



**Consolidated Interim Financial Statements**

**For the six month period ended June 30, 2021**

**RTG MINING INC.  
CONTENTS**

CORPORATE DIRECTORY ..... 2

DIRECTORS' REPORT ..... 3

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ..... 5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ..... 6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ..... 7

CONSOLIDATED STATEMENT OF CASH FLOWS ..... 8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ..... 9

DIRECTORS' DECLARATION ..... 17

AUDITOR'S INDEPENDENCE DECLARATION ..... 18

INDEPENDENT AUDITOR'S REVIEW REPORT ..... 19

For personal use only

**RTG MINING INC.  
CORPORATE DIRECTORY**

|                  |   |  |
|------------------|---|--|
| <b>Directors</b> | Michael J Carrick<br>Justine A Magee<br>Robert N Scott<br>Phillip C Lockyer<br>David A Cruse<br>Sean M Fieler | Chairman<br>President and Chief Executive Officer<br>Non-Executive Lead Director<br>Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director |
|------------------|---|--|

**Company secretary** Ryan R Eadie

|               |  |   |
|---------------|--|---|
| <b>Office</b> | <u>Registered</u><br>Craigmuir Chambers<br>Road Town<br>Tortola VG1110<br>British Virgin Islands | <u>Principal</u><br>Level 2<br>338 Barker Road<br>Subiaco, Western Australia, 6008<br>Australia<br><br>Telephone: +61 8 6489 2900<br>Facsimile: +61 8 6489 2920 |
|---------------|--|---|

**Bankers** Westpac Banking Corporation  
130 Rokeby Road  
Subiaco, Western Australia, 6008  
Australia

**Auditors** BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco, Western Australia, 6008  
Australia

|                       |  |  |
|-----------------------|--|--|
| <b>Share registry</b> | <u>Australian Register</u><br>Computershare Investor Services Pty Limited<br>Level 11, 172 St Georges Terrace<br>Perth, Western Australia, 6000<br>Australia<br><br>Telephone: +61 8 9323 2000<br>Facsimile: +61 8 9323 2033 | <u>Canadian Register</u><br>Computershare Investor Services Inc.<br>8 <sup>th</sup> Floor, 100 University Avenue<br>Toronto, Ontario, M5J2Y1<br>Canada<br><br>Telephone: +1 416 263 9200<br>Facsimile: +1 888 453 0330 |
|-----------------------|--|--|

|                       |  |   |
|-----------------------|--|---|
| <b>Stock Exchange</b> | <u>Australia</u><br>Australian Securities Exchange Limited<br>Exchange Code:<br>RTG – Chess Depository Interests (CDI's) | <u>Canada</u><br>Toronto Stock Exchange Inc.<br>Exchange Code:<br>RTG – Fully paid shares |
|-----------------------|--|---|

|                |   |  |
|----------------|---|--|
| <b>Lawyers</b> | HWL Ebsworth Lawyers<br>Level 20, 240 St Georges Terrace<br>Perth, Western Australia, 6000<br>Australia | Blake, Cassels & Graydon LLP<br>595 Burrard Street<br>Suite 2600, 3 Bentall Centre<br>Vancouver, BC, V7X 1L3, Canada |
|----------------|---|--|

**Website** [www.rtgmining.com](http://www.rtgmining.com)

## **RTG MINING INC. DIRECTORS' REPORT**

The Directors of RTG Mining Inc. ("the Company" or "RTG") present their report on the consolidated entity consisting of RTG and the entities it controlled during the period ended June 30, 2021 (the "Consolidated Entity" or "the Group"). The Company's functional and presentation currency is USD (\$).

### **DIRECTORS AND COMPANY SECRETARY**

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

| <b>Name</b>       | <b>Position</b>                       | <b>Appointment date</b> |
|-------------------|---------------------------------------|-------------------------|
| Michael J Carrick | Chairman                              | March 28, 2013          |
| Justine A Magee   | President and Chief Executive Officer | March 28, 2013          |
| Robert N Scott    | Non-Executive Lead Director           | March 28, 2013          |
| Phillip C Lockyer | Non-Executive Director                | March 28, 2013          |
| David A Cruse     | Non-Executive Director                | March 28, 2013          |
| Sean M Fieler     | Non-Executive Director                | October 12, 2020        |
| <br>              |                                       |                         |
| Ryan R Eadie      | Company Secretary                     | October 2, 2017         |

### **REVIEW OF OPERATIONS AND RESULTS**

#### **Operating Results**

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.

Having secured the Mining Permit and the successful Final Award in the SIAC matter, Mt. Labo has received a number of debt finance and offtake term sheets that will fully finance the start-up development capital costs for Stage 1 of the Mabilo Project (the Direct Shipping Operation) and a preferred provider on attractive terms has been selected and documentation is currently being finalised.

Progress on the ground in preparation for a commitment to development is proceeding well with the Mines and Geosciences Bureau ("MGB") being very supportive of the efforts to fast-track start-up of the project in line with the permits issued to Mt. Labo, with full access to all the project lands for Stage One now finalised.

The Mabilo Project is permitted to proceed to development and operation and has been named as one of the priority projects for the country. Mt. Labo is pleased with the show of support by the President and his Administration for the mining industry, with a clear message that mining, where done in full compliance with the Philippines Mining Act of 1995 and all other applicable laws and regulations, is now encouraged by the Government.

As a further demonstration of the commitment to supporting the mining industry, the President recently issued Executive Order No 130, which lifted the 9-year ban on granting new mining agreements to stimulate the economic growth in the country including increased employment opportunities in remote rural areas, such as the Municipality of Labo in the Province of Camarines Norte, where the Mabilo Project is located.

Mt. Labo continues to make good progress in the preparation for development of the Mabilo Project. Clearing has commenced for the waste dump area along with the initial preparation work for the office and camp area.

RTG is the nominated development partner with the joint venture company established by the Special Mining Lease Osikaiyang Landowners Association ("SMLOLA") and Central Exploration Pty Ltd ("Central"), in the Landowner proposal with respect to the redevelopment of the Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, PNG.

The SMLOLA was established by the Autonomous Bougainville Government ("ABG") nearly a decade ago to exclusively represent the Customary Owners of the land within the original Special Mining Lease and which contains the resource endowment of the Panguna mine. The other ABG established Panguna Landowner Associations cover different areas and upon which future infrastructure may, or may not be located, but do not include areas of any significant mineral resources. SMLOLA is the only ABG established Landowner Association covering the current mineral resources of Panguna.

**RTG MINING INC.  
DIRECTORS' REPORT**

**REVIEW OF OPERATIONS AND RESULTS - continued**

**Operating Results - continued**

Subsequent to the period end, the Supreme Court of Victoria fully dismissed all claims made by Bougainville Copper Limited ("BCL"), the former owner of the Panguna mine, against the Company, Central and indirectly SMLOLA. BCL was seeking pre-action discovery of corporate documents of RTG and others. In addition to the claims being fully dismissed, RTG and Central received a substantial cost judgement against BCL for their costs in defending the proceedings. The full judgment is available on the public record (Bougainville Copper Ltd v RTG Mining Inc & Anor [2021] VSC 231 (5 May 2021)).

The key findings in the judgement are a complete vindication of the position taken by RTG, SMLOLA and its members, including a statement from the Judgement in the Supreme Court of Victoria that the members of the SMLOLA 'are the relevant and dominant customary landowners and it will be their views and objections that count when it comes to any assessment of Landowner attitudes to the grant of any exploration or mining tenement over the former Special Mining Lease' (paragraph 46 of the judgement ruling).

Both the SMLOLA and RTG are highly respectful of President Toroama's call for the Panguna landowners to unite and the landowners have been very active working to deliver the requests of the President.

Rio Tinto recently announced they are working with the Human Rights Law Centre to establish a Committee to appoint an independent consultant to identify and assess the human rights and environmental impacts of the former Panguna Mine in Bougainville. Rio Tinto however, also announced that the Committee will comprise a number of parties including both BCL and Rio Tinto, which has drawn significant criticism from Bougainvilleans who do not want either party to have any role, as it will compromise the independence of the findings and undermine the confidence of the community in any findings.

RTG holds a majority stake (90%) in the high-grade Chanach Gold and Copper Project ("Chanach Project") in the Kyrgyz Republic. With improving weather in country, field work has commenced with mobilisation of equipment and clearing work on the access road being completed

Net loss after tax for the period ended June 30, 2021 was \$4,117,797 (June 30, 2020 loss: \$3,404,470).

**Response to the COVID-19 Pandemic**

The Company continues to assess the wide-ranging impacts of COVID-19, responding decisively on several fronts. During the period, the Perth and Manila offices maintained normal working arrangements in compliance with country-specific recommendations. The head office and project teams are operating at full capacity with reduced staff and working remotely where available, which to date has been both efficient and effective. Additionally, in the prior period, the Company undertook a review of costs and made significant adjustments, reducing overheads across the board.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18, which forms part of the Directors' Report.

This report is made in accordance with a resolution of the Directors on August 24, 2021.



Justine Alexandria Magee  
**President and Chief Executive Officer**  
Perth  
September 7, 2021

**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2021**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

|   | Note | REVIEWED                |                         |
|---|------|-------------------------|-------------------------|
|   |      | 6 MONTH PERIOD ENDED    |                         |
|   |      | June 30<br>2021<br>US\$ | June 30<br>2020<br>US\$ |
| <b>Continuing operations</b>  |      |                         |                         |
| Other income  |      | 37,659                  | 755                     |
| Exploration and evaluation expenditure  | 4    | (46,630)                | (86,120)                |
| Business development expenses   | 4    | (431,680)               | (647,475)               |
| Fair value loss on financial asset at fair value through profit or loss       | 4    | (1,741,071)             | (856,548)               |
| Project expenditure expense   | 4    | (260,315)               | (232,893)               |
| Foreign exchange loss   |      | (274,686)               | (520,222)               |
| Administrative expenses   | 4    | (1,401,074)             | (1,061,967)             |
| <b>Loss before income tax from continuing operations</b>                      |      | <b>(4,117,797)</b>      | <b>(3,404,470)</b>      |
| Income tax benefit  |      | -                       | -                       |
| <b>Loss for the period from continuing operations</b>                         |      | <b>(4,117,797)</b>      | <b>(3,404,470)</b>      |
| <b>Other comprehensive income / (loss)</b>                                    |      |                         |                         |
| <i>Items that may be reclassified to profit or loss in subsequent periods</i> |      |                         |                         |
| Exchange differences on translation of foreign operations                     |      | 213,680                 | 158,274                 |
| <i>Items that will not be reclassified subsequently to profit or loss</i>     |      |                         |                         |
| Net gain on financial assets at fair value through other comprehensive income |      | -                       | 282,668                 |
| <b>Total comprehensive loss for the period</b>                                |      | <b>(3,904,117)</b>      | <b>(2,963,528)</b>      |
| <b>Loss attributable to:</b>  |      |                         |                         |
| Equity holders of the Company   |      | (3,994,048)             | (3,262,191)             |
| Non-controlling interest  |      | (123,749)               | (142,279)               |
|   |      | <b>(4,117,797)</b>      | <b>(3,404,470)</b>      |
| <b>Total comprehensive loss attributable to:</b>                              |      |                         |                         |
| Equity holders of the Company   |      | (3,780,368)             | (2,821,249)             |
| Non-controlling interest  |      | (123,749)               | (142,279)               |
|   |      | <b>(3,904,117)</b>      | <b>(2,963,528)</b>      |
| <b>Loss per share attributable to ordinary shareholders</b>                   |      |                         |                         |
| Basic loss per share (cents)  |      | (0.60)                  | (0.66)                  |

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

**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2021**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|                                      |             | <i>REVIEWED</i>  | <i>AUDITED</i>     |
|--------------------------------------|-------------|------------------|--------------------|
|                                      |             | <b>June 30</b>   | <b>December 31</b> |
|                                      | <b>Note</b> | <b>2021</b>      | <b>2020</b>        |
|                                      |             | <b>US\$</b>      | <b>US\$</b>        |
| <b>Current assets</b>                |             |                  |                    |
| Cash and cash equivalents            | <b>5</b>    | 2,203,962        | 5,764,938          |
| Receivables                          |             | 15,418           | 27,477             |
| Prepayments                          |             | 91,342           | 154,865            |
| <b>Total current assets</b>          |             | <b>2,310,722</b> | <b>5,947,280</b>   |
| <b>Non-current assets</b>            |             |                  |                    |
| Property, plant and equipment        |             | 165,289          | 199,848            |
| Exploration and evaluation assets    | <b>6</b>    | 2,409,200        | 2,454,192          |
| Right-of-use asset                   |             | 109,815          | 174,634            |
| <b>Total non-current assets</b>      |             | <b>2,684,304</b> | <b>2,828,674</b>   |
| <b>Total assets</b>                  |             | <b>4,995,026</b> | <b>8,775,954</b>   |
| <b>Current liabilities</b>           |             |                  |                    |
| Trade and other payables             |             | 447,759          | 329,524            |
| Provisions                           |             | 390,424          | 299,845            |
| Lease liability                      |             | 128,111          | 131,890            |
| Loan                                 | <b>8</b>    | 1,500,000        | 1,500,000          |
| <b>Total current liabilities</b>     |             | <b>2,466,294</b> | <b>2,261,259</b>   |
| <b>Non-current liabilities</b>       |             |                  |                    |
| Provisions                           |             | 10,778           | -                  |
| Lease liability                      |             | -                | 50,857             |
| <b>Total non-current liabilities</b> |             | <b>10,778</b>    | <b>50,857</b>      |
| <b>Total liabilities</b>             |             | <b>2,477,072</b> | <b>2,312,116</b>   |
| <b>Net assets</b>                    |             | <b>2,517,954</b> | <b>6,463,838</b>   |
| <b>Shareholder's equity</b>          |             |                  |                    |
| Issued capital                       | <b>9</b>    | 174,237,067      | 174,278,834        |
| Reserves                             |             | 11,172,357       | 10,958,677         |
| Accumulated losses                   |             | (181,615,152)    | (177,621,104)      |
| <b>Parent shareholder's equity</b>   |             | <b>3,794,272</b> | <b>7,616,407</b>   |
| Non-controlling interest             |             | (1,276,318)      | (1,152,569)        |
| <b>Total shareholder's equity</b>    |             | <b>2,517,954</b> | <b>6,463,838</b>   |

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

**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2021**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | <i>Issued capital</i> | <i>Asset revaluation reserve</i> | <i>Share based payment reserve</i> | <i>Other capital reserve</i> | <i>Foreign currency translation reserve</i> | <i>Accumulated losses</i> | <i>Non-controlling interest</i> | <i>Total</i>       |
|---|-----------------------|----------------------------------|------------------------------------|------------------------------|---|---------------------------|---------------------------------|--------------------|
| <i>Six months to June 30, 2021</i>                        | <i>US\$</i>           | <i>US\$</i>                      | <i>US\$</i>                        | <i>US\$</i>                  | <i>US\$</i>                                 | <i>US\$</i>               | <i>US\$</i>                     | <i>US\$</i>        |
| <b>Balance at January 1, 2021</b>                         | <b>174,278,834</b>    | -                                | <b>10,004,993</b>                  | <b>30,662</b>                | <b>923,022</b>                              | <b>(177,621,104)</b>      | <b>(1,152,569)</b>              | <b>6,463,838</b>   |
| Loss for the period                                       | -                     | -                                | -                                  | -                            | -   | (3,994,048)               | (123,749)                       | <b>(4,117,797)</b> |
| Currency translation differences                          | -                     | -                                | -                                  | -                            | 213,680                                     | -                         | -                               | <b>213,680</b>     |
| <b>Total comprehensive income / (loss) for the period</b> | -                     | -                                | -                                  | -                            | <b>213,680</b>                              | <b>(3,994,048)</b>        | <b>(123,749)</b>                | <b>(3,904,117)</b> |
| Shares issued during the period                           | -                     | -                                | -                                  | -                            | -   | -                         | -                               | -                  |
| Share issue expenses                                      | (41,768)              | -                                | -                                  | -                            | -   | -                         | -                               | <b>(41,768)</b>    |
| <b>Balance at June 30, 2021</b>                           | <b>174,237,066</b>    | -                                | <b>10,004,993</b>                  | <b>30,662</b>                | <b>1,136,702</b>                            | <b>(181,615,152)</b>      | <b>(1,276,318)</b>              | <b>2,517,953</b>   |
|   |                       |                                  |                                    |                              |   |                           |                                 |                    |
|   | <i>Issued capital</i> | <i>Asset revaluation reserve</i> | <i>Share based payment reserve</i> | <i>Other capital reserve</i> | <i>Foreign currency translation reserve</i> | <i>Accumulated losses</i> | <i>Non-controlling interest</i> | <i>Total</i>       |
| <i>Six months to June 30, 2020</i>                        | <i>US\$</i>           | <i>US\$</i>                      | <i>US\$</i>                        | <i>US\$</i>                  | <i>US\$</i>                                 | <i>US\$</i>               | <i>US\$</i>                     | <i>US\$</i>        |
| <b>Balance at January 1, 2020</b>                         | <b>168,412,908</b>    | <b>446,619</b>                   | <b>8,696,142</b>                   | <b>30,662</b>                | <b>860,899</b>                              | <b>(171,949,463)</b>      | <b>(846,289)</b>                | <b>5,651,478</b>   |
| Loss for the period                                       | -                     | -                                | -                                  | -                            | -   | (3,262,191)               | (142,279)                       | <b>(3,404,470)</b> |
| Currency translation differences                          | -                     | -                                | -                                  | -                            | 158,274                                     | -                         | -                               | <b>158,274</b>     |
| Net gain on financial assets at FVOCI                     | -                     | 282,668                          | -                                  | -                            | -   | -                         | -                               | <b>282,668</b>     |
| <b>Total comprehensive income / (loss) for the period</b> | -                     | <b>282,668</b>                   | -                                  | -                            | <b>158,274</b>                              | <b>(3,262,191)</b>        | <b>(142,279)</b>                | <b>(2,963,528)</b> |
| Shares issued during the period                           | 2,239,143             | -                                | -                                  | -                            | -   | -                         | -                               | <b>2,239,143</b>   |
| Share issue expenses                                      | (84,801)              | -                                | -                                  | -                            | -   | -                         | -                               | <b>(84,801)</b>    |
| <b>Balance at June 30, 2020</b>                           | <b>170,567,250</b>    | <b>729,287</b>                   | <b>8,696,142</b>                   | <b>30,662</b>                | <b>1,019,173</b>                            | <b>(175,211,654)</b>      | <b>(988,568)</b>                | <b>4,842,292</b>   |

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



**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2021**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

|  | Note     | REVIEWED<br>6 MONTH PERIOD ENDED |                         |
|--|----------|----------------------------------|-------------------------|
|  |          | June 30<br>2021<br>US\$          | June 30<br>2020<br>US\$ |
| <b>Operating activities</b>                              |          |                                  |                         |
| Payments to suppliers and employees                      |          | (1,669,036)                      | (1,929,539)             |
| Interest received  |          | 138                              | 505                     |
| Other receipts   |          | 37,582                           | -                       |
| Exploration and evaluation expenditure                   |          | (46,630)                         | (86,120)                |
| <b>Net cash flows used in operating activities</b>       |          | <b>(1,677,946)</b>               | <b>(2,060,154)</b>      |
| <b>Investing activities</b>                              |          |                                  |                         |
| Payments for property, plant and equipment               |          | (5,095)                          | (6,660)                 |
| Advances to associate entities                           |          | (1,741,762)                      | (1,043,634)             |
| <b>Net cash flows used in investing activities</b>       |          | <b>(1,746,857)</b>               | <b>(1,050,294)</b>      |
| <b>Financing activities</b>                              |          |                                  |                         |
| Proceeds from shares issued                              |          | -                                | 2,239,143               |
| Share issue expenses                                     |          | (41,767)                         | (84,800)                |
| Lease liability payments                                 |          | (54,636)                         | (44,996)                |
| <b>Net cash flows from financing activities</b>          |          | <b>(96,403)</b>                  | <b>2,109,347</b>        |
| Net increase / (decrease) in cash and cash equivalents   |          | (3,521,206)                      | (956,101)               |
| Cash and cash equivalents at the beginning of the period |          | <b>5,764,938</b>                 | <b>3,927,667</b>        |
| Net foreign exchange difference                          |          | (39,770)                         | (27,448)                |
| <b>Cash and cash equivalents at end of the period</b>    | <b>5</b> | <b>2,203,962</b>                 | <b>2,944,118</b>        |

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

**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION**

The consolidated interim financial statements of RTG are presented as at June 30, 2021 for the period January 1, 2021 to June 30, 2021.

RTG was incorporated on December 27, 2012, and is domiciled in the British Virgin Islands. The Company's registered address is Craigmuir Chambers, Road Town, Tortola VG1110, British Virgin Islands. Its shares are publicly traded on the Australian Securities Exchange ("ASX") and the Toronto Stock Exchange ("TSX").

**2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of preparation***

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

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

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

***Significant accounting policies***

The consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the annual audited financial statements. It is recommended that these consolidated interim financial statements be read in conjunction with the annual financial report for the year ended December 31, 2020, and any public announcements made by the Company during the period.

**(i) *Significant accounting judgments***

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

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

**(ii) *Significant accounting estimates and assumptions***

***Impairment of capitalised exploration***

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively sale, of the underlying mineral exploration properties. The consolidated Group undertakes at least on an annual basis, a comprehensive review for indicators of impairment of those assets. Should an indicator of impairment exist, there is significant estimation and judgement in determining the inputs and assumptions use in determining the recoverable amounts.

**RTG MINING INC.**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

*Significant accounting estimates and assumptions - continued*

*Carrying value of the investment in the Philippines Associates*

The Group assesses whether there is objective evidence that the investment in the Philippines Associates is impaired by reference to the underlying mining projects held by the Philippines Associates. These mining projects include the Mabilo Project, held by Mt. Labo, which is in the development phase, therefore requiring an impairment assessment in accordance with IAS 28 Investment in Associates and Joint Ventures. This assessment requires judgement in analysing possible impacts caused by factors such as the price of gold and copper, operating and capital estimates, ownership relationships and the political risk in which the project operates. The fair value in the current period was assessed to be nil due to the stage of development of the project where management are not yet in a position to determine expected future cash flows from the investment as the term sheet is yet to be finalised and the formal decision to mine has not been made yet.

*Fair value of Financial Assets through Profit or Loss*

The loans to Philippines Associates are financial assets and are classified as fair value through profit or loss ("FVTPL") under IFRS 9. While management notes significant change in the circumstances of legal proceedings with the Tribunal handing down a Final Award in favour of Mt. Labo, Mt. Labo securing the Mining Permit and positive political changes in the Philippines, a material uncertainty of recoverability still remains to be recognised as the term sheet is yet to be finalised and the formal decision to mine has not been made yet. Due to these inherent uncertainties and risks outlined above, the Board have decided the credit risk is high enough to continue to impair the entirety of the loans to the Philippines Associates at June 2021.

*Impairment of investment in Joint Venture*

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

*COVID-19*

Based on the information available the impact of COVID-19 on the Group has been considered. After considering the operations of the Group including the staffing, geographical areas, local government regulations there does not appear to be any significant impact on the Company's financials from the pandemic other than the necessary cost reductions that were made during the prior period.

*Going concern*

The Directors have prepared the financial report on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

For the period ended June 30, 2021, the Group recorded a loss of \$4,117,797 and had net cash outflows from operating activities of \$1,677,946. As at June 30, 2021, the Group had a working capital deficiency of \$155,572.

In context of the Company's operating environment, the ability to continue as a going concern is dependent on securing additional funding through debt or equity to continue to fund its operational and exploration activities.

This condition indicates a material uncertainty that may cast a significant doubt about the entity'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 financial statements have been prepared on the basis that the entity 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 believe that there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities;
- The loan is expected be repaid from the up-coming capital raising; and
- The Group has the ability to reduce its expenditure to conserve cash.

**RTG MINING INC.**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

Should the Group not be able to achieve any of the above, 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 entity not continue as a going concern.

**3. CHANGES IN ACCOUNTING POLICIES**

There were no changes in accounting policies during the period.

For personal use only

**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2021**

**4. EXPENSES**

|  | <i>REVIEWED</i>             |                  |
|--|-----------------------------|------------------|
|  | <i>6 MONTH PERIOD ENDED</i> |                  |
|  | <b>June 30</b>              | <b>June 30</b>   |
|  | <b>2021</b>                 | <b>2020</b>      |
|  | <b>US\$</b>                 | <b>US\$</b>      |
| <b>Exploration and evaluation expenditure</b>                                  |                             |                  |
| Exploration and evaluation expenditure   | 46,630                      | 86,120           |
|  | <b>46,630</b>               | <b>86,120</b>    |
| <b>Business development expenses</b>   |                             |                  |
| Conferences  | 2,634                       | 6,852            |
| Employee and director fees   | 252,207                     | 200,677          |
| Project analysis   | 791                         | 10,257           |
| Travel expenses  | 877                         | 109,043          |
| Legal fees   | 57,617                      | 156,862          |
| Consultants fees   | 63,444                      | 138,015          |
| Other expenses   | 54,110                      | 25,770           |
|  | <b>431,680</b>              | <b>647,475</b>   |
| <b>Administrative expenses</b>   |                             |                  |
| Accounting, tax services and audit fees  | 46,780                      | 32,822           |
| Computer support fees  | 4,581                       | 6,846            |
| Consultants fees   | 186,908                     | 194,141          |
| Depreciation expenses  | 40,841                      | 24,295           |
| Employee and directors' fees   | 649,855                     | 472,410          |
| Employee entitlement provisions  | 101,357                     | 21,432           |
| Insurance expenses   | 72,276                      | 51,939           |
| Legal expenses   | 23,255                      | 9,197            |
| Listing and shareholder reporting costs  | 77,624                      | 46,784           |
| Occupancy expenses   | 91,958                      | 61,773           |
| Travel expenses  | -                           | 7,087            |
| Finance costs  | 47,864                      | 9,197            |
| Other expenses   | 57,775                      | 124,044          |
|  | <b>1,401,074</b>            | <b>1,061,967</b> |
| <b>Fair value loss on financial asset at fair value through profit or loss</b> |                             |                  |
| Fair value loss on advances to Philippines Associates                          | (i) 1,741,071               | 856,548          |
|  | <b>1,741,071</b>            | <b>856,548</b>   |
| <b>Project expenditure expense</b>   |                             |                  |
| Project expenditure in joint venture   | 260,315                     | 232,893          |
|  | <b>260,315</b>              | <b>232,893</b>   |

(i) Advances to Philippines Associates have been classified as a financial asset at fair value through profit or loss. Refer to notes 7 for further information.

**RTG MINING INC.**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**5. CASH AND CASH EQUIVALENTS**

|              | <i>REVIEWED</i><br><b>June 30</b><br><b>2021</b><br><b>US\$</b> | <i>AUDITED</i><br><b>December 31</b><br><b>2020</b><br><b>US\$</b> |
|--------------|---|--|
| Cash on hand | 108   | 166  |
| Cash at bank | (i) 2,203,854   | 5,764,772  |
|              | <b>2,203,962</b>  | <b>5,764,938</b>   |

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

**6. EXPLORATION AND EVALUATION ASSETS**

|                         |                  |                  |
|-------------------------|------------------|------------------|
| <b>Opening balance</b>  | 2,454,192        | 2,929,501        |
| Foreign exchange (loss) | (44,992)         | (475,309)        |
|                         | <b>2,409,200</b> | <b>2,454,192</b> |

(i) Exploration and evaluation expenditure after acquisition has been expended to the statement of profit or loss and other comprehensive income.

**7. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS**

**Advances to Philippines Associates**

|                                    |             |             |
|------------------------------------|-------------|-------------|
| Opening balance                    | -           | -           |
| Advances to Philippines Associates | 1,741,071   | 1,917,182   |
| Fair value loss                    | (1,741,071) | (1,917,182) |
|                                    | <b>-</b>    | <b>-</b>    |

The Group determines the fair value of the advances in consideration of the investments in associates. Considering the investments were held at nil valuation as at June 30, 2021, and the status of the relevant opportunities and credit risk, there was no recognised fair value of the advances to Philippines Associates.

**8. LOANS AND BORROWINGS**

|                      |                  |                  |
|----------------------|------------------|------------------|
| Opening balance      | 1,500,000        | 2,650,000        |
| Facility fee settled | -                | (150,000)        |
| Loan repayment       | -                | (1,000,000)      |
| Closing balance      | <b>1,500,000</b> | <b>1,500,000</b> |

The loan is an interest-bearing unsecured facility with repayment extended to September 30, 2021.

**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2021**

**9. ISSUED CAPITAL AND RESERVES**

**(a) Issued and paid up share capital**

|                                   | <b>June 30<br/>2021<br/>Number</b> | June 30<br>2020<br>Number | <b>June 30<br/>2021<br/>US\$</b> | June 30<br>2020<br>US\$ |
|-----------------------------------|------------------------------------|---------------------------|----------------------------------|-------------------------|
| <b>Issued and paid up capital</b> | <b>680,277,010</b>                 | 550,782,016               | <b>174,237,067</b>               | <b>170,567,250</b>      |

Fully paid shares carry one vote per share and the right to dividends. The Company is authorised to issue an unlimited number of shares of no par value of a single class.

**Movements in contributed equity during the period were as follows:**

|   | <b>Number</b>      | <b>US\$</b>        |
|---|--------------------|--------------------|
| Opening balance at January 1, 2021            | 680,277,010        | 174,278,834        |
| Shares issues                                 | -                  | -                  |
| Shares issue costs                            | -                  | (41,767)           |
| <b>Total shares on issue at June 30, 2021</b> | <b>680,277,010</b> | <b>174,237,067</b> |
| Opening balance at January 1, 2020            | 490,653,466        | 168,412,908        |
| Shares issues                                 | 60,128,550         | 2,239,143          |
| Shares issue costs                            | -                  | (84,801)           |
| <b>Total shares on issue at June 30, 2020</b> | <b>550,782,016</b> | <b>170,567,250</b> |

**(b) Reserves**

|                                      | <i>REVIEWED</i><br><b>June 30<br/>2021<br/>US\$</b> | <i>AUDITED</i><br><b>December 31<br/>2020<br/>US\$</b> |
|--------------------------------------|---|--|
| Asset revaluation reserve            | -   | -  |
| Share based payment reserve          | 10,004,993  | 10,004,993   |
| Foreign currency translation reserve | 1,136,702   | 923,022  |
| Other reserves                       | 30,662  | 30,662   |
|                                      | <b>11,172,357</b>                                   | <b>10,958,677</b>                                      |

**Movements in options during the period were as follows:**

|  | <b>Number</b>     |
|--|-------------------|
| Opening balance at January 1, 2021             | 19,521,813        |
| Granted during the period                      | -                 |
| <b>Total options on issue at June 30, 2021</b> | <b>19,521,813</b> |

**10. DIVIDENDS**

No dividends have been paid or provided for during the period. (June 30, 2020: nil).

**RTG MINING INC.**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**11. SEGMENT REPORTING NOTE**

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

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

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

**June 30, 2021**

| Operating segment  | Philippines        | Australia        | Kyrgyz         | Consolidated total        |
|--|--------------------|------------------|----------------|---------------------------|
|  | June 30            | June 30          | June 30        | June 30                   |
|  | 2021               | 2021             | 2021           | 2021                      |
|  | US\$               | US\$             | US\$           | US\$                      |
| <b>Revenue</b>   |                    |                  |                |                           |
| Revenue from external customers                                  | -                  | -                | -              | -                         |
| Interest income  | -                  | 37,659           | -              | 37,659                    |
| Other  | -                  | -                | -              | -                         |
| <b>Total revenue</b>   |                    |                  |                | <b>37,659</b>             |
| <b>Results</b>   |                    |                  |                |                           |
| Segment profit / (loss) before tax                               | (1,701,597)        | (2,061,664)      | (354,536)      | (4,117,797)               |
| Revenue  | -                  | 37,659           | -              | 37,659                    |
| Administrative expenses  | -                  | (1,270,955)      | (130,119)      | (1,401,074)               |
| Foreign exchange   | 39,473             | (136,373)        | (177,786)      | (274,686)                 |
| Project expenditure expense                                      | -                  | (260,315)        | -              | (260,315)                 |
| Fair value loss on financial assets through profit or loss       | (1,741,071)        | -                | -              | (1,741,071)               |
| Other expenses   | -                  | (431,680)        | (46,630)       | (478,310)                 |
| <b>Segment loss before income tax from continuing operations</b> |                    |                  |                | <b>(4,117,797)</b>        |
| <b>Operating segment</b>   | <b>Philippines</b> | <b>Australia</b> | <b>Kyrgyz</b>  | <b>Consolidated total</b> |
|  | <b>June 30</b>     | <b>June 30</b>   | <b>June 30</b> | <b>June 30</b>            |
|  | <b>2021</b>        | <b>2021</b>      | <b>2021</b>    | <b>2021</b>               |
|  | <b>US\$</b>        | <b>US\$</b>      | <b>US\$</b>    | <b>US\$</b>               |
| <b>Segment assets</b>  |                    |                  |                |                           |
| Corporate assets   | -                  | 2,400,266        | 2,594,760      | 4,995,026                 |
| <b>Total assets</b>  |                    |                  |                | <b>4,995,026</b>          |
| <b>Segment liabilities</b>                                       |                    |                  |                |                           |
| Corporate liabilities  | -                  | (2,289,512)      | (187,560)      | <b>(2,477,072)</b>        |



**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2021**

**December 31, 2020**

| Operating segment    | Philippines | Australia | Kyrgyz | Other | Consolidated total |
|----------------------|-------------|-----------|--------|-------|--------------------|
|                      | 2020        | 2020      | 2020   | 2020  | 2020               |
| Revenue              | US\$        | US\$      | US\$   | US\$  | US\$               |
| Other                | -           | 684,784   | -      | -     | 684,784            |
| <b>Total revenue</b> |             |           |        |       | <b>684,784</b>     |

**Results**

|  |             |             |             |          |                    |
|--|-------------|-------------|-------------|----------|--------------------|
| Segment profit / (loss) before tax                               | (1,500,173) | (3,151,647) | (1,555,469) | (75,257) | (6,282,546)        |
| Revenue  | -           | 684,784     | -           | -        | 684,784            |
| Share based payments   | -           | (1,137,422) | -           | -        | (1,137,422)        |
| Administrative expenses  | -           | (1,906,314) | (282,168)   | (81,097) | (2,269,579)        |
| Foreign exchange   | -           | 870,904     | (762,641)   | 5,840    | 114,103            |
| Impairment expense   | -           | (482,095)   | -           | -        | (482,095)          |
| Fair value loss on financial assets through profit or loss       | (1,917,182) | -           | -           | -        | (1,917,182)        |
| Other expenses   | -           | (1,181,505) | (93,650)    | -        | (1,275,155)        |
| <b>Segment loss before income tax from continuing operations</b> |             |             |             |          | <b>(6,282,546)</b> |

**December 31, 2020**

| Operating segment          | Philippines | Australia   | Kyrgyz    | Other | Consolidated total |
|----------------------------|-------------|-------------|-----------|-------|--------------------|
|                            | 2020        | 2020        | 2020      | 2020  | 2020               |
| Segment assets             | US\$        | US\$        | US\$      | US\$  | US\$               |
| Total assets               | -           | 6,212,320   | 2,563,635 | -     | 8,775,954          |
| <b>Segment liabilities</b> |             |             |           |       |                    |
| Total liabilities          | -           | (2,144,793) | (162,323) | -     | (2,312,116)        |

**12. COMMITMENTS AND CONTINGENCIES**

As at June 30, 2021, the Group recognised the same contingencies as at December 31, 2021.

**13. RELATED PARTY DISCLOSURE**

There have been no changes since the last reporting date. Details of the Group's Key Management Personnel Compensation arrangements are provided in the Remuneration Report and the Notes to the Financial Statements contained in the Group's Annual Report for the year ended December 31, 2020.

**14. EVENTS AFTER REPORTING PERIOD**

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

**RTG MINING INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2021**

**DIRECTORS' DECLARATION**

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

- (a) the financial statements and notes of the Consolidated Entity:
  - (i) give a true and fair view of the Consolidated Entity's financial position as at June 30, 2021 and of its performance for the six month period ended June 30, 2021; and
  - (ii) comply with International Accounting Standards and other mandatory professional reporting standards; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



Justine Alexandria Magee  
**President and Chief Executive Officer**  
Perth  
September 7, 2021

For personal use only

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

As lead auditor for the review of RTG Mining Inc. for the half-year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

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



**Dean Just**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 07 September 2021

For personal use only

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RTG Mining Inc

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of RTG Mining Inc (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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 ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of the Group does not present fairly, in all material respects, the financial position of the Group as at 30 June 2021, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Material uncertainty relating to going concern

We draw attention to Note 2 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.

For personal use only

### **Responsibility of the directors for the financial report**

The directors of the Group are responsible for the preparation and fair presentation of the half-year financial report in accordance with AASB 134 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the 30 June 2021 financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year period financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects, the financial position of the Group as at 30 June 2021 and of its financial performance and its cash flows for the half-year ended on that date, accordance with the Accounting Standard AASB 134 *Interim Financial Reporting*.

A review of a 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.

**BDO Audit (WA) Pty Ltd**



**Dean Just**

Director

Perth, 07 September 2021

For personal use only