

## SEPTEMBER 2019 QUARTERLY ACTIVITIES REPORT

### ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

31 OCTOBER 2019

#### HIGHLIGHTS

##### RTG's Kyrgyz Republic Interests

- During the quarter, RTG Mining Inc. (ASX:RTG, TSX:RTG, OTCQB:RTGGF) ("RTG" or "the Company") entered into a Sale and Purchase Agreement ("SPA") with White Cliff Minerals Limited ("WCN") to acquire its majority (90%) stake in the high grade Chanach Gold and Copper Project ("Chanach Project") in the Kyrgyz Republic, announced on 6 September 2019<sup>1</sup>.
- The Chanach Project is considered a strategic addition to the Company'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>2</sup> from only limited drilling to date.
- Consideration of US\$2.15 million cash and US\$0.5 million in RTG shares (escrowed for 12 months) to WCN represents an acquisition cost of US\$3.65 / ounce of Gold and US\$0.0063 / pound of Copper.
- Subsequent to unanimous WCN board support and shareholder approval, the Company announced completion of the acquisition of the Chanach Project subsequent to the quarter, on 23 October 2019<sup>3</sup>. RTG has settled its transaction payment obligations consisting of a cash consideration of US\$2.15 million and US\$0.5 million new RTG shares (10,312,577) issued at a price equal to the 5-day VWAP of the RTG shares on the ASX for the 5 trading days leading up to completion of the transaction.
- 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.

<sup>1</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>2</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>

<sup>3</sup> RTG Announcement, "RTG Completes Acquisition of 90% Stake in the High Grade Chanach Gold Project in the Kyrgyz Republic" - <https://www.asx.com.au/asxpdf/20191023/pdf/449spdpcc2307r3.pdf>

- RTG plans to undertake a drilling program in November of 2019, coinciding with the end of the exploration field season in Kyrgyzstan and will consist of 13 RC holes for a total estimated 1310 drill meters with hole depths ranging between 70m and 120m, designed to extend the gold mineralisation of the deposit.
- 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.
- 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.

### **RTG's Philippines Interests**

- RTG 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 and would expect to see the decision handed down in the early part of the New Year, subject to the various commitments of the panel of Arbitrators.
- The Mines and Geosciences Bureau ("MGB") and the Department of Environment and Natural Resources ("DENR") have approved the Feasibility Study for the Mabilo Project, lodged by Mt. Labo. The approval confirms that the project is technically and economically feasible after consideration of the environmental, social and fiscal costs prescribed under the Philippine Mining Act of 1995 and its Revised Implementing Rules and Regulations as amended. This is a critical step in the finalisation of permitting for the start-up of the Mabilo Project by Mt. Labo.
- Mt. Labo 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.

## **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 their proposal with respect to the redevelopment of the Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, Papua New Guinea ("PNG"). The proposal is an initiative of the old Panguna mine's customary landowners (who are represented by the SMLOLA) and is conditional upon securing the approval of the Autonomous Bougainville Government ("ABG"), who to date has not yet supported the Landowner's proposal.
- The primary focus in Bougainville currently is the Referendum on Independence which is scheduled for 23 November 2019. RTG wishes all Bougainvilleans a successful Referendum Campaign and remains committed to assisting the Customary Landowners, the ABG and all Bougainvilleans, to reopen Panguna.
- Any form of independence or greater autonomy 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 to establish a critical pathway to economic independence upon which the aspirations of so many Bougainvilleans depend.
- Panguna's reopening is dependent upon winning a Social Licence.
- In line with their status as the recognised Landowner Association for the Panguna Mine (the old EL 01 area) and their success at attaining unity and peace building efforts, the SMLOLA has importantly been appointed as a Registered Interest Group in the Referendum to observe and scrutineer, by the Bougainville Referendum Committee.
- SMLOLA is the only Landowner Association to be afforded this respect and formal recognition. SMLOLA is proud to have won this endorsement and looks forward to playing an important oversight role in the Referendum voting.
- During the previous quarter, the Parliamentary Committee on Legislation reported to the Bougainville House of Representatives on the controversial Bills to rewrite the Bougainville Mining Act ("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 has announced well in excess of 90% of the representatives of the title block holders support the SMLOLA, its leadership, and the Landowner Led Consortium's proposal, whose indicative offer to the ABG is materially better than any other alternative offer.
- 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 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'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).

#### **Other Interests**

- The Company continues to investigate and progress a number of interesting new business development opportunities.

#### **Corporate**

- Cash and liquid assets as at 30 September 2019 were A\$11.3 million (including US\$0.65 million plus interest due and outstanding from Thor Explorations Ltd and a receivable of US\$0.30 million from other consultants).

## **OVERVIEW OF OPERATIONS**

### **Kyrgyz Republic Interests – the Chanach Project**

During the quarter, RTG agreed to acquire a 90% interest in the Chanach Project through the acquisition of 100% of PB Partners (Malaysia) Pte Ltd, a wholly owned subsidiary of WCN.

Highlights of the Transaction include:

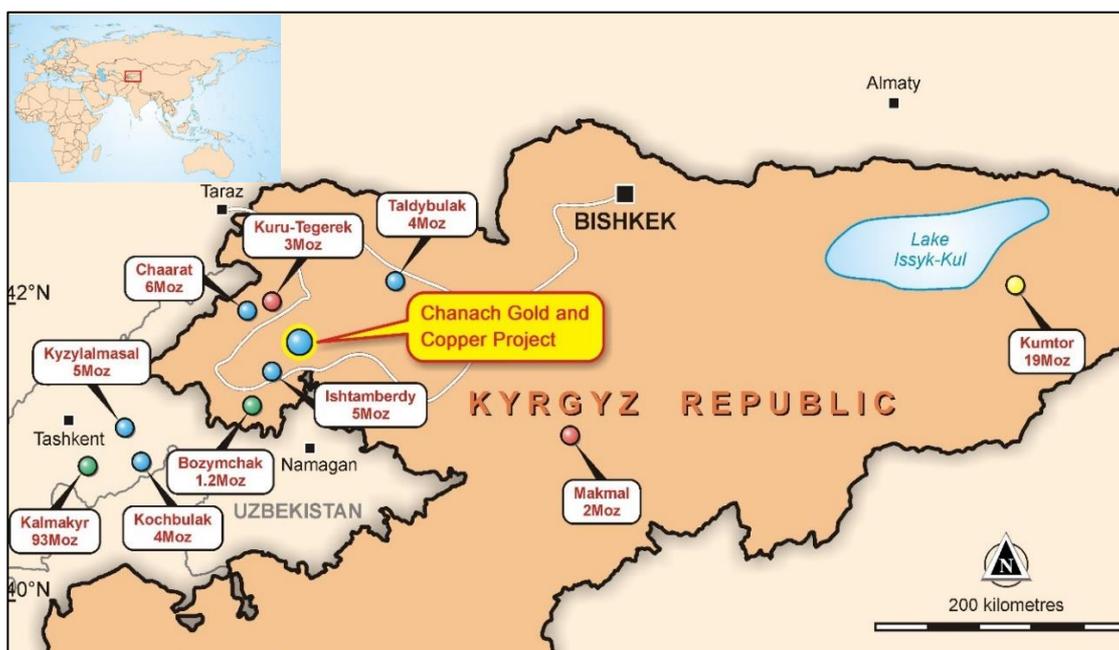
- Strategic addition to RTG's portfolio with an existing high grade JORC compliant Inferred Mineral Resource of 2.95 Mt @ 5.11 g/t Au for **484,000 ounces of Au** and 17.23 Mt @ 0.37% Cu for **64,000t of Cu<sup>2</sup> (141.1 Mlbs Cu)** from only limited drilling to date.
- Acquisition cost of US\$3.65 / 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).

- Unanimous WCN board and shareholder support statements from WCN's shareholders who voted in favour of the Transaction.
- 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>4</sup>) with production believed to be in the order of 2 million ounces per annum<sup>4</sup>. RTG have 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<sup>2</sup>.



**Figure 1: 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 issued at a price equal to the 5-day VWAP of the RTG shares on the ASX for the 5 trading days leading up to completion of the Transaction (10,312,577). 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

<sup>4</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

support and strong relationships with the mining authorities. They have been very supportive of the RTG acquisition, waiving their pre-emptive rights.

## **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 Ranges 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>4</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.

The Chanach Project is a target-rich environment with 2019 planned exploration focussing on multiple gold targets designed to extend the current Inferred Mineral Resource.

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.

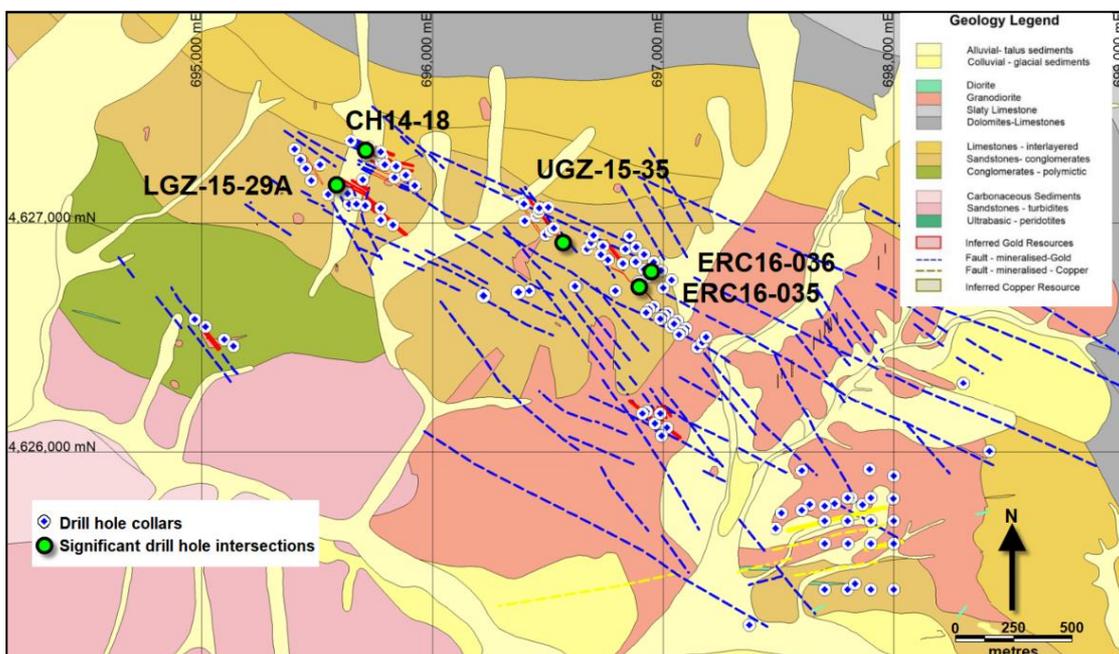
Significant intervals from the Sandstone Gold Zone include:

- 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 2.



**Figure 2: 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 1 for gold and Table 2 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 1: Chanach May 2018 Gold Mineral Resource (cut-off grade 1.0g/t Au)<sup>2</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 2: Chanach May 2018 Copper Mineral Resource (cut-off grade 0.25% Cu)<sup>9</sup>**

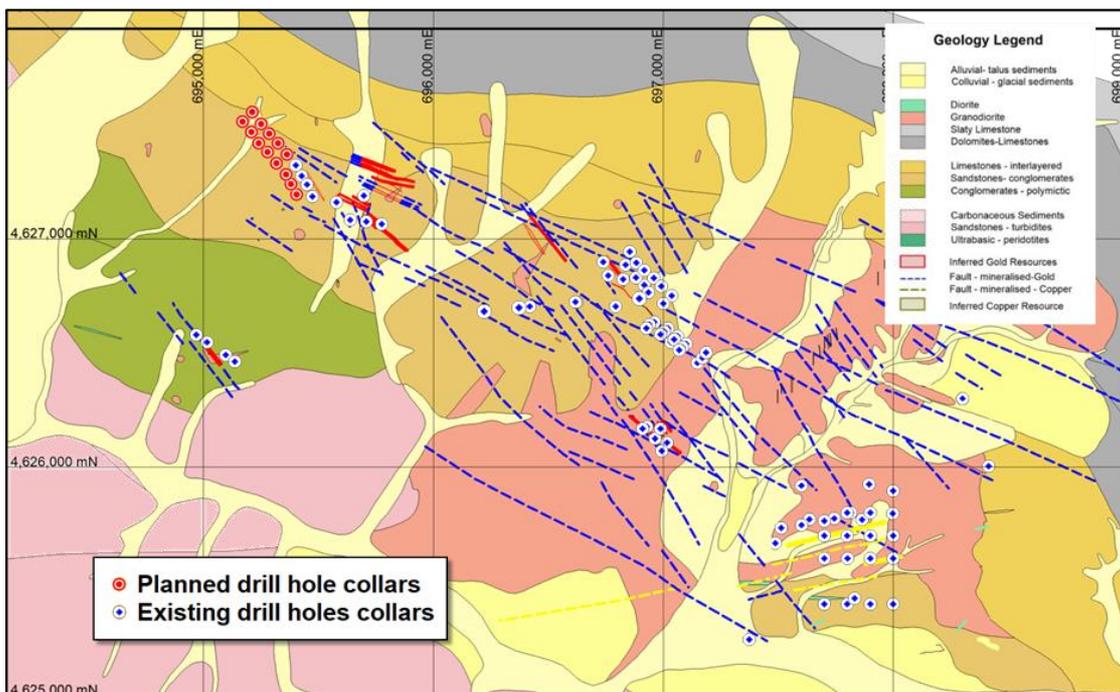
Resource Category	Zone	Tonnes (Kt)	Au (g/t)	Ounces (KOz)
Inferred	Quartz Cu	700	0.51	4
Inferred	Chanach	16,534	0.36	60
<b>Inferred</b>	<b>Total</b>	<b>17,234</b>	<b>0.37</b>	<b>64</b>

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.

## Proposed Drilling Program

RTG plans to undertake a drilling program in November of 2019, coinciding with the end of the exploration field season in Kyrgyzstan.

The objective of the drilling program is to test and extend the gold resource along strike in the Lower Gold Zone (“LGZ”). RTG expects the program will consist of 13 RC holes for a total estimated 1310 drill meters with hole depths ranging between 70m and 120m. The locations of the intended holes into the LGZ are shown in Figure 3 below.



**Figure 3: Drill Hole Locations**

Assay results from the program can be expected in Quarter 1 of 2020. The 2019 program is targeted at seeking to grow the existing Inferred Gold Mineral Resource of 484,000 ounces at a similar grade of 5.1 g/t.

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.

## **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 prior quarter, the MGB also formally approved the 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.

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 and would expect to see the decision handed down in the early part of the New Year, subject to the various commitments of the panel of Arbitrators.

## **Bougainville Interests – The Panguna Project Opportunity**

RTG is the nominated development partner with the joint venture company established by the SMLOLA and Central in their proposal with respect to the redevelopment of the Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, PNG. 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 BCL operated Panguna open pit mine, and in which the mineral resources of the Panguna mine are located.

The ABG announced in December 2017, that the Bougainville Executive Council confirmed that BCL did not receive the necessary consent of the members of the SMLOLA to the renewal of BCL's exploration licence, which the ABG President said is a basic requirement under the Bougainville Mining Act. Additionally, the ABG has sought to impose a moratorium over the grant of new licences over Panguna, whilst it consults with the Panguna Landowners on an appropriate arrangement or the best alternative model for the development of the Panguna Mine. The ABG Parliament approved the imposition of the moratorium in March 2018. ABG President Honourable Chief Dr John Momis, in an interview with the ABC reported on 8 January 2018 (<http://www.abc.net.au/news/programs/pacific-beat/2018-01-08/mining-at-panguna-put-on-hold-indefinitely/9311220>), said that the majority of people were opposed to BCL because of what they have done in the past, BCL's failure to assist with restoration of Bougainville since the crisis, and that BCL has not seemed to have changed its attitude towards the mine and Landowner issues. The ABG is a 36% shareholder in BCL. BCL has issued legal proceedings against the ABG in respect of its decision to refuse BCL's application to extend the term of its exploration licence. BCL is also seeking access to information from RTG through the Courts to assist in their consideration of their response to the denial of their exploration licence renewal application in Bougainville by the ABG and the position of landowners. RTG is not aware of any legal basis for the request and is awaiting the findings of the Court.

The SMLOLA was established by the ABG nearly a decade ago. 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 formal Landowner Association to represent the Customary Owners of the land contained within the original but now expired Panguna Small Mining Licence - SML (hence the name SMLOLA, and the similarly EL 01), which covers the entire Panguna Open Pit area.

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 available titleholders (as prepared by BCL, which will be reviewed under an extensive social mapping program if the landowner consortium is successful in securing an exploration licence) supporting 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. 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. The ABG is 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 recently 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.

The primary focus in Bougainville currently is the Referendum on Independence which is scheduled for 23 November 2019. RTG wishes all Bougainvilleans a successful Referendum Campaign and remains committed to assisting the Customary Landowners, the ABG and all Bougainvilleans, to reopen Panguna.

Any form of independence or greater autonomy 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).

In line with their status as the recognised Landowner Association for the Panguna Mine (the old EL 01 area) and their success at attaining unity and peace building efforts, the SMLOLA has importantly been appointed as a Registered Interest Group in the Referendum to observe and scrutineer, by the Bougainville Referendum Committee.

SMLOLA is the only Landowner Association to be afforded this respect and formal recognition. SMLOLA is proud to have won this endorsement and look forward to playing an important oversight role in the Referendum voting.

The SMLOLA has announced well in excess of 90% of the representatives of the title block holders support the SMLOLA, its leadership, and the Landowner Led Consortium's proposal, whose indicative offer to the ABG is materially better than any other alternative offer.

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 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.

## **MABILO PROJECT**

### **Project Background**

The Mabilo Project is located in Camarines Norte Province, Eastern Luzon, Philippines. It is comprised of one granted Exploration Permit (EP-014-2013-V) of approximately 498 ha; and two Exploration Permit Applications (EXPA-000209-V) covering 498 ha and (EXPA-000188-V) covering 1,991 ha. The 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 4: 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.**

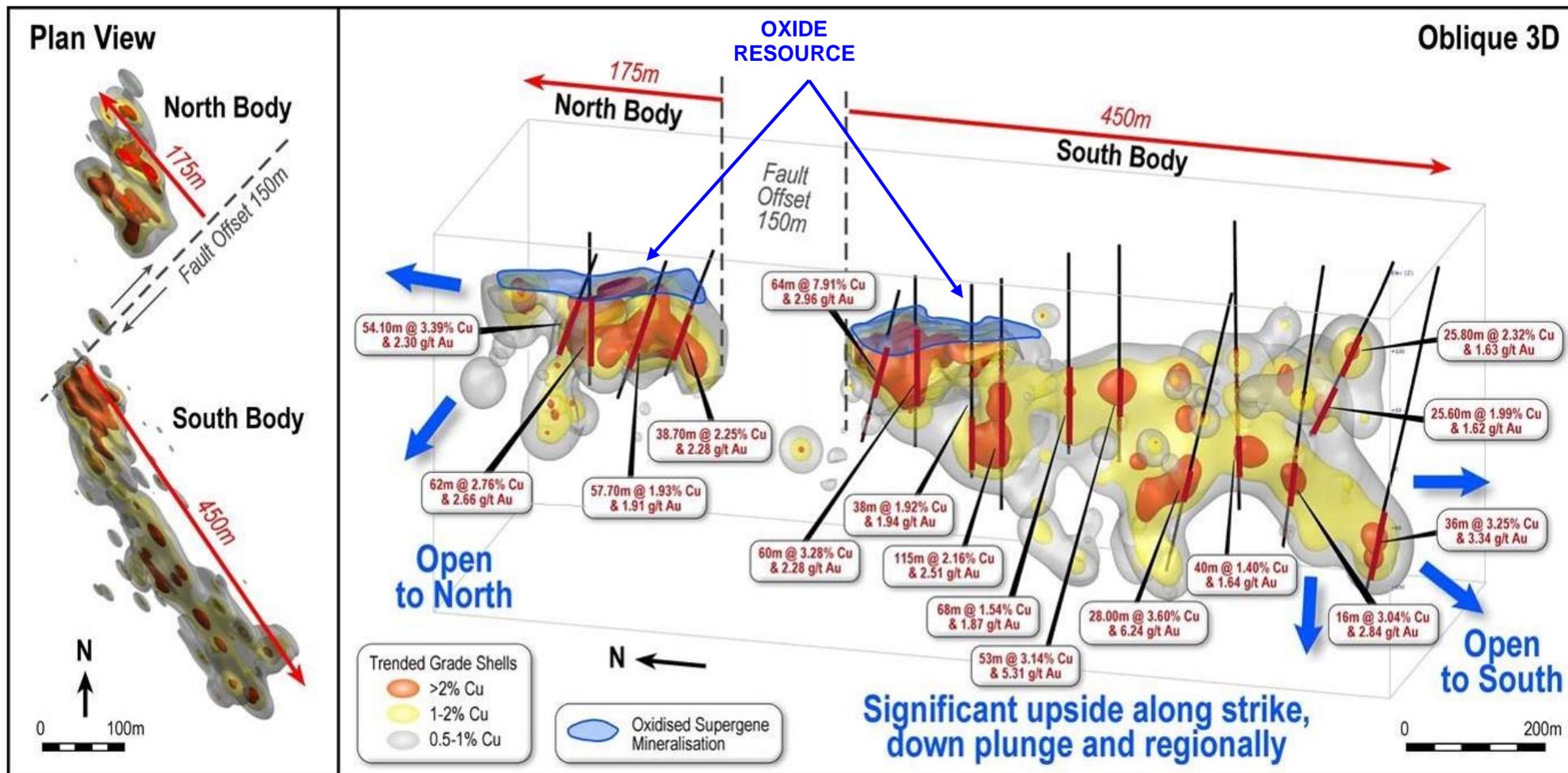


Figure 5: North and Southern Mineralised Zones with intercept highlights - Schematic Oblique view 3D

## Mabilo Mineral Resource

**Table 3 - 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>5</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>6</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 4 - Probable Mineral Reserve Estimate**

Ore							Waste	Strip Ratio
Class	Type	Mt	Fe %	Au g/t	Cu %	Ag g/t	Mt	
Probable	Gold Cap	0.351	40.1	3.11	0.38	3.26	77.713	10.0
	Supergene	0.104	36.5	2.20	20.7	11.9		
	Oxide Skarn	0.182	43.6	2.52	4.17	19.9		
	Fresh	7.155	45.9	1.97	1.70	8.73		
<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>5</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>6</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.

## **CORPORATE**

The Company is currently following up on a number of other new business development opportunities diversifying the Philippine interests which continue to progress well.

Cash and liquid assets as at 30 September 2019 were A\$11.3 million, including US\$0.65 million plus interest due and outstanding from Thor Explorations Ltd and US\$0.30 million from other consultants.

## **ABOUT RTG MINING INC**

RTG Mining Inc. is a mining and exploration company listed on the main board of the Toronto Stock Exchange and 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**

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## **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: 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%