



NTM GOLD LIMITED

ABN 24 119 494 772

31 DECEMBER 2018

Half-Year Financial Report

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Corporate Directory

NTM Gold Limited

ABN 24 119 494 772

Directors

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

Company Secretary

Mark Maine

Registered Office

Unit 4, 20 Altona Street
West Perth WA 6005
Australia

Solicitors

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

Bankers

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

Share Registry

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

Stock Exchange Listing

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

Website

www.ntmgold.com.au

Auditors

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

Directors' report

The Directors of NTM Gold Limited and its controlled entities (NTM Gold or "the Group") present their report for the half-year ended 31 December 2018 (the Reporting Date).

Directors

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

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

Review and results of operations

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

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

The Group realised a net loss for the half-year of \$580,023 (2017: \$382,996).

Review of operations

During the half year, NTM completed an 18,000m regional aircore program testing 12 targets at the Redcliffe Gold Project (Redcliffe), located near Leonora in the Eastern Goldfields of Western Australia. This was followed by a small RC drilling program at the Hub prospect late in the half, which yielded some outstanding results.

Aircore Drilling

The aircore program consisted of 301 holes and successfully identified mineralisation at a number of prospects. These included the Hub, Infinity, Redcliffe East and Redcliffe South, Aliso and Bindy North prospects.

The aircore program was a first-pass testing phase to assess for the presence of gold mineralisation, with positive results to be followed up by deeper RC drilling. The aircore holes are drilled to blade refusal, with depths ranging from 3m to 150m depending on the depth of oxidation. All samples were taken as 5m composites, with selected intercepts to be resampled on 1m intervals.

Hub

Drilling at the Hub Prospect in the central portion of the Redcliffe Gold Project identified some outstanding gold grades including:

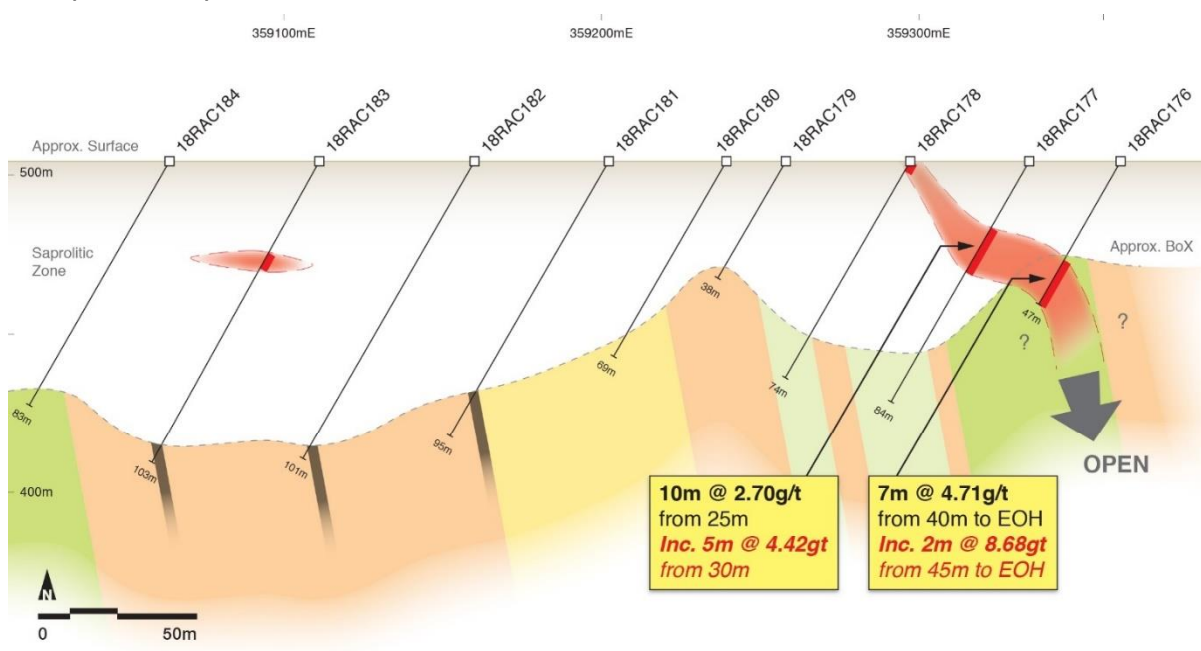
7m @ 4.71 g/t from 40m *incl.* **2m @ 8.68 g/t** in 18RAC176; and
10m @ 2.70 g/t from 25m *incl.* **5m @ 4.42 g/t** in 18RAC177.
10m @ 3.21 g/t Au from 55m *incl.* **5m @ 5.12 g/t Au** in 18RAC291;
2m @ 2.50 g/t from 65m to EOH in 18RAC249; and
10m @ 1.14 g/t from 25m in 18RAC245.

Mineralisation remains open at depth, with the aircore drilling stopping at blade refusal.

Directors' report (continued)

Review of operations (continued)

Hub (continued)



Hub Prospect

Cross Section Schematic 6850680mN

Section looking North +/-20m.
October 2018. GDA 94 Zone 51



AC Drill Result

10m @ 2.06g/t 5m composite result

Mineralised Zones

+0.1g/t

Simplified geology

- Mafic Schist - Mylonite
- Intermediate Schist
- Felsic Schist - Mylonite
- Felsic (Sheared - Porphyritic)
- Black Shale (Graphitic in part)

BoX Base Of Oxidation

Drillin

Drilling at the northern end of the Prospect intersected a north-west-north trending, largely undeformed and unmineralised magnetic mafic dyke, interpreted to be a late-stage Proterozoic dolerite dyke. The extent of the dyke is yet to be determined north of the aircore drilling. Significantly, there is an 800m gap to the next drill line north of the Hub. This drill line contains anomalous gold of 2m @ 0.87g/t at the end of the hole in 18RAC141. This anomalism is present in the same geological sequence as the Hub, approximately 900m from the discovery holes 18RAC177 & 178.

Aliso

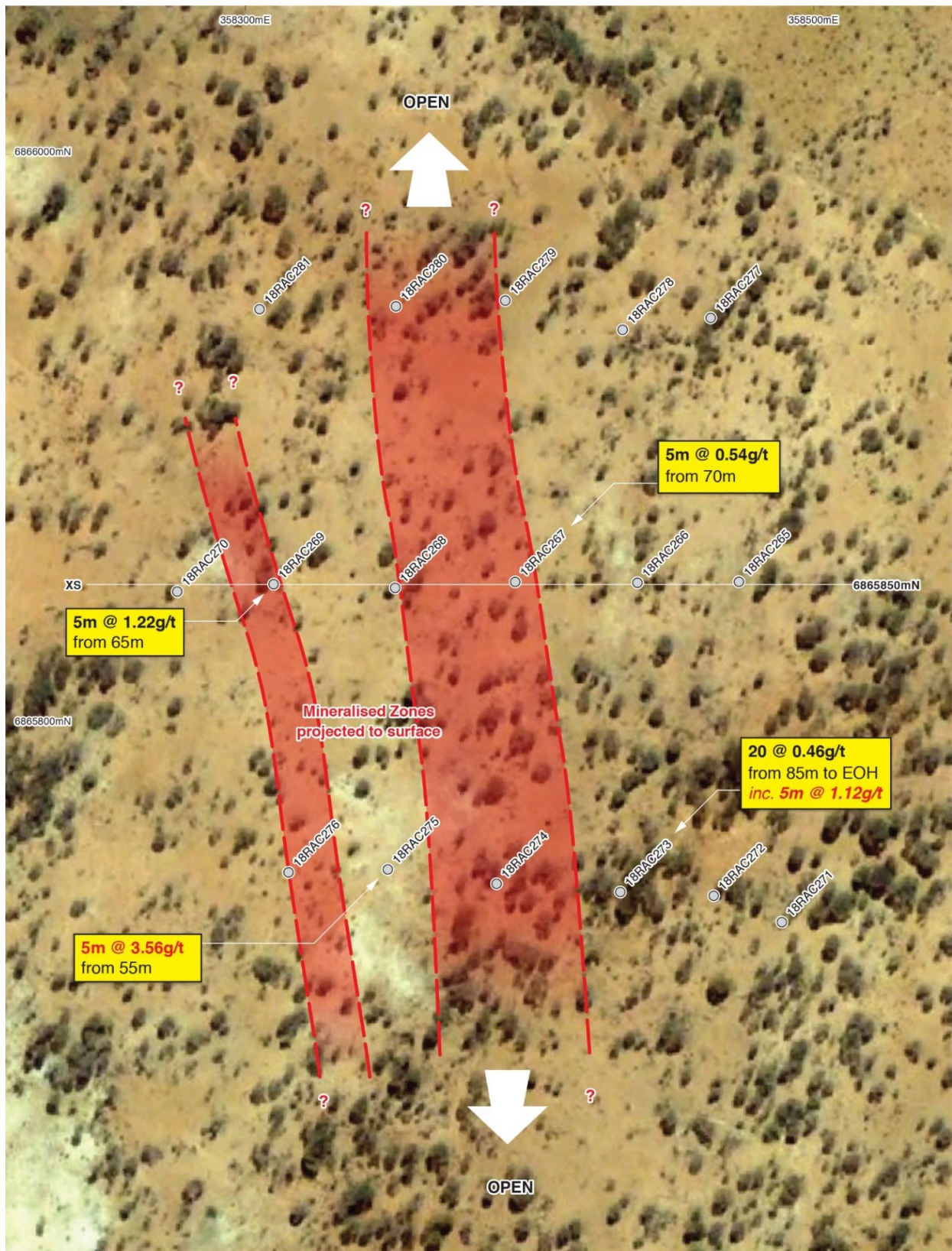
Aliso is located ~7km north of the Nambi Deposit. There has been very little recorded drilling in the area and none in the immediate vicinity. NTM planned three drill traverses over 300m of interpreted strike to test anomalous gold results in soil and rock chip samples. This was the first-ever drilling at the prospect.

Anomalous gold was intersected on all three drill lines and mineralisation remains open at depth and along strike. Better intercepts include:

- 5m @ 3.56 g/t from 55m in 18RAC275;
- 5m @ 1.22 g/t from 65m in 18RAC269; and
- 5m @ 1.12g/t from 80m in 18RAC273.

The holes intersected a sequence of highly sheared, steep east-dipping, fine to medium grained felsic rocks including porphyry, with the base of oxidation to depths of +80m downhole.

These first-pass results are highly encouraging and represent a new mineralised area. They also confirm the Company's belief that there is good potential for mineralisation north of the Nambi Deposit within the Mertondale Shear Zone.



Aliso Prospect **Collar plan**

Drill holes over satellite
November 2018. GDA 94 Zone 51

Drill hole

- 5m @ 3.56g/t 5m Composite Assay
- Mineralised Zone (+0.25g/t) projected to surface



ANTM GOLD

Directors' report (continued)

Review of operations (continued)

Bindy North

A single line of aircore was completed 450m north of the Bindy Deposit. The line of drilling was targeted to test a similar structural setting to the Bindy Deposit, identified from the recently completed gravity survey. The drilling successfully intersected the interpreted Bindy mineralised trend of the intermediate-felsic contact. Better results included:

5m @ 1.57 g/t within 10m @ 0.91 g/t; and
10m @ 0.5g/t from 65-75m in 18RAC261.

Regional aircore drilling from 2017, approximately 150m south of the new drill line, intersected the Bindy mineralised trend with anomalous gold intersected within the saprolitic zone, giving a 450m continuous strike of anomalism north of the Bindy deposit.

Significantly, these first-pass results are comparable to the original aircore completed by NTM in 2017, which led to the discovery of the 99koz Bindy Deposit (see Appendix I for JORC compliant resource).

The mineralised shear(s) associated with the Bindy Trend can now be traced for at least 2km, open both along strike and at depth.

Other Areas

Other targets tested within the program included Triple 2 North, Saturn and the Blob. Both Triple 2 North and the Blob returned anomalous results from wide-space aircore drilling. While no +1g/t intercepts were received, the results require further investigation.

Drilling at Saturn encountered mafic rocks in an area previously interpreted and mapped as an intrusive granite. While there were only very low levels of gold anomalism, further work is required to understand the geology as previous interpretations suggested that the greenstone sequence did not extend this far west.

Previously released results included (see ASX announcement 18 October 2018 for 18RAC001-185):

Redcliffe East

2m @ 3.45 g/t from 35 to EOH in 18RAC002; and
28m @ 1.22 g/t from 5m to EOH *incl.* **5m @ 4.66 g/t** and **5m @ 1.05 g/t** in 18RAC003.

Redcliffe South

5m @ 1.15 g/t from 60m in 18RAC073; and
5m @ 1.21 g/t from 25m in 18RAC074.

Infinity

5m @ 1.32 g/t and **5m @ 1.38 g/t** in 18RAC119.

Mesa West

4m @ 0.54 g/t from 50m to EOH in 18RAC079.

RC Drilling

Hub

NTM completed a small RC program at the Hub prospect in December, following up the good grades received in the aircore program.

The drilling targeted the discovery traverse to replicate the shallow aircore results and to test the mineralisation at depth and along the interpreted strike. Initially, 5m composite samples were taken, with 1m resamples of selected intervals.

Following the end of the half, the assays from this drill program were received, yielding some excellent results to confirm the aircore intercepts and highlighting that the mineralisation continues at depth. Better results include: 5m composites

20m @ 3.26 g/t Au from 30m, *incl.* **10m @ 4.88g/t Au** from 40m in 18RRC001;
5m @ 2.16 g/t from 155m in 18RRC002;
30m @ 2.28 g/t Au from 155m, *incl.* **5m @ 6.49g/t Au** from 155m in 18RRC003;
5m @ 1.60 g/t from 220m in 18RRC003; and
5m @ 3.20 g/t from 255m in 18RRC003.

Directors' report (continued)

Review of operations (continued)

Hub (continued)

1m resamples

12m @ 4.55 g/t Au from 40m, *incl.* **4m @ 9.28g/t Au** from 43m in 18RRC001;
8m @ 2.02 g/t Au from 29m in 18RRC001;
7m @ 3.47 g/t Au from 155m, *incl.* **3m @ 6.15g/t Au** from 155m in 18RRC003;
7m @ 3.96 g/t Au from 177m, *incl.* **2m @ 6.89g/t Au** from 179m in 18RRC003;
3m @ 5.18 g/t Au from 250m, *incl.* **1m @ 10.50g/t Au** from 251m in 18RRC003; and
1m @ 7.89 g/t Au from 35m in 18RRC005.

Based on the results to date, the gold mineralisation appears to be steeply dipping and of similar orientation seen in NTM's other Redcliffe deposits. Mineralisation was intersected in all three holes in the main drill traverse (18RRC001, 003) though continuity appears to be impacted by the presence of a mafic dyke. Hole 18RRC004, 50m south of 18RRC003, only had a modest intercept, which may also be because of the presence of the mafic dyke. Based on the drilling to date, the dyke appears to be discordant to the main Redcliffe trend and unmineralised. The dyke is undeformed and is currently interpreted as post-mineralisation.

Other Areas

In addition to the Hub RC drilling, a separate extensional RC exploration program tested a number of targets including Bindy North, Redcliffe, Redcliffe South, Redcliffe East and Westlode. The program involved the completion of 18 RC holes for 3,130m.

The 5m composite samples from this drilling yielded a number of promising results. At Redcliffe and Westlode, the drilling has extended the known mineralisation at depth and remains open.

Initial testing of Tier 1 exploration targets highlighted potentially new mineralized zones at Redcliffe East and Redcliffe South, both of which require follow up drilling. Some of the most promising 5m composite results included:

3m @ 5.24 g/t Au from 235m to EOH - Bindy North
5m @ 3.10 g/t Au from 125m - Redcliffe South
5m @ 3.10 g/t Au from 65m - Redcliffe South
5m @ 2.06 g/t Au from 125m - Westlode South

Follow up 1m re-splits returned results broadly inline with the 5m composites with better results including:

3m @ 3.60 g/t Au from 235m to EOH *incl.* **1m @ 9.05g/t** - Bindy North
6m @ 1.48 g/t Au from 183m - Bindy North
3m @ 3.70 g/t Au from 125m - Redcliffe South
10m @ 1.10 g/t Au from 133m - Westlode South

New Targets - Redcliffe East, Redcliffe South And Westlode South

Five holes were drilled (NBRC138, 139, 144, 145 & 147) as first-pass tests of Tier 1 targets, defined by shallow historical drilling that has had little to no follow-up work. The areas tested included Redcliffe East, Redcliffe South and Westlode South. The holes confirmed the gold anomalism seen in the historic shallow drilling. Better results included:

Redcliffe South

5m @ 3.10 g/t Au from 125m in NBRC144; and
5m @ 3.10 g/t Au from 65m & **5m @ 1.18 g/t Au** from 135m in NBRC145.

Westlode South

5m @ 2.06 g/t Au from 25m in NBRC138.

The Redcliffe South Prospect is located to the south-east of the Redcliffe Deposit and on the same mineralised trend. Significantly, further along trend beyond this latest RC drilling there is very limited and shallow-only historic RAB drilling, which means Redcliffe South will be a priority target for more drilling in the pending regional aircore program.

As the first deeper follow-up holes to the historic results, these new holes are very encouraging and demonstrate the validity of NTM's targeting regime. Importantly, the mineralisation remains open along strike and at depth. Furthermore, there are a number of parallel trends that have been only lightly drill tested in the past. These are priority targets and will be targeted as part of the Company's pending regional aircore drilling program.

Directors' report (continued)

Review of operations (continued)

Redcliffe

The Redcliffe Deposit has had little drilling at depth, with the majority of recent holes being shallower than 90m. The greater part of the mineralisation tested to date has been transitional material, with only modest testing of mineralisation in fresh. Like most deposits within the Project area, the Redcliffe Deposit contains a number of higher-grade plunging shoots at depth that remain open.

Three wide-spaced (100m sections) RC drill holes (NBRC140-141, 143) were completed below the small historic open pit. This was the first drilling at the deposit in more than 10 years. The holes were designed to test the depth continuity of the mineralisation.

The drilling has extended the mineralisation to between 120m to 150m below surface, and approximately 90m to 100m below the base of the shallow historical open pit. The mineralisation remains open at depth and along strike.

Better results included:

5m @ 1.01g/t Au from 120m in NBRC140; and
25m @ 1.01g/t Au from 190m in NBRC141.

While both intercepts are of modest grade, the 1 metre resampling will give greater clarity on the grade distribution.

Westlode

At Westlode, the mineralisation has a subvertical plunge component and is still open at depth, with the vast majority of drill holes less than 90m deep. The recently completed program involved two deeper holes below the Westlode deposit (NBRC142, 146). These holes have extended the mineralised halo to 100-120m below surface in the north, remaining open at depth. The two holes were drilled 200m apart.

NBRC142 intersected a 40m intersection of anomalous mineralisation, highlighting the width of the mineralising system. NBRC146 intersected a 10m wide zone of anomalism.

Better results included:

40m @ 0.67 g/t Au from 120m in NBRC142; and
10m @ 0.71 g/t Au from 165m in NBRC146.

Although this drilling confirms mineralisation persists at depth, further work is required at Westlode to define structural and lithological controls. The distribution of the mineralisation will be further clarified with the 1 metre resampling program.

Bindy North

Five RC holes were drilled at Bindy North (GTRC479-484) to step out both north and south of the area, currently defined by the mineralised zones along the intermediate-felsic contact. The drill traverses were extended 50m north and south.

The drilling has extended the mineralised zone. However, the geology of the area appears more complex than the main part of the Bindy deposit, with several late faults interpreted that offset the stratigraphy and mineralisation.

Better results include:

5m @ 1.55 gt Au from 185m in GTRC480
3m @ 5.24 gt Au from 235m to EOH in GTRC481

While the mineralisation remains open at depth and along strike, more work is required to understand the orientation of the mineralised system in the northern party of Bindy. To this end, NTM is undertaking a detailed gravity survey to better define the structural controls of the mineralised zones. In addition, aircore drilling is also planned to test the Bindy Gap area between the Bindy North and Bindy Main mineralisation.

Directors' report (continued)

Review of operations (continued)

Corporate

During the half year, NTM executed a subscription agreement with ASX-listed company DGO Gold Limited (DGO) (ASX: DGO) to raise up to \$2m by 31 March 2019, with up to an additional \$9m funding if all attaching options are executed. The funding agreement is designed to accelerate NTM's exploration of the Redcliffe Gold Project targeting new discoveries and resource expansions. DGO will provide additional technical support in addition to the funding, enabling NTM to ramp up exploration at Redcliffe to discover new deposits and significantly expand the resource base.

The format of the funding is as follows:

DGO to invest up to \$2m at \$0.04 per share via the issuance of:

12.5m shares to raise \$0.5m (completed); and
up to 37.5m shares for an additional \$1.5m by 31 March 2019.

The share issue includes entitlement options, potentially yielding a further \$9m funding over three years via:

up to 60m options exercisable at \$0.05 by 31 March 2020; and
up to 60m options exercisable at \$0.10 by 31 March 2022.

The initial shares were issued on 22 November 2018, under the Company's issuing capacity under Listing Rules 7.1. The second tranche of up to \$1.5m is subject to NTM shareholder approval at a meeting to be held in Perth on 15 February 2019.

Following the DGO raising, NTM completed a raising of \$0.95m to Sophisticated Investors and Directors with the issue 23.75m shares at a price of \$0.04/share. Each share has a free attaching entitlement option with an exercise price of \$0.05 and a 31 March 2020 exercise date. Company Directors, Mr Paul Price, Mr Andrew Muir and Mr Edward van Heemst, sought to participate in the raising by applying for 6.25m of the 23.75m shares. That participation required approval of shareholders, which was obtained on 15 February 2019, enabling participation in the placement for an aggregate \$0.25m.

For full information on exploration results during the half refer to the following announcements to ASX announcement platform, or on the Company's web site www.ntmgold.com.au:

11 September 2018	Highly Promising RC Exploration
2 October 2018	Gravity Survey Yields Golden Insights
17 October 2018	First Pass Exploration Delivers Outstanding Results
29 November 2018	Further Outstanding Results from Redcliffe Drilling
7 December 2018	Hub Delivers Again, RC Underway
15 January 2019	Hub RC Delivers
25 January 2019	Hub Resplits Confirm Higher Grades

Competent Person Statement

The information in this report that relates to Exploration Results, is based on information compiled and/or reviewed by Mr Lyle Thorne who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Thorne a full-time employee of NTM and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are 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". Mr Thorne consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Events subsequent to reporting date

On 18 February 2019, the Company announced the issue of 6,250,000 placement ordinary fully paid shares to Directors at \$0.04 per share and 23,750,000 free attaching unlisted placement options exercisable at \$0.05 each on or before 31 March 2020, as approved by shareholders at the General Meeting on 15 February 2019. A further 1,000 ordinary fully paid shares at \$0.035 per share were issued under the prospectus as approved on 28 November 2018.

Other than the above, no other matter or circumstance has arisen since 31 December 2018 which has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

Directors' report (continued)

Auditor independence

Section 370C of the Corporation Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the consolidated financial report. This Independence Declaration is disclosed on page 11 of this report and forms part of this directors report for the half-year ended 31 December 2018.

Signed in accordance with a resolution of the Directors.



Andrew Muir
Managing Director

Perth, Western Australia
28th day of February 2019

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

As lead auditor for the review of NTM Gold Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

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

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



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 28 February 2019

Financial Statements

For the half-year ended 31 December 2018

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2018

	Notes	31 Dec 2018 \$	31 Dec 2017 \$
Interest received		1,934	2,389
Other income		-	1,357
Administration expenses		(67,777)	(34,174)
Compliance costs		(122,229)	(117,415)
Consultants fees		(105,875)	(84,515)
Depreciation expense		(9,606)	(4,145)
Directors remuneration		(161,704)	(54,000)
Impairment of exploration and evaluation		(36,292)	(79,700)
Office accommodation expenses		(15,643)	(5,947)
Travel expenses		(25,863)	(6,846)
Share based payment expense	7	(36,968)	-
Loss before income tax		(580,023)	(382,996)
Income tax benefit		-	-
Loss for the half-year		(580,023)	(382,996)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable to owners of NTM Gold Limited		(580,023)	(382,996)
Loss per share for loss attributable to the ordinary equity holders of the Group:			
Basic loss per share (cents per share)		(0.17)	(0.14)
Diluted loss per Share (cents per share)		(0.17)	(0.14)

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

Consolidated statement of financial position

As at 31 December 2018

	Notes	31 Dec 2018 \$	30 June 2018 \$
Assets			
Current assets			
Cash and cash equivalents		1,105,439	443,550
Other receivables	3	78,679	831,875
Prepayments		12,279	2,104
Total current assets		1,196,397	1,277,529
Non-current assets			
Exploration and evaluation expenditure	4	7,198,002	5,949,426
Plant and equipment		105,077	103,155
Total non-current assets		7,303,079	6,052,581
Total assets		8,499,476	7,330,110
Liabilities			
Current liabilities			
Trade and other payables		362,451	296,180
Provisions		33,823	19,667
Financial liabilities	5	200,000	-
Total current liabilities		596,274	315,847
Total Liabilities		596,274	315,847
Net assets		7,903,202	7,014,263
Equity			
Equity attributable to equity holders			
Contributed equity	6	20,945,788	19,513,794
Reserves		4,846,836	4,809,868
Accumulated losses		(17,889,422)	(17,309,399)
Total equity		7,903,202	7,014,263

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

Consolidated statement of changes in equity

For the half-year ended 31 December 2018

Consolidated	Attributable to Owners of NTM Gold Limited			
	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2017	16,475,389	4,665,277	(17,148,680)	3,991,986
Loss for the year	-	-	(382,996)	(382,996)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(382,996)	(382,996)
Transactions with owners in their capacity as owners				
Contributions of equity	1,748,679	-	-	1,748,679
Transaction costs	(133,080)	-	-	(133,080)
Treasury shares sold	-	50,700	-	50,700
Balance at 31 December 2017	<u>18,090,988</u>	<u>4,715,977</u>	<u>(17,531,676)</u>	<u>5,275,289</u>
Balance at 1 July 2018	19,513,794	4,809,868	(17,309,399)	7,014,263
Loss for the year	-	-	(580,023)	(580,023)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(580,023)	(580,023)
Transactions with owners in their capacity as owners				
Contributions of equity	1,500,000	-	-	1,500,000
Transaction costs	(68,006)	-	-	(68,006)
Performance rights issued	-	36,968	-	36,968
Balance at 31 December 2018	<u>20,945,788</u>	<u>4,846,836</u>	<u>(17,889,422)</u>	<u>7,903,202</u>

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

Consolidated statement of cash flows

For the half-year ended 31 December 2018

	31 Dec 2018 \$	31 Dec 2017 \$
Cash flows from operating activities		
Payments to suppliers and employees	(582,899)	(370,978)
Interest received	1,934	2,389
Net cash inflow (outflow) from operating activities	(580,965)	(368,589)
Cash flows from investing activities		
Proceeds on sale of mineral interests	750,000	-
Payments for exploration and evaluation	(834,183)	(501,235)
Payments for purchase of property, plant and equipment	(12,574)	(12,201)
Net cash outflows from investing activities	(96,757)	(513,436)
Cash flows from financing activities		
Proceeds from issue of shares	1,200,000	1,000,000
Payments for share issue costs	(60,389)	(79,216)
Proceeds from issue of options	-	300
Proceeds from shares to be issued	200,000	-
Net cash inflows from financing activities	1,339,611	921,084
Net increase in cash and cash equivalents	661,889	39,059
Cash and cash equivalents at beginning of financial year	443,550	867,685
Cash and cash equivalents at end of half-year *	1,105,439	906,744

* \$200k of cash is held in trust as per Note 5.

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

Notes to the consolidated financial statements

For the half-year ended 31 December 2018

1 Basis of Preparation and Accounting Policies

(a) Basis of preparation

The consolidated interim financial report for the half-year reporting period ended 31 December 2018 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by NTM Gold Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

(i) New and amended standards adopted by NTM Gold Limited

A number of new or amended standards became applicable for the current reporting period and NTM Gold Limited had to change its accounting policies and make adjustments as a result of adopting the following standards:

- AASB 9 Financial Instruments, and
- AASB 15 Revenue from Contracts with Customers.

The above accounting standards have no impact on adoption to these financial statements.

(ii) Impact of standards issued but not yet applied by the entity

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The group does not intend to adopt the standard before its effective date.

Basis of preparation and changes to the Group's accounting policies

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 *Financial Instruments: Recognition and Measurement* that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 did not give rise to any material transitional adjustments to the amounts recognised in the financial statements. The new accounting policies (applicable from 1 July 2018) are set out below.

Classification and measurement

Except for certain trade receivables the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding (the SPPI criterion).

Impairment

From 1 July 2018 the group assesses on a forward looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2018

1 Basis of Preparation and Accounting Policies (continued)

(b) Significant accounting judgements and key estimates

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

(c) Going concern basis

For the half-year ended 31 December 2018 the Group recorded a loss of \$580,023, net cash outflows from operating activities of \$580,965 and net working capital of \$600,123. Furthermore, the Directors have prepared a cash flow forecast which indicates that the Group would be required to raise funds to provide additional working capital to continue developing its projects.

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

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

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

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

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

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

2 Segment information

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

3 Other receivables

	31 Dec 2018 \$	30 June 2018 \$
GST receivable	71,770	-
Proceeds receivable on sale of tenements	-	825,000
Other	6,909	6,875
	78,679	831,875

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2018

	31 Dec 2018 \$	30 June 2018 \$
4 Exploration and evaluation		
Balance at beginning of the year	5,949,426	3,387,826
Acquisition of additional tenements	-	129,036
Expenditure incurred	1,284,868	2,581,024
Expenditure written off	(36,292)	(148,460)
	7,198,002	5,949,426

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

The Group follows the guidance of AASB 6 Exploration for and Evaluation of Mineral Resources to determine when capitalised exploration and evaluation expenditure is impaired. Exploration and evaluation expenditure of \$36,292 has been written off during the period.

	31 Dec 2018 \$	30 June 2018 \$
5 Financial liabilities		
Shares to be issued	200,000	-
	200,000	-

The shares to be issued relate to Directors share proceeds held in trust subject to approval by shareholders at the 15 February 2019 General Meeting.

	31 Dec 2018 Shares	31 Dec 2017 Shares	31 Dec 2018 \$	31 Dec 2017 \$
6 Contributed equity				
(i) Ordinary shares				
Issued and fully paid	368,049,011	298,117,396	20,945,788	18,090,988
Total contributed equity	368,049,011	298,117,396	20,945,788	18,090,988

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

	Shares	\$
(ii) Movement in ordinary shares on issue		
At 1 July 2017	257,271,244	16,475,389
23 August 2017 Shares issued in lieu of drilling services	3,254,118	140,252
30 August 2017 Shares issued in lieu of drilling services and exploration base improvements	2,725,992	109,040
28 September 2017 Shares issued to sophisticated investors	25,000,000	1,000,000
9 November 2017 Shares issued in lieu of drilling services	6,823,420	341,171
18 December 2017 Shares issued in lieu of drilling services	3,042,619	158,216
Capital raising costs incurred	-	(133,080)
At 31 December 2017	298,117,396	18,090,988
At 1 July 2018	329,935,578	19,513,794
22 November 2018 Shares issued to sophisticated investors	12,500,000	500,000
30 November 2018 Shares issued to sophisticated investors	17,500,000	700,000
4 December 2018 Shares issued in lieu of drilling services	8,113,433	300,000
Capital raising costs incurred	-	(68,006)
At 31 December 2018	368,049,011	20,945,788

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2018

6 Contributed equity (continued)

Options

Unlisted Options

The following free attaching unlisted options to subscribe for ordinary fully paid shares were granted during the half-year 31 December 2018:

- 12,500,000 options exercisable at \$0.05 each and expiring on 31 March 2020.
- 12,500,000 options exercisable at \$0.06 each and expiring on 31 March 2022.

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

7 Share based payments

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

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

	31 Dec 2018 \$	30 June 2018 \$
As part of administration expenses:		
Performance rights	36,968	33,954
Capitalised to Statement of financial position:		
Shares issued in lieu of drilling services, exploration base improvements and tenement acquisition	300,000	848,679
Options issued in lieu of capital raising costs	-	122,400
	336,968	1,005,033

8 Commitments and contingencies

There were no changes in commitments and contingencies to those disclosed in the most recent financial report at 30 June 2018.

9 Related parties

Transactions with key management personnel

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

10 Events after the reporting date

On 18 February 2019, the Company announced the issue of 6,250,000 placement ordinary fully paid shares to Directors at \$0.04 per share and 23,750,000 free attaching unlisted placement options exercisable at \$0.05 each on or before 31 March 2020, as approved by shareholders at the General Meeting on 15 February 2019. A further 1,000 ordinary fully paid shares at \$0.035 per share were issued under the prospectus as approved on 28 November 2018.

Other than the above, no other matter or circumstance has arisen since 31 December 2018 which has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

Directors' declaration

In the opinion of the directors:

- (a) the consolidated financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's consolidated financial position as at 31 December 2018 and the performance for the half-year then ended; and
 - (ii) complying with Accounting Standard AASB 134 ~~Interim Financial Reporting~~ and the Corporations Regulations 2001 and other mandatory professional requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Andrew Muir
Managing Director

Perth, Western Australia
28th day of February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of NTM Gold Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of NTM Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

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

Directors' responsibility for the Half-Year Financial Report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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

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

Independence

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

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over a faint, stylized 'BDO' logo.

Glyn O'Brien

Director

Perth, 28 February 2019