

## DECEMBER 2019 QUARTERLY ACTIVITIES REPORT

### ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

31 JANUARY 2020

#### HIGHLIGHTS

##### RTG's Philippines Interests

- RTG Mining Inc. (**ASX:RTG, TSX:RTG, OTCQB:RTGGF**) ("RTG" or "the Company") holds a 40% interest in Mt. Labo Exploration and Development Corporation ("Mt. Labo") which holds the high-grade Copper and Gold Mabilo Project in the Philippines. Mt. Labo recently completed the hearing by the Singapore International Arbitration Centre ("SIAC") seeking varied reliefs, including a declaration that the Joint Venture Agreement ("JVA") with Galeo Equipment Corporation ("Galeo") was validly terminated and the compromise agreement was validly rescinded.
- Mt. Labo is looking forward to the handing down of a final decision by the SIAC Panel of Arbitrators. After a comprehensive process, it appears we are now close to finalising the Arbitration, subject to the various commitments of the panel of Arbitrators in handing down a final decision.
- The Mines and Geosciences Bureau ("MGB") and the Department of Environment and Natural Resources ("DENR") have approved the Stage 1 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 continues to be focussed on finalising permitting for the Mabilo Project with good progress being made. Mt. Labo would like to acknowledge the ongoing support of the MGB and DENR for the Mabilo Project.
- During the quarter, Mt. Labo attended the 2019 Annual National Mine Safety and Environment Conference in the Philippines and received The Presidential Mineral Industry Environmental Award for an Exploration Company, the highest award given to an exploration company in the Philippines. In addition, Mt. Labo also received an Award for the Safest Exploration Company and runner-up in the Best Mining Forest Contest.

## **RTG's Mt Kare Gold Project Interests**

- On 10 December 2019<sup>1</sup>, RTG announced that it had entered into a binding Memorandum of Agreement (“MOA”) with the two priority applicants for the Mt Kare Gold Project located in the Enga Province of Papua New Guinea (“PNG”) to acquire a majority 80% stake in the project if and when successful in securing the new exploration licence. The two vendors are GMG Global Mining Group Limited (“GMG”) and Tribune Mt. Kare Limited (“Tribune”). For conditions precedent please see details below.
- Mt Kare has a Historical Mineral Resource (JORC 2004) of 2.1 million ounces, which includes Measured Mineral Resources of 1.2 million ounces of gold and Indicated and Inferred Mineral Resources of 0.9 million ounces of gold (see next section for details of resource).
- The deal terms equate to a purchase price of approximately US\$8.80/ ounce of gold in total Historical Mineral Resource with an additional payment of US\$2.40/ ounce of gold (in Historical Mineral Resource) based upon a decision to mine.

## **RTG's Kyrgyz Republic Interests**

- During the quarter, RTG completed the acquisition of the majority (90%) stake in the high grade Chanach Gold and Copper Project (“Chanach Project”) in the Kyrgyz Republic, announced on 23 October 2019<sup>2</sup>. RTG has settled its transaction payment obligations consisting of a cash consideration of US\$2.15 million and US\$0.5 million of new RTG shares for an issue of 10,312,577 new shares.
- RTG is now the manager and operator of the Chanach Project Joint Venture company (Chanach LLC) and will solely fund operating expenditures until completion of a Bankable Feasibility Study, at which time, funding will then be contributed on a pro-rata basis in accordance with Chanach Project interests.
- The Chanach Project is considered a strategic addition to RTG's portfolio with an existing high grade JORC compliant Inferred Mineral Resource of 2.95 Mt @ 5.11 g/t Au for 484,000 ounces of Au and 17.23 Mt @ 0.37% Cu for 64,000t of Cu (141.1 Mlbs Cu)<sup>3</sup> from only limited drilling to date.
- RTG undertook an initial drilling program in November/December of 2019, coinciding with the end of the exploration field season in Kyrgyzstan which consisted of 8 RC holes for a total 810 drill meters with hole depths ranging between 70m and 120m to test the presence of veins in previously undrilled areas. Final assays are outstanding at the end of the quarter.

---

<sup>1</sup> RTG Announcement, “RTG Agrees to Acquire the Priority Exploration Licence Applications for an 80% Stake in the 2.1M Oz Mt Kare Gold Project” - <https://www.asx.com.au/asxpdf/20191210/pdf/44cfwxs55fwng.pdf>

<sup>2</sup> RTG Announcement, “RTG to Acquire 90% Stake in the High Grade Chanach Gold Project in the Kyrgyz Republic” – <https://www.asx.com.au/asxpdf/20190906/pdf/44896dzrztb9xq.pdf>

<sup>3</sup> The Mineral Resource estimates were originally compiled and announced by WCN on 30 May 2018, in accordance with the JORC Code, 2012 and was last disclosed in WCN's March, 2019 quarterly report on 30 April 2019 - <https://www.asx.com.au/asxpdf/20190430/pdf/444pg6f8t5ln5t.pdf>

## **RTG's Bougainville Interests**

- 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 the Landowner 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 the SMLOLA) and is conditional upon the Landowners securing the approval of the Autonomous Bougainville Government ("ABG"), who to date has not yet supported the Landowner's proposal.
- The Referendum was successfully held in December with approximately 98% of the vote in favour of Independence. RTG congratulates the ABG on a successful and peaceful campaign and vote and remains committed to supporting Bougainville and the ABG in progressing the redevelopment of Panguna should they elect to work with the Landowner proposal.
- We understand one of the primary focuses of the coming months will be developing plans for fiscal self-reliance, which will likely include redevelopment plans for Panguna.
- The SMLOLA has offered to formally consent to the transfer of 100% of Panguna to a wholly owned entity of the ABG incorporated in Bougainville, which would overcome the illegality and unconstitutionality of the previous draft legislation proposed to change the Bougainville Mining Act, providing only that their members, the Customary Owners of the land and minerals of the Panguna Open Pit area (the old EL 01 area), are respected in the process.
- This would allow the ABG, subject to the successful resolution of the Bougainville Copper Limited ("BCL") Judicial Review, to grant a licence to that wholly owned ABG entity, with the Free, Prior and Informed consent of the Customary Owners of the land at Panguna.
- The SMLOLA's many thousands of members have the power to confer the critically needed Social Licence together with the equally critical Free, Prior and Informed consent, to reopen Panguna. It is these members that exclusively own all the land and the minerals of the Panguna mine (the area contained within old EL 01).
- Ultimately, this is a Landowner led proposal for redevelopment of Panguna and it is for the Panguna Customary Owners and the ABG to discuss and resolve any outstanding issues.

## **Corporate**

- Cash and liquid assets as at 31 December 2019 were A\$7.35 million (including funds held on trust of US\$0.87 million and a receivable of US\$0.30 million from consultants).

## **OVERVIEW OF OPERATIONS**

### **PHILIPPINES INTERESTS – THE MABILO PROJECT**

During 2018, Mt. Labo successfully secured the second renewal of EP-014-2013-V for a further 2 year period. In the first half of 2019, the MGB also formally approved the Stage 1 Feasibility Study for the Mabilo Project, held by Mt. Labo. Following a review by the Technical Committee on Mining Project Feasibility Studies, the evaluation confirmed 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 Mabilo Project by Mt. Labo and we acknowledge the ongoing support of the MGB.

Resolution No. 2019-08 approving the Environmental Protection and Enhancement Program and Final Mine Rehabilitation and/or Decommissioning Plan of Mt. Labo for its Mabilo Mining Project under Exploration Permit No. 014-2013-V, has been signed by MGB Acting Director and CLRF Steering Committee Chair, DENR EMB and CLRFSC Vice Chair Representative, MGB Acting Assistant Director and CLRFSC Committee Coordinator and CLRFSC Members of different Bureaus.

Following the approval of the EPEP and FMR/DP, a Certificate of Approval No. 142 2019 04 was issued by the Contingent Liability and Rehabilitation Fund Steering Committee (“CLRFSC”), granting approval for the Environmental Protection and Enhancement Program and Final Mine Rehabilitation and/or Decommissioning Plan of Mt. Labo for its Mabilo Mining Project under Exploration Permit No. 014-2013-V, signed by the MGB Acting Director and CLRF Steering Committee Chair. These are significant milestones for the Mabilo Project.

Mt. Labo continues to work with the MGB and DENR to finalise permitting for the Mabilo Project, which is progressing well. This is further evidence of the progress being made in the Philippines towards the objective of the normalisation of permitting for mineral projects held by responsible miners who adhere to the world’s best practices in respect of environmental management.

As a demonstration of the support for the activities at the Mabilo Project, during 2018 the Project was honoured at the 65th Annual National Mine Safety and Environment Conference, receiving two awards including the outright winner for the Safest Exploration Project in the Philippines and the prestigious Platinum Award for Mineral Exploration in recognition of excellence in environmental, safety, health management and community development in the conduct of its mineral exploration. During the quarter Mt. Labo attended the 2019 Annual National Mine Safety and Environment Conference in the Philippines and received The Presidential Mineral Industry Environmental Award for an Exploration Company, the highest award given to an exploration company in the Philippines. In addition, Mt. Labo also received an Award for the Safest Exploration Company and runner-up in the Best Mining Forest Contest.

Since the confirmation of General Cimatu as the Secretary of the DENR in 2017, the mining industry has continued to make good progress in again instilling both local and international confidence in responsible mining in the Philippines.

Mt. Labo commenced arbitral proceedings against Galeo in the Singapore International Arbitration Centre in accordance with the provisions of the JVA and the compromise agreement. In those arbitral proceedings, Mt. Labo seeks varied reliefs, including a declaration that the JVA was validly terminated in January 2017 and the compromise agreement was validly rescinded. Under the JVA, on termination the innocent party is then given the right to buy out the guilty party at a 10% discount to book value, which for the joint venture is nominal given it was still in the exploration phase of the project. Galeo had commenced a number of actions against Mt. Labo and others in the Philippine Courts all of which were unsuccessful and have now been referred for arbitration in Singapore, consolidating all current actions in the Singapore Arbitral process.

Mt. Labo is looking forward to the handing down of a final decision by the SIAC panel of Arbitrators. After a comprehensive process, it appears we are now close to finalising the Arbitration.

## 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 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.

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 volcanoclastics (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.

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.

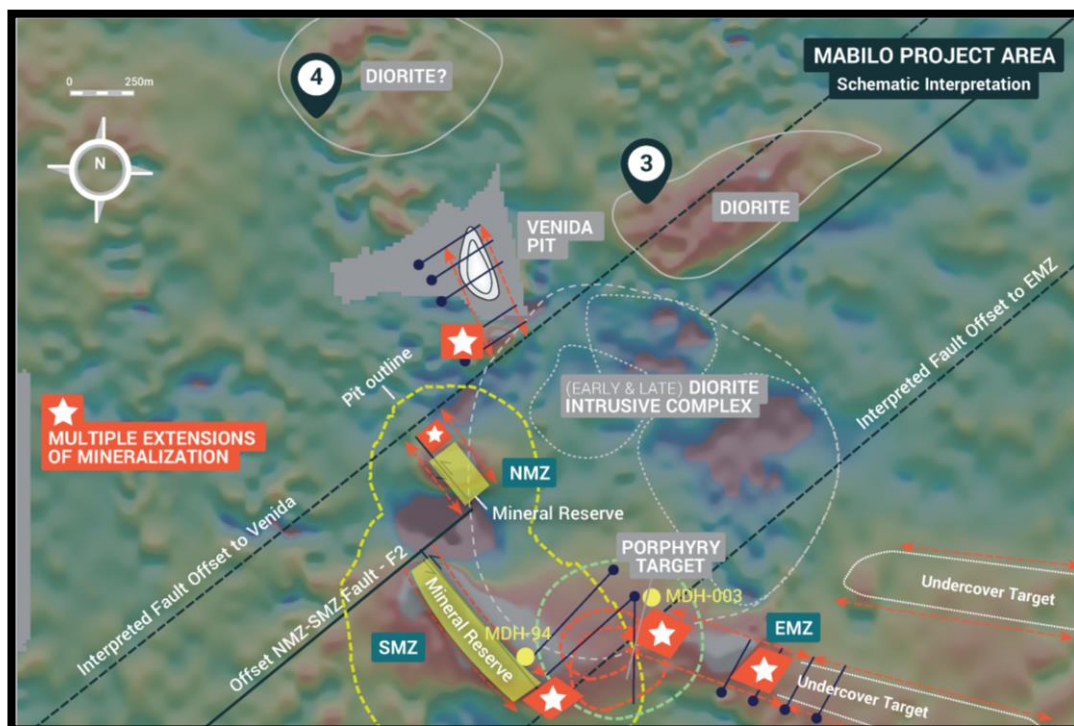


Figure 1: RTP ground magnetic image with modelled South, North and East magnetic bodies, showing exploration upside targets.

Mt. Labo discovered the mineralisation 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 24<sup>th</sup> November 2014). An updated Resource estimate (ASX released on the 5<sup>th</sup> 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.***



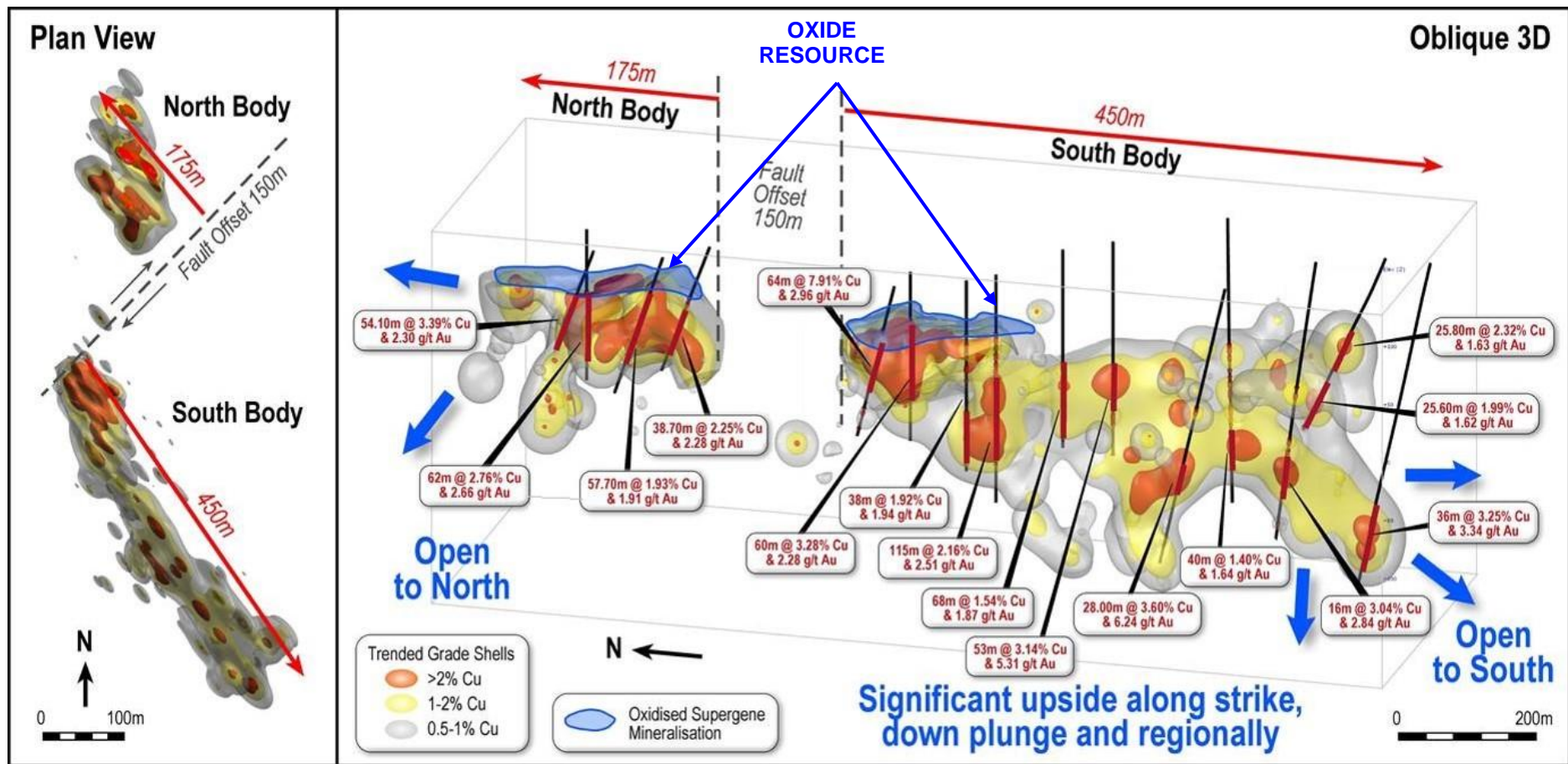


Figure 2: North and Southern Mineralised Zones with intercept highlights - Schematic Oblique view 3D

## Mabilo Mineral Resource

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

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
<b>Indicated</b>	<b>Total All Materials</b>	<b>8.86</b>	<b>1.9</b>	<b>2.0</b>	<b>9.8</b>	<b>45.6</b>	<b>577.6</b>	<b>169.8</b>	<b>4,034.5</b>
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
<b>Inferred</b>	<b>Total All Materials</b>	<b>3.91</b>	<b>1.5</b>	<b>1.5</b>	<b>9.1</b>	<b>29.0</b>	<b>184.9</b>	<b>57.0</b>	<b>1,134.1</b>

*Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralised 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*

## Feasibility Study ("FS")<sup>4</sup>

The Company announced on 18 March 2016 the results from an independent NI 43-101 compliant FS for 100% of the high grade Mabilo Project in Southeast Luzon, Philippines<sup>5</sup>. The Mabilo Project is both high grade and low cost, underpinning the robust economics presented in the FS including a 33% IRR after tax at US\$5,000/t Cu US\$1,200/oz Au prices (43.6% with only a 10% lift in commodity prices). Since the preparation of the Feasibility Study, commodity prices for both copper and gold have improved materially, increasing the value of the project.

## Mabilo Mineral Reserves

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.

**Table 2 - 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		
<b>Total Probable Ore</b>		<b>7.792</b>	<b>45.5</b>	<b>2.04</b>	<b>1.95</b>	<b>8.79</b>		

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.

<sup>4</sup> The Company confirms that all the material assumptions underpinning the Feasibility Study as announced to the ASX on the 18<sup>th</sup> of March 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](http://www.rtgmining.com).

<sup>5</sup> 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.



## RTG'S MT KARE GOLD PROJECT INTERESTS

During the quarter, RTG entered into a binding MOA with the two priority applicants for the Mt Kare Gold Project, located in the Enga Province of PNG to acquire a majority 80% stake in the project if and when successful in securing the new exploration licence. The two vendors are GMG and Tribune.

Mt Kare has a Historical Mineral Resource (JORC 2004) of 2.1 million ounces, which includes Measured Mineral Resources of 1.2 million ounces of gold and Indicated and Inferred Mineral Resources of 0.9 million ounces of gold (see next section for details of resource).

The deal terms equate to a purchase price of approximately US\$8.80/ ounce of gold in total Historical Mineral Resource with an additional payment of US\$2.40/ ounce of gold (in Historical Mineral Resource) based upon a decision to mine.

### Mt Kare Project

Mt Kare is located approximately 600km northwest of Port Moresby and 145km west of Mt Hagen in the Enga Province of PNG and is situated 15km southwest of Barrick's Porgera Gold Mine. The Porgera Mine is the second largest mine in PNG and is regarded as one of the world's top ten producing gold mines. It began production in 1990 and to date has produced more than 20Moz of gold.



Figure 3: Mt Kare Location Map

The Mt Kare Gold Project was discovered in 1987 by Conzinc Riotinto of Australia and has had in excess of A\$60 million spent on it by several companies, including 454 diamond holes totalling 73,639 metres. In 2011, Indochine Mining Limited (ASX:IDC) ("Indochine") exercised an option to acquire the project and in 2013 announced a Historical (JORC 2004 compliant) Mineral Resource Estimate summarised below in Table 3. These resources were reported in accordance with JORC Code 2004 in Indochine's ASX announcements dated 10 July 2013. Refer to the cautionary statement below.

Table 3 - Mt Kare 2013 JORC (2004) Compliant Mineral Resource (cut-off grade 0.5g/t Au)\*

Resource Category	Tonnes (Mt)	Au g/t	Ag g/t	Au Metal (Moz)
Measured	20.2	1.84	20.9	1.2
Indicated	8.3	1.29	8.1	0.3
Inferred	14	1.27	6.0	0.6
<b>Total</b>	<b>42.5</b>	<b>1.54</b>	<b>13.48</b>	<b>2.1</b>

\* The Historical Mineral Resource estimates were originally compiled and announced by Indochine and last repeated in their ASX announcements dated 10 July 2013, utilising parameters from the 2004 JORC Code. RTG believes that this information has not materially changed since it was last reported.

However, it is important to note that:

- the estimates of Mineral Resources are not reported in accordance with the JORC Code 2012;
- a Competent Person or Qualified Person (as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”)) has not done sufficient work to classify the estimates as Mineral Resources in accordance with JORC Code 2012 or NI 43-101;
- RTG has not independently validated the former owner’s estimates and therefore is not to be regarded as reporting, adopting or endorsing those estimates;
- it is possible that following evaluation and/or further exploration work by GMG, the currently reported estimates may materially change and hence will need to be reported afresh under and in accordance with the JORC Code 2012 and NI 43-101;
- that nothing has come to the attention of RTG that causes it to question the accuracy or reliability of the former owner’s estimates; and
- RTG believes that the resource categories set out above are the same as those set out in NI 43-101.

Refer to Appendix 1 for further details on Indochine’s Historical Mineral Resource.

Land Investigation Studies and a Land Identification Report have been completed previously by Summit (a subsidiary of Indochine) and a Mt Kare Project Consent Agreement, with the principal Landowner representatives, was finalised in May 2016 (both the property of Summit).

The similarity between intrusion types at Porgera and Mt Kare is well documented (Richards, J.P. and Ledlie, I. 1993)<sup>6</sup>. Detailed geological mapping was carried out by Madison over the immediate area (approx. 300ha) of the Mt Kare deposit (Madison, 1997)<sup>6</sup>. The property geology comprises a folded and faulted sequence of meta-sediments that have been intruded locally by gabbroic and mafic-porphyry dykes.

RTG is not currently able to verify, revise or update the Historical Mineral Resource for Mt Kare, however RTG believes Mt Kare has significant upside potential. In the near term, after Mineral Resource verification work has been completed, it is thought that improvements in the Mineral Resource could be gained by drilling out and infilling existing zones, in particular, in the Western Roscoelite Zone (WRZ) and the Central Zone Resource, extensions are anticipated down plunge and along strike, especially in the WRZ North High-Grade Zone (Figure 4).

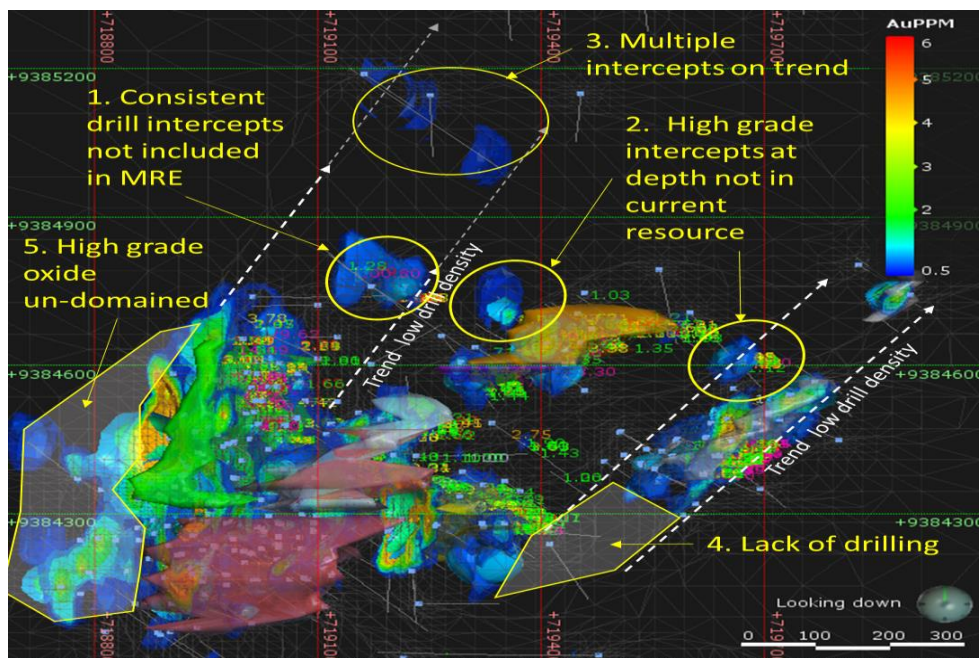


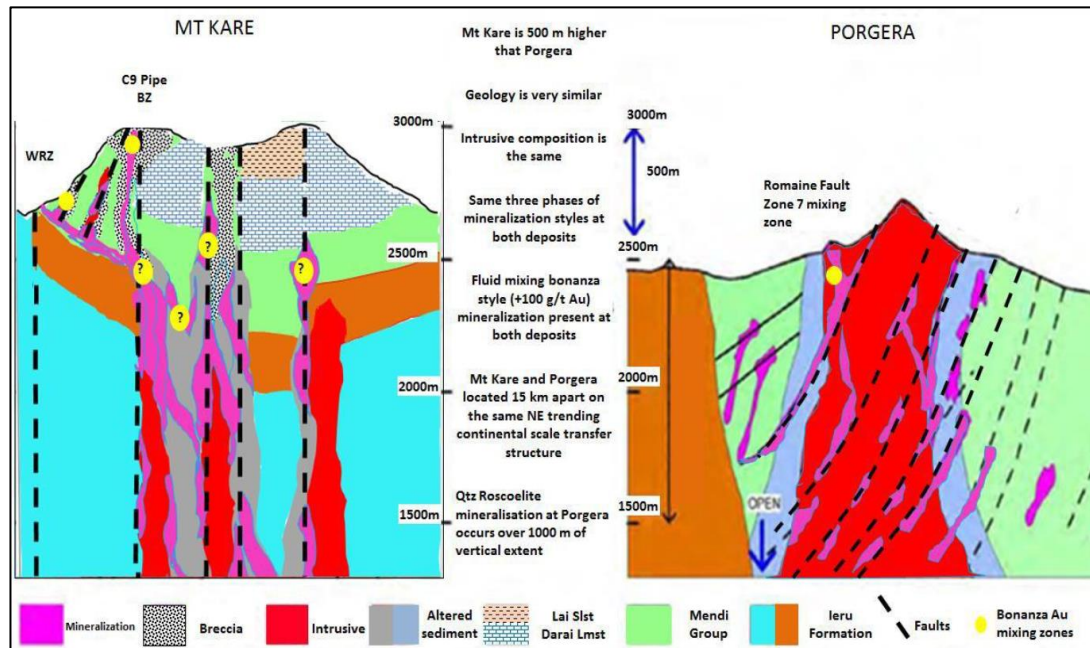
Figure 4: Plan Showing Potential Resource Upgrade Areas

<sup>6</sup> See Appendix 2 for details of the references.

In the longer term, RTG would focus exploration on the depth potential of the deposit. Mt Kare and Porgera are situated 15km apart along the same north-east trending continental scale transfer structure. Additional similarities between the geology of Mt Kare and Porgera include:

- same host rocks;
- similar geological structures;
- mineralisation types; and
- age of mineralisation.

Mt Kare is also 500m higher than Porgera yet only drilled to 350m. Mineralisation at Porgera occurs over 1000m of vertical extension (refer Figure 5).



**Figure 5: Mt Kare – Porgera geological similarities.**

On 2 October 2017, the PNG Mineral Resource Authority (“MRA”) confirmed that GMG has priority over the 8 other exploration licence applications currently registered or held by the MRA. GMG’s priority was challenged by Tribune in the PNG Courts and as part of this transaction, both GMG and Tribune have agreed to settle their disputes and work co-operatively, including the withdrawal of all actions against the MRA and others. The previous exploration licence held by Summit Development Limited, a subsidiary of Indochine Mining Limited was cancelled. A Judicial Review held that the PNG Government had acted correctly in respect of that cancellation and the cancellation was valid. It is anticipated that the findings of the subsequent appeal against the Judicial Review findings, held in February 2019, should be finalised shortly. The transactions with GMG and Tribune are conditional on the release of the abovementioned findings in favour of the PNG Government and the issue of an exploration licence for Mt Kare to an RTG subsidiary.

### Deal Terms

The agreed consideration, from RTG to the vendors of an 80% interest in the Mt Kare exploration license (where granted to the consortium of RTG, GMG and Tribune) is subject to satisfaction of a number of conditions precedent (most importantly the grant of the exploration license for Mt Kare to a RTG subsidiary) and are set out as follows:

- RTG will provide funding to the proposed grantee of the Mt Kare exploration license of US\$1 million once the abovementioned litigation matters are resolved in the PNG Government’s favour, to be utilised by the applicants for the grant process for the exploration licence, such as the holding of a Warden’s Hearing;
- US\$1.5m in cash and approximately US\$11.3m in shares in RTG subject to RTG shareholder approval for the purposes of Listing Rule 7.1, on the grant to an RTG subsidiary of a valid and unchallenged exploration licence for the Mt Kare Project. The

shares will be issued based on the 20 day VWAP prior to completion of the transaction (As at 9 December 2019, RTG's 20 day VWAP was \$0.091, however we would anticipate it could be materially different at Completion);

- A contingent payment only if a final decision to mine is made in respect of Mt Kare – approximately US\$1 million, with a further consulting fee of US\$3m payable if the decision to mine is made by the JV; and
- Approximately US\$1m in shares of RTG to Argonaut Equity Partners Pty Ltd, subject to RTG shareholder approval for the purposes of Listing Rule 7.1, which has agreed to assist with any financings (on a non exclusive basis) for the Mt Kare Project on arms' length terms and conditions. The shares will be issued on the 20 day VWAP prior to completion of the transaction.

On completion of the transaction, RTG will be entitled to appoint nominees to the board of GMG and Origold PNG Limited ("Origold"), the new PNG RTG subsidiary that may hold the interest in the Mt Kare Project (if successful), so it has a majority by number. The Chairman of GMG and Origold will be an RTG nominee. RTG will be the manager of the exploration joint venture and will solely fund operating expenditure for the first 15 months period from the date of grant of the Mt Kare exploration licence. For the avoidance of doubt, that does not apply to capital expenditure on a commitment to development.

Shareholder approval for issue of the consideration shares must be obtained within 60 business days of grant of the Mt Kare exploration licence. A notice of meeting will be dispatched by RTG in respect of those approvals. In the event shareholder approval is not obtained RTG will satisfy the share consideration in cash. If RTG defaults on this obligation, Tribune and Argonaut will be granted a onetime option to acquire the Mt Kare exploration licence of Tribune back on a cost recovery basis from RTG. The consideration shares issued to Tribune will be subject to orderly sale arrangements including staged escrow and sell down process. Further details will be included in the notice of meeting. In addition to shareholder approval, the transaction is subject to any applicable regulatory approvals and the satisfaction of certain other closing conditions.

Final documentation is being completed which will include standard terms and conditions for a transaction of this nature.

## **KYRGYZ REPUBLIC INTERESTS – THE CHANACH PROJECT**

During the quarter, RTG acquired a 90% interest in the Chanach Project.

Highlights of the Transaction include:

- Strategic addition to RTG's portfolio with an existing high grade JORC compliant Inferred Mineral Resource of 2.95 Mt @ 5.11 g/t Au for **484,000 ounces of Au** and 17.23 Mt @ 0.37% Cu for **64,000t of Cu<sup>3</sup> (141.1 Mlbs Cu)** from only limited drilling to date.
- Acquisition cost of US\$3.65 / ounce of Gold and US\$0.0063 / pound of Copper.
- Consideration of US\$2.15 million cash and US\$0.5m in RTG shares (escrowed for 12 months).
- Experienced technical expert, advising RTG, believes the exploration potential at the Chanach Project is excellent.



The Chanach Project is located in the prolific southern Tien Shan metallogenic belt, which runs more than 1,500 km from Uzbekistan through to China and hosts one of the world's largest open pit gold mines, Murantau (175 Moz<sup>7</sup>) with production believed to be in the order of 2 million ounces per annum<sup>7</sup>. RTG has appointed Mr. Greg Hall of Phoenix Gold International and former Chief Geologist for Placer Dome, as a consultant given his knowledge of the Chanach Project and other projects in similar geological settings.

The Chanach Project has extensive outcropping mineralised geology with high grade gold veins from surface and significant gold and copper Inferred Mineral Resources. With only 5% of the identified strike length tested to date, RTG believes the Chanach Project has substantial upside. The Chanach Project area is considered to be highly prospective for world class epithermal gold, porphyry copper-gold and polymetallic skarn deposits with numerous targets already identified.

To date the limited exploration activities have defined an Inferred Mineral Resource of 2.95 Mt @ 5.11 g/t Au for 484,000 ounces of Au and 17.23 Mt @ 0.37% Cu for 64,000t of Cu.



**Figure 6: Chanach Project Location**

RTG announced the completion of the acquisition on 23 October 2019 and settled its transaction payment obligations consisting of: (i) cash consideration of US\$2.15 million; and (ii) US\$0.5 million in new RTG shares for an issue of 10,312,577 new RTG shares. The new RTG shares will be escrowed for a period of 12 months from the date of issue.

RTG is now the manager and operator of the Chanach Project Joint Venture company (Chanach LLC) and will solely fund operating expenditures until completion of a Bankable Feasibility Study at which time, funding will then be contributed on a pro-rata basis in accordance with Chanach Project interests.

The 10% joint venture partner is represented by two local brothers, both geologists, who have a strong understanding of the region, orebodies and new targets for extension, with good local support and strong relationships with the mining authorities. They have been very supportive of the RTG acquisition, waiving their pre-emptive rights.

<sup>7</sup> Wilde, A. and Gilbert, D. 2000. Setting of the giant Murantau Gold Deposit: Implications for ore genesis. In: (Ed.) Gordon Lister, Geological research for the exploration industry, Journal of the Virtual Explorer, Electronic Edition, ISSN 1441-8142, volume 1, paper 1, doi:10.3809/jvirtex.2000.00004

## Geological Setting

The Chanach Project (prospecting licence AP590) is located in the North Western part of the Kyrgyz Republic in the Jalal-Abad province and covers an area of 57.25 km<sup>2</sup> of the Chatkal Rangers inside the south-western Tien Shan metallogenic belt, which runs more than 1,500 km from Uzbekistan through to China and hosts one of the world's largest open pit gold mines, Murantau (175 Moz) with production believed to be in the order of 2 million ounces per annum<sup>7</sup>.

## Discovery & Drill Results

The Chanach Project area was discovered around 1963 with geological mapping and surface sampling intermittently up to 2010. The geology of the Chanach Project area is prospective for epithermal gold deposits, porphyry copper deposits and polymetallic skarn deposits. The project area has outcropping mineralised geology seen as multiple high grade outcropping epithermal veins and skarns, which have indicated several porphyry targets.

From 2010 more modern exploration has taken place with approximately US\$8.0 million spent by WCN on exploration, of which US\$5.7 million is attributable to the Chanach Gold Project, with the balance spent on Chanach Copper Project exploration and resource development.

Targeting has been enhanced by various structural and geophysical surveys including a structural geology study completed by Orefind in 2017, a ground magnetics study by Southern Geoscience in 2016 and a geophysical study completed by Baoding Geological Engineering Institute in 2011.

Total exploration drilling includes 142 reverse circulation and diamond holes totalling approximately 19,500 metres, of which 111 drill holes (87 RC and 24 diamond) for a total length of 14.1km can be attributed to the Chanach Gold Project and the balance to copper exploration and the development of the Chanach Copper Project.

Exploration drilling at the Chanach Gold Project commenced in 2014 and to date there have been spectacular intersections of gold mineralisation spanning across the project area, as previously reported by WCN.

Significant intervals from the Quartz Gold Zone include:

- UGZ-15-35 - **8m @ 57.08 g/t Au** from 75m including **1m @ 85.53 g/t Au** from 76m, **1m @ 89.34 g/t Au** from 80m followed by **1m @ 73.28 g/t Au** from 81m.
- ERC16-035 - **7m @ 23.52 g/t Au** from 45m including **1m @ 149.41 g/t Au** from 45m.
- ERC16-036 - **12m @ 15.65 g/t Au** including **1m @ 63.24 g/t Au** from 82m followed by **1m @ 95.12 g/t Au** from 83m.

Significant intervals from the Sandstone Gold Zone include:

- UGZ-15-33 - **4m @ 99.15 g/t Au** from 65m including **1m @ 348.48 g/t Au** from 67m.
- UGZ-15-32A - **3m @ 41.45 g/t Au** including **1m @ 71.58 g/t Au** from 53m.

Significant intervals from the Lower & Upper Gold Zone include:

- LGZ-15-29A - **6m @ 38.40 g/t Au** from 26m with **4m @ 56.46 g/t Au** from 26m including **1m @ 49.79 g/t Au** from 26m, **1m @ 23.55 g/t Au** from 27m, **1m @ 95.22 g/t Au** from 28m and **1m @ 57.29 g/t Au** from 29m.
- CH14-18 - **4m @ 23.83 g/t Au** from 85m including **1m @ 30.19 g/t Au** from 86m.

Readers are advised that these assay intervals have not been top-cut prior to reporting and true mineralisation widths are not reported. Mineralisation is expected to be sub-vertical. Intervals selected have used a lower cut-off of 0.50 g/t Au. Locations of significant drill intercepts with respect to the mapped mineralised zones are shown in Figure 7.



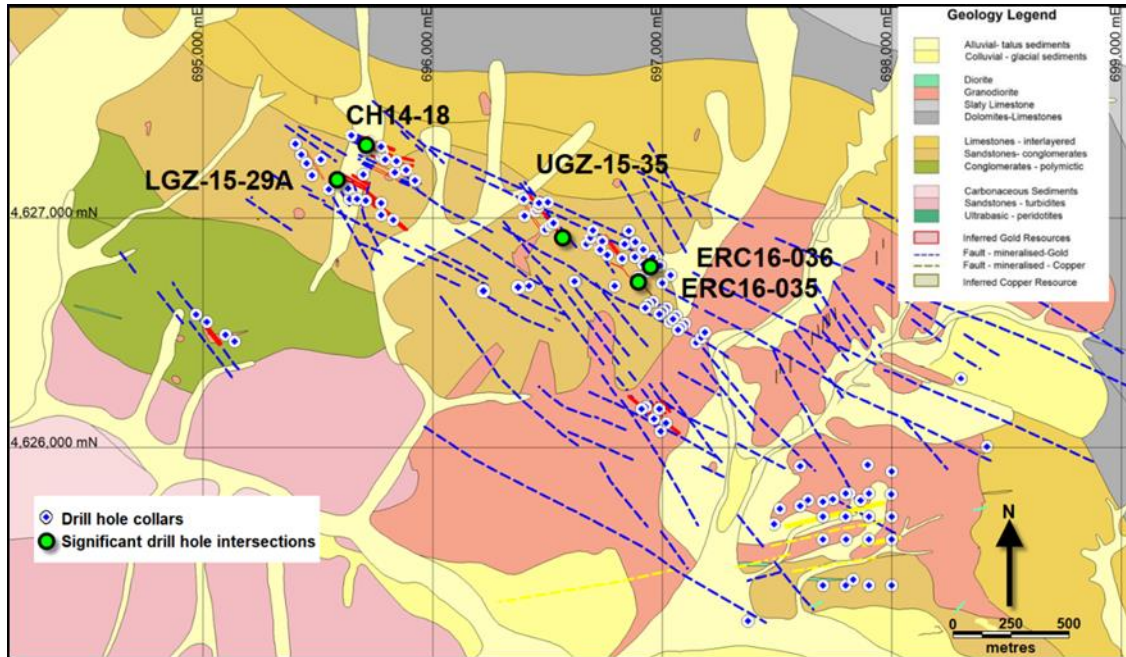


Figure 7: Locations of Significant Drill Intercepts at Chanach Gold Project

### Mineral Resource

In May 2018, WCN reported an Inferred Mineral Resource of 2.95 Mt at 5.1 g/t gold for 484,000 ounces and 17.23 Mt at 0.37% copper for 64,000 copper tonnes.

The most recent mineral resource estimates for the Chanach Gold Project are summarised in Table 4 for gold and Table 5 for copper. These Mineral Resources are reported in accordance with JORC Code, 2012 and were first publicly reported 30 May 2018 by WCN. Refer to the cautionary statement below.

Table 4 - Chanach May 2018 Gold Mineral Resource (cut-off grade 1.0g/t Au)<sup>3</sup>

Resource Category	Zone	Tonnes (Kt)	Au (g/t)	Ounces (KOz)
Inferred	Lower Gold Zone	1,155	4.00	148
Inferred	Upper Gold Zone	772	4.67	116
Inferred	Sandstone Zone	279	11.41	102
Inferred	Quartz Main	325	6.22	65
Inferred	Quartz Min	185	1.87	11
Inferred	Eastern Gold Zone	123	2.79	11
Inferred	Camp Gold Zone	106	8.77	30
<b>Inferred</b>	<b>Total</b>	<b>2,945</b>	<b>5.11</b>	<b>484</b>

Table 5 - Chanach May 2018 Copper Mineral Resource (cut-off grade 0.25% Cu)<sup>3</sup>

Resource Category	Zone	Tonnes (Kt)	Au (g/t)	Ounces (KOz)
Inferred	Quartz Cu	700	0.51	4
Inferred	Chanach	16,534	0.36	60
<b>Inferred</b>	<b>Total</b>	<b>17,234</b>	<b>0.37</b>	<b>64</b>

RTG believes that this information has not materially changed since it was last reported. The Mineral Resources have been reviewed by RTG's Competent Person.

## **Quarterly Activities**

RTG undertook an initial drilling program in November/December of 2019, coinciding with the end of the exploration field season in Kyrgyzstan to get a better understanding of the ore body.

The program consisted of 8 RC holes for a total 810 drill meters with hole depths ranging between 70m and 120m. Final assays are outstanding as at the end of the quarter.

The current Gold Inferred Mineral Resource has been derived at an extremely cost-effective rate of US\$11.80 / ounce and this metric is expected to improve with the ongoing enhancement and refinement of geological understanding and targeting.

The Chanach Gold Project has extensive outcropping mineralised geology with high grade gold veins from surface and significant gold and copper Inferred Mineral Resources. With only 5% of the identified strike length tested to date, RTG believes the Chanach Project has substantial upside potential.

The Chanach Project area is considered to be highly prospective for world class epithermal gold, porphyry copper-gold and polymetallic skarn deposits with numerous targets already identified. The current gold resources at Chanach are open at depth and along strike.

## **BOUGAINVILLE INTERESTS – THE PANGUNA PROJECT OPPORTUNITY**

RTG is the nominated development partner with the joint venture company established by the SMLOLA and Central in the Landowner 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. RTG owns just under 70% of Central, with additional loans to Central that can be converted to increase our interest. The proposal, being led by the SMLOLA, is a landowner initiative and will be subject to the success or otherwise of the SMLOLA in securing a role in the redevelopment of the mine and the minerals which are owned by the landowners represented by the SMLOLA. The SMLOLA proposal is dependent upon them gaining the support of the ABG, who to date has rejected the proposal.

The members of the SMLOLA are the owners of the customary land which is the subject of the old Panguna open pit mine, and in which the mineral resources of the Panguna mine are located.

The SMLOLA was established by the ABG nearly a decade ago to represent the customary owners of the land at the old Panguna pit. The SMLOLA constitution was drafted by the ABG legal officers representing the ABG Department of Justice and remains unchanged to this day.

The ABG established the SMLOLA as the Landowner Association to represent the Customary Owners of the land contained within the original but now expired Panguna Special Mining Licence - SML (hence the name SMLOLA, and the similarly EL 01), which covers the entire Panguna Open Pit area. This membership is automatic for those persons born into the 7 named villages, which comprise the customary land area within the SML.

The SMLOLA Annual General Meeting was held just before the calendar year end in 2018. Given the 3 year term for Executives, the Board was up for renewal and a new election was held for all officers and Board members, with the addition of more members to ensure they have a broader representation of their constituents. The previous leadership team were re-elected unanimously, demonstrating strong support for the significant progress and unity achieved. The meeting also reaffirmed their support for RTG as their preferred development partner.

The SMLOLA members made significant progress delivering unity amongst members as requested by President Momis, with the most recent petition, as reported by the SMLOLA, demonstrating around 95% of the customary landowners and their families support both the leadership of the SMLOLA and the Landowner Led redevelopment proposal with RTG. The Panguna Landowners and RTG presented a proposal to the ABG on 27 January 2019 which to date has not been supported by the ABG.

It was clear from the questions at the presentation and subsequent correspondence, that the ABG required clarification of the basis of the Joint Venture and the terms of the indicative proposal. These issues have since been clarified.

RTG believes Landowner support and the FPIC of Landowners (a Social Licence) is the fundamental threshold to achieve a successful development of any mine. At Panguna these issues take on an even more profound significance, given the history of the Panguna mine.

RTG continues to work with the SMLOLA team and the community to progress meaningful and transparent discussions with the ABG on the redevelopment proposal of the Landowner Led Consortium and undertake and support local community and social programs and reconciliations.

The Panguna Landowner's and RTG's proposal, offers the ABG an initial 100% interest in the mineral resources of Panguna, subject only to the Customary Landowners being respected. We understand the Landowner Led Consortium's indicative offer is materially better than any other alternative offer. Notwithstanding this and the fact that 'earn in terms' including percentages and milestones have not yet been presented or discussed, the ABG rejected the proposal. Some in the ABG are instead promoting highly controversial and contentious amendments to the BMA to facilitate an alternative proposal (the McGlenn / Caballus proposal).

The Panguna Landowner's have three independent legal opinions of the highest calibre, including one from the highly respected Senior Counsel, Mr. Grant Donaldson SC (a Rhodes Scholar and ex Western Australian Solicitor General) and PNG Counsel. The substance of the Panguna Landowners' independent legal advice is that the proposed amendments to the BMA are unconstitutional, unlawful and the attempt to make the amendments retrospective will not be effective at law. Based on this advice, the proposed amending legislation therefore breaches both the PNG and Bougainville Constitutions, the United Nations Declaration of Human Rights and the United Nations Declaration of the Rights of Indigenous Peoples.

Independent legal advice concludes that the draft amending legislation infringes 10 provisions of the PNG and Bougainville Constitutions including the following:

- s53 of the National Constitution, being an unjust deprivation of property,
- s23(1) of the Bougainville Constitution,
- s44(1)(b) of the Bougainville Constitution,
- s66(4) of the Bougainville Constitution,
- s178 of the Bougainville Constitution,
- ss181 and 180(2) of the Bougainville Constitution, and
- s180(3) of the Bougainville Constitution.

The terms and the effect of the Draft Bill render it almost certain that its validity, in terms of ss180(2) and 181 of the Bougainville Constitution will be challenged by Customary Landowners, in the event it is ever passed.

During the previous quarter, the Parliamentary Committee on Legislation reported to the Bougainville House of Representatives on the controversial Bills to rewrite the BMA. The SMLOLA stated that the Bougainville Parliamentary report was highly critical of the amendments and recommended they be returned to the ABG for wholesale consultation and reconsideration.

The SMLOLA's specialist and extensive independent legal advice confirms the old amendments would have breached no fewer than 10 sections of the PNG and Bougainville Constitutions, whilst also breaching the United Nations Declaration of Human Rights and the United Nations Declaration of the Rights of Indigenous Peoples.

The SMLOLA issued a statement which reaffirmed their unwavering support for the ongoing peace process on Bougainville. They also confirmed their belief that there cannot be a meaningful national reconciliation, unless there has been a Bel Kol Reconciliation between the ABG and the SMLOLA, representing the Customary Landowners of the land and minerals of the Panguna Open Pit Mine area.

The SMLOLA Leadership team met with the newly appointed PNG Minister of Bougainville Affairs, Sir Puka Temu in Port Moresby to brief him on Panguna and the human and statutory rights of the SMLOLA members. They also discussed the critical need for a Panguna reconciliation, in accordance with Melanesian culture.

During December, the ABG successfully conducted the Referendum on Independence, with approximately 98% of Bougainvilleans voting in favour of Independence.

Any form of Independence will require Bougainville to demonstrate to the National Government that it is on a pathway to economic independence. Panguna is the only asset which can materially assist Bougainville establish that critical pathway to economic independence and upon which the aspirations of so many Bougainvilleans depend.

The SMLOLA's many thousands of members have the power to confer the critically needed Social Licence together with the equally critical Free, Prior and Informed consent, to reopen Panguna. It is these members that exclusively own all the land and the minerals of the Panguna mine (the area contained within old EL 01).

The SMLOLA has offered to formally consent to the transfer of 100% of Panguna to a wholly owned entity of the ABG incorporated in Bougainville, which would overcome the illegality and unconstitutionality of the previous draft legislation, providing only that their members, the Customary Owners of the land and minerals of the Panguna Open Pit area (the old EL 01 area), are respected in the process.

This would allow the ABG, subject to the successful resolution of the Bougainville Copper Limited Judicial Review, to grant a licence to that wholly owned ABG entity, with the Free, Prior and Informed consent of the Customary Owners.

The SMLOLA recognise there is still work to do to win the support of the ABG and continue to offer to work with them to develop a proposal for the redevelopment of Panguna, that will have broad support not only from its members but importantly all Bougainvilleans, and which will deliver a strong and successful future for Bougainville and the ABG. This is ultimately for the Panguna Landowners and the ABG to discuss and resolve any outstanding differences.

## **CORPORATE**

Cash and liquid assets as at 31 December 2019 were A\$7.35 million (including funds held on trust of US\$0.87 million and a receivable of US\$0.30 million from consultants).

## **ABOUT RTG MINING INC**

RTG Mining Inc. is a mining and exploration company listed on the main board of the Toronto Stock Exchange, Australian Securities Exchange and the OTCQB Venture Market. RTG is focused on a proposal with a landowner lead consortium to secure an exploration licence at the high tonnage copper-gold Panguna Project in Bougainville PNG and the high grade copper/gold/magnetite Mabilo Project in the Philippines, while also identifying major new projects which will allow the Company to move quickly and safely to production, such as the Chanach Gold and Copper Project.

RTG has an experienced management team which has to date developed seven mines in five different countries, including being responsible for the development of the Masbate Gold Mine in the Philippines through CGA Mining Limited. RTG has some of the most respected and international institutional investors as shareholders including Franklin Templeton, Sun Valley, Sprott and Equinox.

## **ENQUIRIES**

### *Australian Contact*

President & CEO – Justine Magee

Tel: +61 8 6489 2900  
Fax: +61 8 6489 2920  
Email: [jmagee@rtgmining.com](mailto:jmagee@rtgmining.com)

### *US Contact*

Investor Relations – Jaime Wells

+1 970 640 0611  
[jwells@rtgmining.com](mailto:jwells@rtgmining.com)

## **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

This announcement includes certain “forward-looking statements” within the meaning of Canadian and applicable securities legislation. Statement regarding interpretation of exploration results, plans for further exploration and accuracy of mineral resource and mineral reserve estimates and related assumptions and inherent operating risks, are forward-looking statements. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from RTG's expectations include uncertainties related to fluctuations in gold and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies in the development of RTG's mineral projects; the need to obtain additional financing to develop RTG's mineral projects; the possibility of delay in development programs or in construction projects and uncertainty of meeting anticipated program milestones for RTG's mineral projects and other risks and uncertainties disclosed under the heading “Risk Factors” in RTG's Annual Information Form for the year ended 31 December 2017 filed with the Canadian securities regulatory authorities on the SEDAR website at [sedar.com](http://sedar.com). The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. RTG will not release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

## **QUALIFIED PERSON AND COMPETENT PERSON STATEMENT**

The information in this release that relates to Exploration Results and Mineral Resource Estimates of the Chanach Project is based upon information compiled, reviewed and approved by Elizabeth Haren who is a Qualified Person under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) and a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ who is a Member and Chartered Professional of the Australian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Elizabeth Haren is employed by Haren Consulting Pty Ltd and is a consultant to RTG. Elizabeth Haren 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 and a Qualified Person for the purposes of NI 43-101. Elizabeth Haren consents to the inclusion in the release of the matters based on her information in the form and the context in which it appears.

The information in this release that relates to Exploration Targets of the Chanach Project is based upon information compiled, reviewed and approved by Greg Hall who is a Qualified Person under NI 43-101 and a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ who is a Member and Chartered Professional of the Australian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Greg Hall is employed by Golden Phoenix International Pty Ltd and is a consultant to RTG. Greg Hall 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 and a Qualified Person for the purposes of NI 43-101. Greg Hall consents to the inclusion in the release of the matters based on his information in the form and the context in which it appears.



The information in this release 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. 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 release, including sampling, analytical and test data underlying the information contained in the release. Mr. Ayres consents to the inclusion in the release of the matters based on his information in the form and the context in which it appears.

The information in this release 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 release, including sampling, analytical and test data underlying the information contained in the release. Mr Green consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release 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 release, including sampling, analytical and test data underlying the information contained in the release. Mr Moormann consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release 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 release, including sampling, analytical and test data underlying the information contained in the release. David Gordon consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release 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 release. Mark Turner consents to the inclusion in the release of the matters based on his information in the form and context in

which it appears.

The information in this release based on historic and public information on the Panguna Project has been compiled and reviewed by 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 consents to the inclusion in the release 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](http://www.rtgmining.com)) and on the ASX, under announcements ([www.asx.com.au](http://www.asx.com.au)).

## Appendix 1 – ASX Listing Rules and JORC Disclosures

In accordance with ASX Guidance on announcements of material acquisitions, given Indochine has publicly reported estimates of Mineral Resources for the Mt Kare Project under the 2004 JORC Code, RTG provides the following additional information:

- The mineral resource estimates for the Mt Kare Project are historical estimates pursuant to NI 43-101. A Qualified Person (as such term is defined under NI 43-101) has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves and RTG is not treating the historical estimate as current mineral resources or mineral reserves.
- The Historical Mineral Resource was released to ASX by Indochine on 10 July 2013. Refer to Indochine's ASX announcements both dated 10 July 2013 available at <http://www.asx.com.au/asxpdf/20130710/pdf/42gzdxt0s607q4.pdf> and <http://www.asx.com.au/asxpdf/20130710/pdf/42gzdkzx234tm.pdf>.
- This information was prepared and first disclosed under the JORC Code 2004 and therefore the reporting of those estimates may not conform to the requirements of the JORC Code 2012.
- The independent review of Mt Kare by Haren Consulting suggested some modifications to the Historical Mineral Resource estimate may be appropriate, however, no fatal flaws were identified in the data used or the methodology of generation of the Historical Mineral Resource. Not all the information regarding the work programs conducted were available for review. Information available included the Mineral Resource estimate report completed in 2012 which described the data used in the estimate.
- RTG is not aware of the detailed information of the work programs on which the estimates were based nor is it aware of the availability of any more recent estimates or data relevant to the reported mineralisation.
- If GMG is successful in obtaining the exploration licence at Mt Kare, a Mineral Resource review will be conducted by RTG. RTG is not yet in a position to assess the veracity or adopt Indochine's Historical Mineral Resource. The review of the resource model would take 2 to 3 months and would inform a new drilling program intended to both enhance confidence and extend the known Historical Mineral Resource. A subsequent drilling program may take between 10 and 18 months, with time and cost depending on the scope of the drilling program required or deemed necessary and ease of access to the tenement and drill locations.
- Subject to a successful Mineral Resource review and drilling program, RTG will make a decision to proceed with a full feasibility study. The feasibility study would investigate the application of more optimal mine designs, a review of metallurgical work, re-organisation of waste dumps and infrastructure and rescheduling the mining program. The work is anticipated to cost in the order of US\$1.5M and would be expected to be completed within 15 months of commencement. The Mineral Resource review and feasibility study is currently anticipated to be funded from existing cash reserves.
- The information in this release that relates to exploration and geology in respect of the Mt Kare Project is based upon public information reviewed by Elizabeth Haren, a Competent Person who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Elizabeth Haren is employed by Haren Consulting Pty Ltd and is a consultant to RTG. Elizabeth Haren 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'. Elizabeth Haren consents to the inclusion in the release of the matters based on his information in the form and the context in which it appears.

## **Appendix 2 – References**

Richards, J.P. and Ledlie, I.

Alkalic intrusive rocks associated with Mt Kare gold deposit, Papua New Guinea: comparison with the Porgera Intrusive Complex. *Economic Geology*, 88:755-788.

L Olssen, B McEwen & J Fox

Buffalo Gold Limited: Mt. Kare, Technical Report Update, August 2007 (EDGAR US-SEC)

### Appendix 3 – 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	<i>Nalesbitan Project</i>	40%	40%
APSA-002-V	Philippines		40%	40%
Exploration Permit (“EP”) 014-2013-V	Philippines	Approved 2 <sup>nd</sup> EP renewal <i>Mabilo Project</i>	40%	40%
EXPA-000209-V	Philippines	<i>Mabilo Project</i>	40%	40%
EXPA-000188-V	Philippines	<i>Mabilo Project</i>	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	Approved 1st Renewal EP	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 2 <sup>nd</sup> renewal)	40%	40%
EP-02-10-XI	Philippines		40%	40%
EXPA-123-XI	Philippines		40%	40%