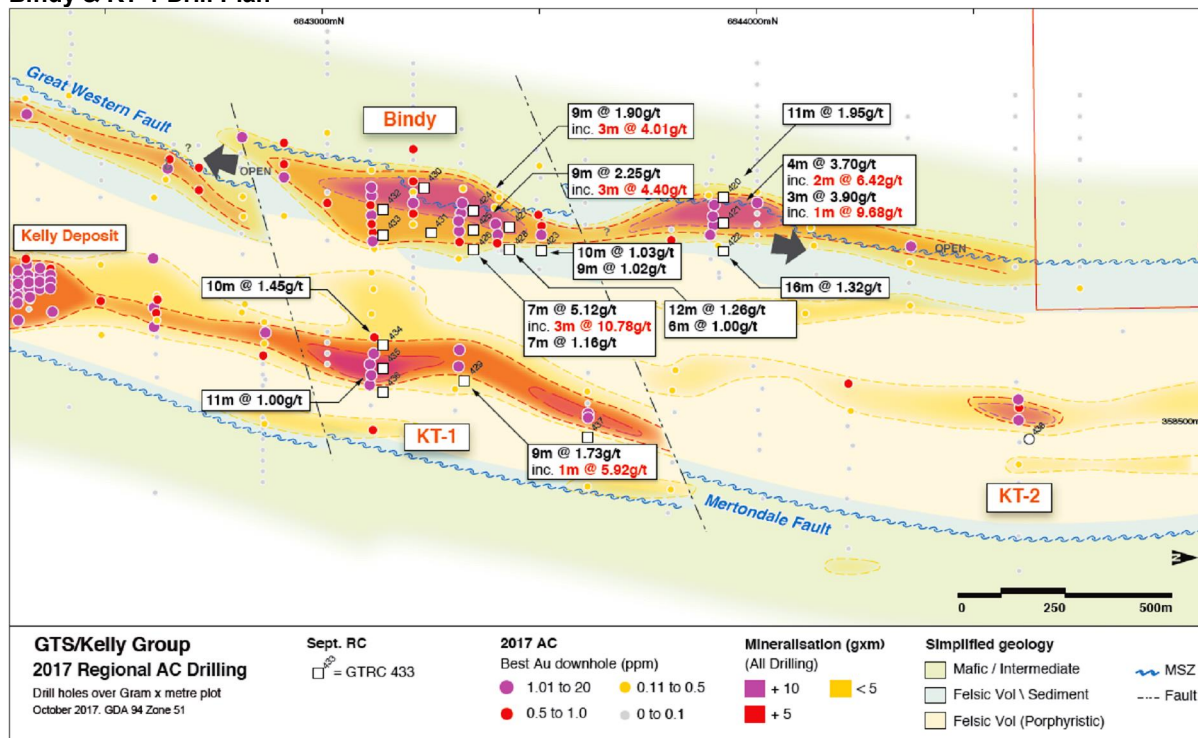
At the Bindy Prospect, the geological setting is interpreted to be similar to the GTS Deposit, being spatially related to sediment-volcanic contacts along the Great Western Fault. The Company is highly encouraged by these first pass, wide spaced drill results which suggest Bindy is a large mineralised system over some 800m of strike, and supports the Company's exploration philosophy that the Mertondale Shear Zone (MSZ) is highly prospective for further discoveries.

Follow up RC drilling returned a number of encouraging results, with broad intervals of mineralisation intersected. Significantly, mineralisation remains open along strike and at depth. The drilling at Bindy continued to demonstrate a large system over significant strike length.

Further RC drilling is planned for Bindy as part of the upcoming program in the new year.

Drilling at KT-1 and KT-2 intersected broad zones of 0.1 to 1.0 g/t mineralisation within highly sheared felsic volcanic rocks. The mineralised zones remain open in all directions.

Bindy & KT-1 Drill Plan



Directors' report (continued)

Review of operations (continued)

Better results for the period included:

Hole Number	From (m)	To (m)	Result (g/t Au)
GTRC422	100	116	16m @ 1.32
GTRC423	69	79	10m @ 1.03
	107	108	5m @ 1.03
	123	132	9m @ 1.02
GTRC424	29	30	1m @ 2.75
	53	54	1m @ 3.73
	63	72	9m @ 1.9
	66	69	3m @ 4.01
GTRC425	101	107	6m @ 0.73
	114	123	9m @ 2.25
	117	121	3m @ 4.4
GTRC426	132	139	7m @ 1.16
	158	165	7m @ 5.12
	162	165	3m @ 10.78
	189	190	1m @ 2.03
GTRC427	62	66	4m @ 1.26
GTRC428	85	88	3m @ 1.92
	104	110	6m @ 1
	114	126	12m @ 1.26
GTRC429	67	76	9m @ 1.73
	72	73	1m @ 5.92
	140	145	5m @ 1.34
GTRC433	118	119	1m @ 2.9
	159	168	9m @ 0.75
GTRC434	58	68	10m @ 1.45
GTRC435	67	71	4m @ 0.8
	75	86	11m @ 1
	93	96	3m @ 1.12
GTRC436	75	76	1m @ 2.4
GTRC438	102	103	1m @ 5.7
GTRC439	75	76	1m @ 2.04
GTRC440	134	140	6m @ 1.14
GTRC446	175	190	15m @ 1
GTRC447	155	185	30m @ 1.92
Inc.	165	185	20m @ 2.5
GTRC448	95	100	5m @ 2.2
	135	145	10m @ 1.2
GTRC449	155	165	10m @ 1.36
	185	190	5m @ 2.73
GTRC454	85	115	30m @ 1
Incl.	90	95	5m @ 2.75

Corporate

During the period, the Company placed 25 million shares at an issue price of 4 cents per share to sophisticated investors to raise \$1 million through Argonaut. The placement was undertaken using the Company's placement facility under ASX Listing Rule 7.1A. The funds raised were for ongoing exploration at the Redcliffe Gold Project.

Nambi East Acquisition

The Company entered into an agreement to acquire two Exploration Licences located 12km east of the Redcliffe Gold Project. The Exploration Licences (ELs) have been acquired from a local prospector and cover 18km². The new project has been named Nambi East.

A number of nuggets and gold-encrusted specimen stones to 5 ounces (5-6cm long) have recently been discovered by local prospectors at Nambi East, supporting the Company's interpretation that the area is highly prospective for gold mineralisation.

The cost of the acquisition was \$20,000 in reimbursements and \$100,000 in NTM shares.

Directors' report (continued)

Review of operations (continued)

Competent Persons Statement

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

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

Events subsequent to reporting date

On 12 January 2018, the Company announced the appointment of Andrew Muir as Managing Director, Edward (Ted) van Heemst as Non-Executive Director and the transition of Rodney Foster from CEO to Non-Executive Director. Mr Muir's remuneration will comprise a base salary of \$180,000 plus superannuation. He will also be eligible subject to shareholder approval, for short term incentives totalling three million performance rights in respect of ordinary shares and general performance rights in respect of five million ordinary shares, the vesting conditions are set out in Appendix 1 to the announcement. A notice of meeting outlining full details of the Incentive Package will be sent to shareholders in due course seeking approval.

On 15 January 2018, the Company announced the placement of 30,000,000 ordinary fully paid shares at a price of \$0.05 per share to raise \$1,500,000 and provide working capital for further exploration work at the Redcliffe Gold project.

On 23 January 2018, the Company announced the issue of 1,818,182 ordinary fully paid shares at a price of \$0.055 per share as consideration for the acquisition of exploration licenses previously announced on 20 November 2017 and the issue of 3,000,000 unlisted options over ordinary shares at a price of \$0.0001 per option exercisable at \$0.065 on or before 22 January 2021 as part of the capital raising fee.

On 8 March 2018, the Company announced the change of Registered Office and Principal Place of Business to Unit 4, 20 Altona Street, West Perth WA 6005.

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

Auditor independence

Section 370C of the Corporation Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the consolidated financial report. This Independence Declaration is disclosed on page 10 of this report and forms part of this directors report for the half-year ended 31 December 2017.

Signed in accordance with a resolution of the Directors



Paul Price
Chairman

Perth, Western Australia
14th day of March 2018

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

As lead auditor for the review of NTM Gold Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

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

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



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 14 March 2018

Financial Statements

For the half-year ended 31 December 2017

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2017

	Notes	31 Dec 2017 \$	31 Dec 2016 \$
Interest received		2,389	3,884
Other income		1,357	100
Administration expenses		(34,174)	(43,414)
Compliance costs		(117,415)	(138,965)
Consultants fees		(84,515)	(38,410)
Depreciation expense		(4,145)	(4,226)
Directors fees		(54,000)	(78,850)
Employee benefits expense		-	(9,500)
Impairment of exploration and evaluation		(79,700)	(23,426)
Impairment of available-for-sale financial assets		-	(5,000)
Office accommodation expenses		(5,947)	(4,375)
Travel expenses		(6,846)	(10,793)
Unrealised foreign exchange loss		-	(1,738)
Loss before income tax		(382,996)	(354,713)
Income tax benefit		-	-
Loss for the half-year		(382,996)	(354,713)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Changes in fair value of available-for-sale financial assets		-	17,019
Other comprehensive income for the period, net of tax		-	17,019
Total comprehensive loss for the period attributable to owners of NTM Gold Limited		(382,996)	(337,694)
Loss per share for loss attributable to the ordinary equity holders of the Group:			
Basic loss per share (cents per share)		(0.14)	(0.15)
Diluted loss per Share (cents per share)		(0.14)	(0.15)

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

Consolidated statement of financial position

As at 31 December 2017

	Notes	31 Dec 2017 \$	30 June 2017 \$
Assets			
Current assets			
Cash and cash equivalents		906,744	867,685
Other receivables	3	105,781	49,177
Prepayments		8,990	1,173
Total current assets		1,021,515	918,035
Non-current assets			
Exploration and evaluation expenditure	4	4,827,464	3,387,826
Plant and equipment		70,153	43,920
Total non-current assets		4,897,617	3,431,746
Total assets		5,919,132	4,349,781
Liabilities			
Current liabilities			
Trade and other payables		641,920	357,795
Provisions		1,923	-
Total current liabilities		643,843	357,795
Total Liabilities		643,843	357,795
Net assets		5,275,289	3,991,986
Equity			
Equity attributable to equity holders			
Contributed equity	5	18,090,988	16,475,389
Reserves		4,715,977	4,665,277
Accumulated losses		(17,531,676)	(17,148,680)
Total equity		5,275,289	3,991,986

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

Consolidated statement of changes in equity

For the half-year ended 31 December 2017

Consolidated	Attributable to Owners of NTM Gold Limited			
	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2016	14,469,546	4,665,277	(16,431,838)	2,702,985
Loss for the year	-	-	(354,713)	(354,713)
Other comprehensive income	-	17,019	-	17,019
Total comprehensive loss	-	17,019	(354,713)	(337,694)
Transactions with owners in their capacity as owners				
Contributions of equity	1,275,000	-	-	1,275,000
Transaction costs	(5,978)	-	-	(5,978)
Treasury shares sold	416,111	-	-	416,111
Balance at 31 December 2016	<u>16,154,679</u>	<u>4,682,296</u>	<u>(16,786,551)</u>	<u>4,050,424</u>
Balance at 1 July 2017	16,475,389	4,665,277	(17,148,680)	3,991,986
Loss for the year	-	-	(382,996)	(382,996)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(382,996)	(382,996)
Transactions with owners in their capacity as owners				
Contributions of equity	1,748,679	-	-	1,748,679
Transaction costs	(133,080)	-	-	(133,080)
Options issued	-	50,700	-	50,700
Balance at 31 December 2017	<u>18,090,988</u>	<u>4,715,977</u>	<u>(17,531,676)</u>	<u>5,275,289</u>

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

Consolidated statement of cash flows

For the half-year ended 31 December 2017

	31 Dec 2017 \$	31 Dec 2016 \$
Cash flows from operating activities		
Payments to suppliers and employees	(370,978)	(446,749)
Other income	-	100
Interest received	2,389	3,889
Net cash outflows used in operating activities	(368,589)	(442,760)
Cash flows from investing activities		
Payments for exploration and evaluation	(501,235)	(500,908)
Payments for purchase of property, plant and equipment	(12,201)	-
Net cash outflows used in investing activities	(513,436)	(500,908)
Cash flows from financing activities		
Proceeds from issue of shares	1,000,000	1,275,000
Payments for share issue costs	(79,216)	(5,978)
Proceeds from issue of options	300	-
Proceeds from sale of treasury shares	-	416,111
Net cash inflows from financing activities	921,084	1,685,133
Net increase in cash and cash equivalents	39,059	741,466
Cash and cash equivalents at beginning of financial year	867,685	765,832
Cash and cash equivalents at end of half-year	906,744	1,507,298

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

Notes to the consolidated financial statements

For the half-year ended 31 December 2017

1 Basis of Preparation and Accounting Policies

(a) Basis of preparation

These general purpose financial statements for the half-year ended 31 December 2017 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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

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

(b) Significant accounting judgements and key estimates

In applying the Group's accounting policies, management continually evaluates, estimates and makes assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events.

(c) Going concern basis

For the half-year ended 31 December 2017 the Group recorded a loss of \$382,996, net cash outflows from operating activities of \$368,589 and net working capital of \$377,672. Furthermore, the Directors have prepared a cash flow forecast which indicates that the Group would be required to raise funds to provide additional working capital to continue developing its projects.

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

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

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

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- the Directors are confident in the Group's ability to raise the capital mentioned above due to historical experience in securing funding for ongoing operational requirements, ongoing communications with funding providers and major shareholders; and
- the Directors are also confident they are able to manage discretionary spending to ensure that cash is available to meet debts as and when they fall due.

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

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

1 Basis of Preparation and Accounting Policies (continued)

(d) Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2017, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017.

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

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

2 Segment information

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

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

	31 Dec 2017 \$	30 June 2017 \$
3 Other receivables		
GST receivable	105,781	49,177
	105,781	49,177
4 Exploration and evaluation		
Balance at beginning of the half-year	3,387,826	1,977,540
Acquisition of additional tenements	122,850	6,637
Expenditure incurred	1,396,488	1,459,037
Expenditure written off	(79,700)	(55,388)
Balance at end of half-year	4,827,464	3,387,826

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

The Group follows the guidance of AASB 6 Exploration for and Evaluation of Mineral Resources to determine when capitalised exploration and evaluation expenditure is impaired. Exploration and evaluation expenditure of \$79,700 has been written off during the period.

	31 Dec 2017 Shares	31 Dec 2016 Shares	31 Dec 2017 \$	31 Dec 2016 \$
5 Contributed equity				
(i) Ordinary shares				
Issued and fully paid	298,117,396	251,786,143	18,090,988	16,154,679
Total contributed equity	298,117,396	251,786,143	18,090,988	16,154,679

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

	Shares	\$
(ii) Movement in ordinary shares on issue		
At 1 July 2016	214,397,254	14,469,546
7 to 12 July 2016 Disposal of treasury shares	11,888,889	416,111
9 November 2016 Shares issued to sophisticated investors	25,500,000	1,275,000
Capital raising costs incurred	-	(5,978)
At 31 December 2016	251,786,143	16,154,679
At 1 July 2017	257,271,244	16,475,389
23 August 2017 Shares issued in lieu of drilling services	3,254,118	140,252
30 August 2017 Shares issued in lieu of drilling services and exploration base improvements	2,725,992	109,040
28 September 2017 Shares issued to sophisticated investors	25,000,000	1,000,000
9 November 2017 Shares issued in lieu of drilling services	6,823,420	341,171
18 December 2017 Shares issued in lieu of drilling services	3,042,619	158,216
Capital raising costs incurred	-	(133,080)
At 31 December 2017	298,117,396	18,090,988

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

5 Contributed equity (continued)

Options

Unlisted Options

The following unlisted options to subscribe for ordinary fully paid shares were granted during the half-year and outstanding at 31 December 2017:

- 3,000,000 options exercisable at \$0.06 each and expiring on 10 November 2020.

No unlisted options lapsed or were forfeited during the half year.

6 Share based payments

Share based payment transactions are recognised at fair value in accordance with AASB 2.

The total movement arising from share based payment transactions recognised during the half year were as follows:

	31 Dec 2017 \$	30 June 2017 \$
As part of administration expenses:		
Shares issued in lieu of Professional Services	-	75,000
Capitalised to Statement of financial position:		
Shares issued in lieu of drilling services	728,683	271,316
Shares issued in lieu of exploration base improvements	19,996	-
Options issued in lieu of capital raising costs	50,400	-
	799,079	346,316

Shares are to be issued to the value of \$100,000 under the terms of acquisition for two Exploration Licenses which remains payable at 31 December 2017. The issue price of the shares will be based on a five-day Volume Weighted Average Price over the period immediately preceding the date of the agreement.

7 Commitments and contingencies

The Company announced on 20 November 2017 that under the terms of acquisition for two Exploration Licenses the vendor will receive a royalty of \$10 per ounce of gold produced from the license area and rights to undertake prospecting and metal detecting activities on the licences and gold produced from such activities.

There were no other changes in commitments and contingencies to those disclosed in the most recent financial report at 30 June 2017.

8 Related parties

Transactions with key management personnel

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

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2017

9 Events after the reporting date

On 12 January 2018, the Company announced the appointment of Andrew Muir as Managing Director, Edward (Ted) van Heemst as Non-Executive Director and the transition of Rodney Foster from CEO to Non-Executive Director. Mr Muir's remuneration will comprise a base salary of \$180,000 plus superannuation. He will also be eligible subject to shareholder approval, for short term incentives totalling three million performance rights in respect of ordinary shares and general performance rights in respect of five million ordinary shares, the vesting conditions are set out in Appendix 1 to the announcement. A notice of meeting outlining full details of the Incentive Package will be sent to shareholders in due course seeking approval.

On 15 January 2018, the Company announced the placement of 30,000,000 ordinary fully paid shares at a price of \$0.05 per share to raise \$1,500,000 and provide working capital for further exploration work at the Redcliffe Gold project.

On 23 January 2018, the Company announced the issue of 1,818,182 ordinary fully paid shares at a price of \$0.055 per share as consideration for the acquisition of exploration licenses previously announced on 20 November 2017 and the issue of 3,000,000 unlisted options over ordinary shares at a price of \$0.0001 per option exercisable at \$0.065 on or before 22 January 2021 as part of the capital raising fee.

On 8 March 2018, the Company announced the change of Registered Office and Principal Place of Business to Unit 4, 20 Altona Street, West Perth WA 6005.

Other than the above, no other matter or circumstance has arisen since 31 December 2017 which has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

Directors' declaration

In the opinion of the directors:

- (a) the consolidated financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's consolidated financial position as at 31 December 2017 and the performance for the half-year then ended; and
 - (ii) complying with Accounting Standard AASB 134 ~~Interim Financial Reporting~~ and the Corporations Regulations 2001 and other mandatory professional requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Paul Price
Chairman

Perth, Western Australia
14th day of March 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of NTM Gold Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of NTM Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter - Material uncertainty relating to going concern

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

Directors' responsibility for the Half-Year Financial Report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', written over the printed name.

Glyn O'Brien

Director

Perth, 14 March 2018