



Consolidated Interim Financial Statements

For the six month period ended June 30, 2019

RTG MINING INC.
CONTENTS

CORPORATE DIRECTORY.....	2
DIRECTORS' REPORT.....	3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	6
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	7
CONSOLIDATED STATEMENT OF CASH FLOWS.....	8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	9
DIRECTORS' DECLARATION.....	20
AUDITOR'S INEPENDENCE DECLARATION.....	21
INDEPENDENT AUDITOR'S REVIEW REPORT.....	22

**RTG MINING INC.
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	Ryan R Eadie	
Office	<u>Registered</u> Sea Meadow House Blackburne Highway PO Box 116 Road Town Tortola VG1110 British Virgin Islands	<u>Principal</u> Level 2 338 Barker Road Subiaco, Western Australia, 6008 Australia Telephone: +61 8 6489 2900 Facsimile: +61 8 6489 2920
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	<u>Australian Register</u> Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth, Western Australia, 6000 Australia Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033	<u>Canadian Register</u> Computershare Investor Services Inc. 8 th Floor, 100 University Avenue Toronto, Ontario, M5J2Y1 Canada Telephone: +1 416 263 9200 Facsimile: +1 888 453 0330
Stock Exchange	<u>Australia</u> Australian Securities Exchange Limited Exchange Code: RTG – Chess Depositary Interests (CDI's) <u>United States</u> OTCQB Venture Market Exchange code: RTGGF	<u>Canada</u> Toronto Stock Exchange Inc. Exchange Code: RTG – Fully paid shares
Lawyers	Gilbert and Tobin Level 16, Brookfield Place Tower 2 123 St Georges Terrace Perth, Western Australia, 6000 Australia Corrs Chambers Westgarth Level 2, MRDC Haus National Capital, District 111 Papua New Guinea	Blake, Cassels & Graydon LLP 595 Burrard Street Suite 2600, 3 Bentall Centre Vancouver, BC, V7X 1L3, Canada
Website	www.rtgmining.com	

RTG MINING INC. DIRECTORS' REPORT

The Directors of RTG Mining Inc. ("the Company" or "RTG") present their report on the consolidated entity consisting of RTG and the entities it controlled during the period ended June 30, 2019 (the "Consolidated Entity" or "the Group"). The Company's functional and presentation currency is USD (\$).

DIRECTORS AND COMPANY SECRETARY

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

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

REVIEW OF OPERATIONS AND RESULTS

Operating Results

RTG is the nominated development partner with the joint venture company, Panguna Minerals Limited ("PML"), established by the Special Mining Lease Osikaiyang Landowners Association ("SMLOLA") and Central Exploration Pty Ltd ("Central"), in their proposal with respect to the redevelopment of the Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, PNG. The proposal is an initiative of the old Panguna mine's customary landowners (who are represented by SMLOLA) and is conditional upon securing the support of the Autonomous Bougainville Government ("ABG"), who to date has not yet supported the Landowner's proposal.

RTG continues to work with the SMLOLA team to progress discussions with the ABG on the redevelopment proposal of the Landowner Led Consortium, who to date are supporting an alternative proposal and undertake and support local community and social programs and reconciliations in the lead up to the important Referendum on Independence.

RTG holds a 40% interest in Mt. Labo Exploration and Development Corporation ("Mt. Labo"). Mt. Labo has initiated arbitral proceedings against Galeo Equipment Corporation ("Galeo") in the Singapore International Arbitration Centre seeking varied relief, including a declaration that the Joint Venture Agreement ("JVA") was validly terminated and the compromise agreement was validly rescinded. The hearing of the matter is now formally scheduled to commence on September 16, 2019.

During the period, the Mines and Geosciences Bureau ("MGB") and the Department of Environment and Natural Resources ("DENR") approved the Feasibility Study for the Mabilo Project, lodged by Mt. Labo. The approval confirms that the project is technically and economically feasible after consideration of the environmental, social and fiscal costs prescribed under the Philippine Mining Act of 1995 and its Revised Implementing Rules and Regulations as amended. This is a critical step in the finalisation of permitting for the start up of the Mabilo Project by Mt. Labo.

Mt. Labo is focussed on continuing to progress the permitting and local issues given the uncertainty that was created for mining during the term of the previous Secretary of the DENR and the dispute with the joint venture partner of Mt. Labo.

Additionally, during the period, the Company continued to investigate and progress a number of interesting new business development opportunities.

Net loss after tax for the period ended June 30, 2019 was \$6,886,116 (June 30, 2018 loss: \$17,331,029).

**RTG MINING INC.
DIRECTORS' REPORT**

AUDITOR'S INDEPENDENCE DECLARATION

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

This report is made in accordance with a resolution of the Directors on August 21, 2019.

A handwritten signature in black ink, appearing to read 'Justine', with a stylized flourish extending to the right.

Justine Alexandria Magee
President and Chief Executive Officer
Perth
August 22, 2019

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		REVIEWED 6 MONTH PERIOD ENDED	
		June 30 2019	June 30 2018
	Note	US\$	US\$
Continuing operations			
Other income	4	26,677	68,384
Business development expenses	5	(1,686,994)	(1,805,957)
Share of Philippines Associates loss	5	-	(374,892)
Fair value loss on financial asset at fair value through profit or loss	5	(2,793,710)	(3,839,205)
Impairment expense	5	(1,222,853)	(9,735,581)
Foreign exchange loss		(55,774)	(408,046)
Administrative expenses	5	(1,153,462)	(1,235,732)
Loss before income tax from continuing operations		(6,886,116)	(17,331,029)
Income tax benefit		-	-
Loss for the period from continuing operations		(6,886,116)	(17,331,029)
Other comprehensive income / (loss)			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of foreign operations		444	376,441
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>			
Net gain on financial assets at fair value through other comprehensive income		209,945	692,835
Total comprehensive loss for the period		(6,675,727)	(16,261,753)
Loss attributable to:			
Equity holders of the Company		(6,502,532)	(17,331,029)
Non-controlling interest		(383,584)	-
		(6,886,116)	(17,331,029)
Total comprehensive loss attributable to:			
Equity holders of the Company		(6,292,143)	(16,261,753)
Non-controlling interest		(383,584)	-
		(6,675,727)	(16,261,753)
Loss per share attributable to ordinary shareholders			
Basic loss per share (cents)		(1.36)	(6.30)

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

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<i>REVIEWED</i> June 30 2019 US\$	<i>AUDITED</i> December 31 2018 US\$
	Note		
Current assets			
Cash and cash equivalents	6	9,775,004	16,469,474
Receivables		31,410	108,117
Financial asset at amortised cost	7	548,467	524,646
Prepayments		44,174	110,296
Total current assets		10,399,055	17,212,533
Non-current assets			
Right-of-use Asset	8	358,013	-
Property, plant and equipment		218,163	238,897
Financial assets at fair value through other comprehensive income	9	2,193,090	1,983,145
Total non-current assets		2,769,266	2,222,042
Total assets		13,168,321	19,434,575
Current liabilities			
Lease liability	8	113,359	-
Trade and other payables	11	472,606	427,693
Provisions		170,709	147,725
Total current liabilities		756,674	575,418
Non-current liabilities			
Lease liability	8	238,625	-
Total non-current liabilities		238,625	-
Total liabilities		995,299	575,418
Net assets		12,173,022	18,859,157
Shareholder's equity			
Issued capital	12	167,848,399	167,858,807
Reserves		10,273,955	10,063,566
Accumulated losses		(165,031,329)	(158,528,797)
Parent shareholder's equity		13,091,025	19,393,576
Non-controlling interest		(918,003)	(534,419)
Total shareholder's equity		12,173,022	18,859,157

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

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Six months to June 30, 2019</i>	<i>Issued capital</i>	<i>Asset revaluation reserve</i>	<i>Share based payment reserve</i>	<i>Other capital reserve</i>	<i>Foreign currency translation reserve</i>	<i>Accumulated losses</i>	<i>Non- controlling interest</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Balance at January 1, 2019	167,858,807	483,145	8,696,142	30,662	853,617	(158,528,797)	(534,419)	18,859,157
Loss for the period	-	-	-	-	-	(6,502,532)	(383,584)	(6,886,116)
Currency translation differences	-	-	-	-	444	-	-	444
Net gain on financial assets at FVOCI	-	209,945	-	-	-	-	-	209,945
Total comprehensive income / (loss) for the period	-	209,945	-	-	444	(6,502,532)	(383,584)	(6,675,727)
Shares issued during the period	-	-	-	-	-	-	-	-
Share issue expenses	(10,408)	-	-	-	-	-	-	(10,408)
Balance at June 30, 2019	167,848,399	693,090	8,696,142	30,662	854,061	(165,031,329)	(918,003)	12,173,022
<i>Six months to June 30, 2018</i>								
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Balance at January 1, 2018	138,376,685	249,485	7,601,285	-	533,417	(131,276,251)	-	15,484,621
Change in accounting policy *	-	-	-	-	-	(200,000)	-	(200,000)
Restated total equity at January 1, 2018	138,376,685	249,485	7,601,285	-	533,417	(131,476,251)	-	15,284,621
Loss for the period	-	-	-	-	-	(17,331,029)	-	(17,331,029)
Currency translation differences	-	-	-	-	376,441	-	-	376,441
Net gain on financial assets at FVOCI	-	692,835	-	-	-	-	-	692,835
Total comprehensive income / (loss) for the period	-	692,835	-	-	376,441	(17,331,029)	-	(16,261,753)
Shares issued during the period	32,903,440	-	-	-	-	-	-	32,903,440
Share issue expenses	(3,335,852)	-	1,094,857	-	-	-	-	(2,240,995)
Balance at June 30, 2018	167,944,273	942,320	8,696,142	-	909,858	(148,807,280)	-	29,685,312

* See Note 3 for details regarding the restatement as a result of a change in accounting policy

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

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

		<i>REVIEWED</i>	
		<i>6 MONTH PERIOD ENDED</i>	
		June 30	June 30
		2019	2018
	Note	US\$	US\$
Operating activities			
Payments to suppliers and employees		(3,991,008)	(3,273,609)
Interest received		1,555	2,133
Net cash flows used in operating activities		(3,989,453)	(3,271,476)
Investing activities			
Payments for deposits		-	(14,822,000)
Advances to associate entities		(2,587,452)	(3,839,205)
Net cash flows used in investing activities		(2,587,452)	(18,661,205)
Financing activities			
Repayment of borrowings		-	(1,584,045)
Proceeds from shares issued		-	32,903,440
Share issue expenses		(10,409)	(2,240,995)
Lease liability payments		(65,698)	-
Net cash flows from financing activities		(76,107)	29,078,400
Net decrease in cash and cash equivalents		(6,653,012)	7,145,719
Cash and cash equivalents at the beginning of the period		16,469,474	4,123,973
Net foreign exchange difference		(41,458)	(449,608)
Cash and cash equivalents at end of the period	6	9,775,004	10,820,084

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

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated interim financial statements of RTG is presented as at June 30, 2019 for the period January 1, 2019 to June 30, 2019.

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

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

The consolidated interim financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit which have been measured at fair value. Historical costs are generally based on the fair values of the consideration given in exchange for goods and services.

The financial report is presented in United States Dollars (US\$) unless otherwise noted.

Significant accounting policies

The consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the annual audited financial statements. It is recommended that these consolidated interim financial statements be read in conjunction with the annual financial report for the year ended December 31, 2018, and any public announcements made by the Company during the period.

(i) Significant accounting judgments

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

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

(ii) Significant accounting estimates and assumptions

Expected credit losses of financial asset at amortised cost

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

Impairment of investment in Joint Venture

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

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

3. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 16 Leases on the Company's financial statements and discloses the new accounting policies that have been applied from January 1, 2019, where they are different to those applied in prior periods.

Impact on the financial statements

As a result of the changes in the Company's accounting policies, IFRS 16 was adopted without restating comparative information. The reclassifications and adjustments arising from the new rule are therefore not reflected in the balance sheet as at December 31, 2018, but are recognised in the opening balance sheet on January 1, 2019.

IFRS 16 Leases – Impact of adoption and accounting policies applied from January 1, 2019

IFRS 16 replaces the provisions of IAS 17 that relate to the recognition, classification and measurement of leases.

The adoption of IFRS 16 Leases from January 1, 2019 resulted in changes in the accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out below. Comparative figures have not been restated in accordance with transitional provisions.

On January 1, 2019, the Company held one lease, for the principal office based in Subiaco. The Company assessed which business model applied to the lease and classified its lease into the appropriate IFRS 16 category.

Reclassification from administration expense to a lease liability and right of use ("ROU") asset

The office lease was reclassified from an operating lease which was recorded as an administration expense in the profit and loss, as payments were made each month under the previous IAS 17, to recognising a lease liability and a ROU asset in its balance sheet under the new IFRS 16. Refer to note 8 for further details.

Initial recognition

The Company elected to value the ROU asset using the first modified retrospective approach, without restating prior year comparatives. The liability was measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate of 3.77% as at January 1, 2019. The initial amount recognised for each asset and liability is the same and uses the current borrowing rate.

	US\$
Operating lease commitment at December 31, 2018	73,170
Effect of discounting the lease commitment at an annual rate of 3.77%	(7,109)
Effect of recognising the discounted June 30, 2019, 3 year lease renewal	351,621
Lease liability recognised as at January 1, 2019	417,682

Subsequent recognition

RTG will recognise a lease liability based on the discounted payments required under the lease. The lease liability is to be measured with reference to an estimate of the lease term, including optional lease periods if RTG is reasonably certain to exercise an option to extend the lease.

RTG will use the cost model to recognise the ROU asset and amortise it over the remaining 3.5 years of its term.

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

4. OTHER INCOME

	<i>REVIEWED</i>	
	<i>6 MONTH PERIOD ENDED</i>	
	June 30	June 30
	2019	2018
	US\$	US\$
Interest income	26,677	68,384
	26,677	68,384

5. EXPENSES

Business development expenses

Conferences	20,688	31,314
Employee and director fees	188,713	217,671
Project analysis	42,775	32,590
Travel expenses	281,202	368,296
Legal fees	481,061	1,075,146
Consultants fees	641,382	26,855
Other expenses	31,173	54,085
	1,686,994	1,805,957

Administrative expenses

Accounting, tax services and audit fees	43,414	47,020
Computer support fees	7,843	9,202
Consultants fees	169,868	138,461
Depreciation expenses	20,420	12,301
Employee and directors' fees	577,912	637,042
Insurance expenses	38,584	31,127
Legal expenses	6,426	44,663
Listing and shareholder reporting costs	38,341	108,926
Occupancy expenses	65,487	72,635
Travel expenses	128,863	53,344
Other expenses	56,304	81,011
	1,153,462	1,235,732

Share of Philippines Associate loss

Share of net losses of Philippines Associates	-	374,892
	-	374,892

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

Fair value loss on advances to Philippines Associates	(i)	2,793,710	2,151,890
Fair value loss on advances to Associates (Central)	(ii)	-	1,687,315
		2,793,710	3,839,205

- (i) Advances to Philippines Associates have been classified as a financial asset at fair value through profit or loss. The fair value is calculated using the expected cashflow to be received from the underlying project of the associate, discounted using a risk adjusted discount rate relating to the loan. Refer to notes 10 for further information.
- (ii) Advances to Associates (Central) have been classified as a financial asset at fair value through profit or loss. The fair value loss was assessed in consideration of the high credit risk resulting in the loans having a nil valuation. These advances relate to the period prior to the acquisition when Central was still an associate of RTG.

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

5. EXPENSES – continued

		<i>REVIEWED</i>	
		<i>6 MONTH PERIOD ENDED</i>	
		June 30	June 30
		2019	2018
		US\$	US\$
Impairment expense			
Impairment of investment in joint venture	(i)	1,222,583	-
Impairment of investment in the Philippines Associates	(ii)	-	9,535,581
Expected credit loss provision	(iii)	-	200,000
		1,222,853	9,735,581

- (i) The recoverable amount of the investment in the joint venture was assessed to be nil and the asset was fully impaired as at June 30, 2019.
- (ii) The recoverable amount of the investment in the Philippines Associates was assessed to be nil and the asset was fully impaired as at June 30, 2018.
- (iii) Expected credit losses recognised for the Company's financial asset held at amortised cost.

6. CASH AND CASH EQUIVALENTS

		<i>REVIEWED</i>	<i>AUDITED</i>
		June 30	December 31
		2019	2018
		US\$	US\$
Cash on hand		38	9
Cash at bank	(i)	9,744,966	16,469,465
		9,775,004	16,469,474

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

7. FINANCIAL ASSET AT AMORTISED COST

Financial asset at amortised cost	(i)	548,467	524,646
		548,467	524,646

Reconciliation of movements in financial asset at amortised cost:

Opening balance	524,646	1,800,000
Additions	23,821	26,788
Repayments	-	(1,350,000)
Interest received	-	(22,142)
Expected credit loss provision	-	70,000
Closing balance	548,467	524,646

- (i) 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 in 2016, Thor has agreed to pay the Company \$2,000,000, of which \$1,350,000 has been paid. To date, the company has recognised expected credit losses of \$130,000 using a 20% probability of default rate, on the outstanding \$650,000, however the Company currently expects to recover the amount in full.

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY

Amounts recognised in the consolidated statement of financial position

	<i>REVIEWED</i> June 30 2019 US\$	<i>AUDITED</i> December 31 2018 US\$
Right-of-use asset		
<i>Property – head office lease</i>		
At January 1, 2019	417,682	-
Amortisation	(59,669)	-
At June 30, 2019	358,013	-
Lease liability		
At January 1, 2019	417,682	-
Lease payments	(65,698)	-
At June 30, 2019	351,984	-

Amounts recognised in the consolidated statement of profit or loss

	<i>REVIEWED</i> June 30 2019 US\$	<i>AUDITED</i> December 31 2018 US\$
Amortisation of right-of-use asset		
<i>Property – head office lease amortisation</i>	59,669	-
	59,669	-

The total cash outflow for the lease in the six months to June 30, 2019 was \$65,698.

On January 1, 2019, the Company held one lease, for the head office based in Subiaco.

The office lease was reclassified from an operating lease which was recorded as an administration expense in the profit and loss, as payments were made each month under the previous IAS 17, to recognising a lease liability and a ROU asset in its balance sheet under the new IFRS 16. Refer to note 3 for further details.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Non-current

Financial assets at fair value through other comprehensive income	2,193,090	1,983,145
	2,193,090	1,983,145

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

Opening balance	1,983,145	1,749,484
Additions	-	-
Gain on fair value measurement	209,945	233,661
Closing balance	2,193,090	1,983,145

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

10. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>REVIEWED</i> June 30 2019 US\$	<i>AUDITED</i> December 31 2018 US\$
Advances to Philippines Associates		
Opening balance	-	-
Advances to Philippines Associates	2,793,710	4,555,269
Fair value loss	(2,793,710)	(4,555,269)
	<u>-</u>	<u>-</u>
Advances to Associate (Central)		
Opening balance	-	-
Advances to Associate (Central)	-	4,569,555
Fair value loss	-	(4,569,555)
	<u>-</u>	<u>-</u>

The Group determines the fair value of the advances in consideration of the investments in associates. Considering the investments were held at nil valuation as at June 30, 2019, and the status of the relevant opportunities and credit risk, there was no recognised fair value of the advances to associates.

11. TRADE AND OTHER PAYABLES

Current liabilities

Trade creditors	410,190	406,527
Accrued expenses	62,416	21,166
	<u>472,606</u>	<u>427,693</u>

Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms. There are no amounts that are expected to be settled greater than 12 months.

12. ISSUED CAPITAL AND RESERVES

(a) Issued and paid up share capital

	June 30 2019 Number	June 30 2018 Number	June 30 2019 US\$	June 30 2018 US\$
Issued and paid up capital	478,940,889	478,940,889	167,848,399	167,944,273

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 January 1, 2019	478,940,889	167,858,807
Shares issues	-	-
Shares issue costs	-	(10,408)
Total shares on issue at June 30, 2019	<u>478,940,889</u>	<u>167,848,399</u>
Opening balance at 1 January 2018	167,585,577	138,376,685
Shares issues	311,355,312	32,903,440
Shares issue costs	-	(3,335,852)
Total shares on issue at June 30, 2018	<u>478,940,889</u>	<u>167,944,273</u>

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

(b) Reserves

	<i>REVIEWED</i> June 30 2019 US\$	<i>AUDITED</i> December 31 2018 US\$
Asset revaluation reserve	693,090	483,145
Share based payment reserve	8,696,142	8,696,142
Foreign currency translation reserve	854,061	853,617
Other reserves	30,662	30,662
	10,273,955	10,063,566

Movements in options during the period were as follows:

	Number
Opening balance at January 1, 2019	12,715,201
Granted during the period	-
Total options on issue at June 30, 2019	12,715,201

13. DIVIDENDS

No dividends have been paid or provided for during the period. (June 30, 2018: nil).

14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value

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

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

Recognised fair value measurements

The following table presents the Group's assets measured at fair value at June 30, 2019 and December 31, 2018:

At June 30, 2019	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial asset at fair value through other comprehensive income	2,193,090	-	-	2,193,090
Total	2,193,090	-	-	2,193,090
At December 31, 2018	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial asset at fair value through other comprehensive income	1,983,145	-	-	1,983,145
Total	1,983,145	-	-	1,983,145

Fair value of other financial instruments not measured at fair value

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

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

15. SEGMENT REPORTING NOTE

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

The Company operates in a single segment, being mineral exploration and development.

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

June 30, 2019

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

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

15. SEGMENT REPORTING NOTE – continued

June 30, 2018

Operating segment	Philippines	Australia	Other	Consolidated total
	June 30	June 30	June 30	June 30
	2018	2018	2018	2018
	US\$	US\$	US\$	US\$
Revenue				
Revenue from external customers	-	-	-	-
Interest income	-	68,384	-	68,384
Other	-	-	-	-
Total revenue				68,384
Results				
Segment profit / (loss) before tax	(12,062,362)	(5,200,244)	(68,423)	(17,331,029)
Revenue	-	68,384	-	68,384
Administrative expenses	-	(1,168,994)	(66,738)	(1,235,732)
Foreign exchange	-	(406,361)	(1,685)	(408,046)
Share of associate loss	(374,892)	-	-	(374,892)
Impairment expense	(9,535,581)	(200,000)	-	(9,735,581)
Fair value loss on financial assets through profit or loss	(2,151,890)	(1,687,315)	-	(3,839,205)
Other expenses	-	(1,805,957)	-	(1,805,957)
Segment loss before income tax from continuing operations				(17,331,029)
Operating segment	Philippines	Australia	Other	Consolidated total
	June 30	June 30	June 30	June 30
	2018	2018	2018	2018
	US\$	US\$	US\$	US\$
Segment assets				
Corporate assets	-	30,323,152	3,486	30,326,638
Total assets				30,326,638
Segment liabilities				
Corporate liabilities	-	(641,326)	-	(641,326)

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

16. COMMITMENT AND CONTINGENCIES

a) Commitments

As at June 30, 2019, the Group recognised the following commitments:

Lease Liability

Relates to the Company's lease liability. Refer to note 8 for further information.

b) Contingencies and contingent liabilities

As at June 30, 2019, the Group recognised the following contingent liabilities:

Associate

Investment in Philippines Associates

Mt. Labo and Galeo have estimated contingent liabilities relating to the legal proceedings for both the civil case in the Philippines and arbitration through the Singapore International Arbitration Centre. Mt. Labo's claims under the civil case are for PHP7,000,000 against Galeo and USD183,199,563 through arbitration. Galeo's claims to date under the civil case are for PHP1,500,000 and USD5,961,319 (December 31, 2018: \$3,500,000) under arbitration together with legal fees. The Philippines Associates had no other contingent liabilities or capital commitments as at June 30, 2019 (nil: December 31, 2018). The hearing of the matter is scheduled to commence on September 16, 2019.

Subsidiary

Central Exploration Pty Ltd

During the prior period, the Group acquired A2V Mining Inc. ("A2V"), a non-listed company with a direct interest in Central Exploration Pty Ltd ("Central"). Through the conversion of loan funding into shares in Central, the Group's total interest in Central increased to 69%. The acquisition gave rise to a contingent liability of \$1,333,257 relating to Duncan Mining Pty Ltd's (a related entity of Central) acquisition of URM (South Pacific) Pty Ltd. Repayment of the liability is dependent on the development of Central's Bougainville interests. Given the current status of the project, repayment of the liability is not considered probable. At balance date, the value of the liability increased to \$1,582,634 (December 31, 2018: \$1,506,697), however repayment is still not considered probable. This is not a liability of the Company but Central and is not guaranteed by RTG.

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

17. RELATED PARTY DISCLOSURE

Controlling entity

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

Other transactions with related parties

Transactions with related parties consist of companies with Directors and Officers in common and companies owned in whole or in part by Executives and Directors as follows for the three and six months ended June 30, 2019 and 2018:

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:

	<i>UNAUDITED</i>		<i>REVIEWED</i>	
	<i>3 MONTH PERIOD ENDED</i>		<i>6 MONTH PERIOD ENDED</i>	
	June 30	June 30	June 30	June 30
	2019	2018	2019	2018
	US\$	US\$	US\$	US\$
Directors fees	13,267	10,111	13,267	20,631
Total	13,267	10,111	13,267	20,631

During the period ended June 30, 2019 the Group entered into transactions with related parties:

- Loans of \$2,682,117 were advanced on short term inter-company accounts, and
- Loans of \$2,793,710 were advanced on to the Philippines Associates of the Company.

These transactions were undertaken on the following terms and conditions:

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

18. EVENTS AFTER REPORTING PERIOD

No significant events have occurred subsequent to the reporting period that would have a material impact on the consolidated interim financial statements.

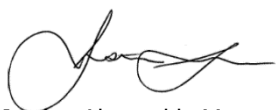
RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2019

DIRECTORS' DECLARATION

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

- (a) the financial statements and notes of the Consolidated Entity:
 - (i) give a true and fair view of the Consolidated Entity's financial position as at June 30, 2019 and of its performance for the six month period ended June 30, 2019; and
 - (ii) comply with International Accounting Standards and other mandatory professional reporting standards; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



Justine Alexandria Magee
President and Chief Executive Officer
Perth
August 22, 2019

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

As lead auditor for the review of RTG Mining Inc. for the half-year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

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

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



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 22 August 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RTG Mining Inc.

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of RTG Mining Inc. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, 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, and 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 International Accounting Standard 34 Interim Financial Reporting ("IAS 34") including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with International Accounting Standard 134 Interim Financial Reporting ("IAS 34").

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 International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by International Accounting Standard Board 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 ISRE 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 Group's financial position as at 30 June 2019 and its financial performance for the half-year ended on that date is not presented fairly, in all material respects, in accordance with the International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). As the auditor of the Entity, ISRE 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 International 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 Australian professional accounting bodies.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', written over a faint, larger 'BDO' watermark.

Dean Just

Director

Perth, 22 August 2019