

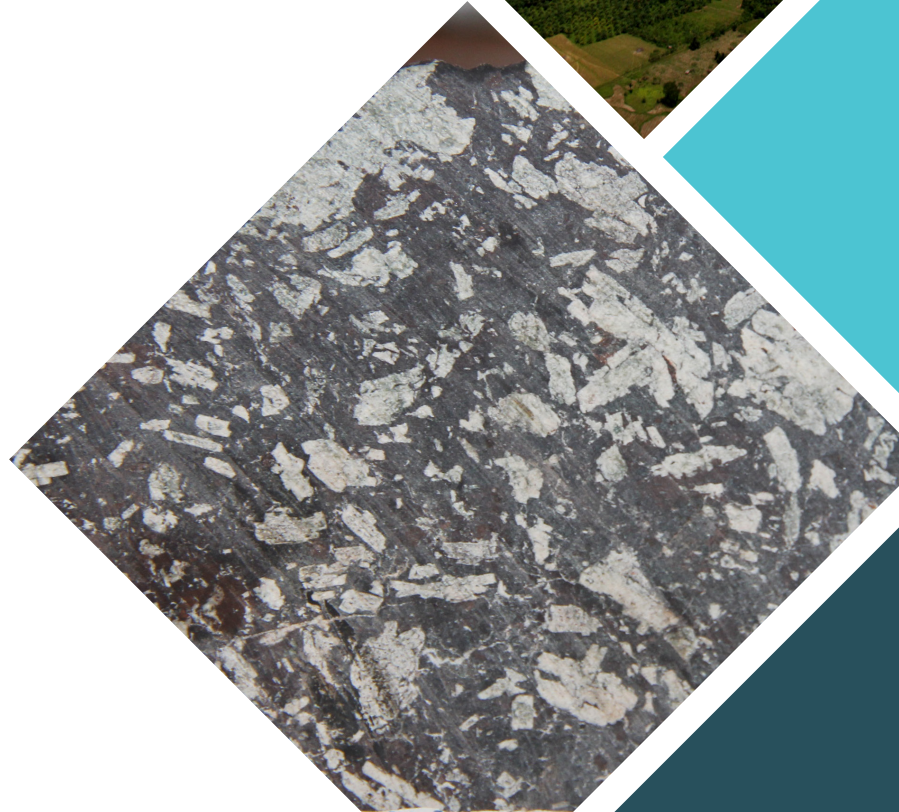


2017 HALF-YEAR REPORT

TSX:RTG // ASX:RTG // RTGMINING.COM

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& Board of Directors



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DIRECTORS

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Michael J Carrick

Justine A Magee

David A Cruse

Robert N Scott

Phil C Lockyer

SECRETARY

Nicholas Day

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Australian Securities Exchange
Exchange Code:
RTG - CHESS Depository Interests (CDIs)

TORONTO STOCK EXCHANGE

Exchange Code:
RTG - Fully paid shares

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MANAGEMENT DISCUSSION & ANALYSIS





MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JUNE 30, 2017

**RTG MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JUNE 30, 2017**

This Management Discussion and Analysis (“MD&A”) of RTG Mining Inc. (“RTG”, “Company” or the “Group”) provides a review of the operations and performance of the Company and compares its performance with those of the preceding year and quarters. This MD&A also provides an indication of future developments along with issues and risks that can be expected to impact future operations. This report has been prepared on the basis of available information up to June 30, 2017 and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2016, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards and the Annual Information Form (“AIF”) dated March 30, 2017 for the year ended December 31, 2016.

All figures are in US dollars unless otherwise indicated, and the effective date of this MD&A is August 11, 2017.

Additional information relating to the Company, including the Company’s financial statements and AIF can be found on SEDAR at www.sedar.com.

DESCRIPTION AND OVERVIEW OF BUSINESS

RTG was incorporated on December 27, 2012 in the British Virgin Islands. The Company’s registered office is AMS Trustees Ltd of Sea Meadow House, Blackburne Highway, (PO Box 116) Road Town, Tortola VG1110, British Virgin Islands. On June 4, 2014, RTG completed the implementation of the schemes of arrangement (the “Schemes”) pursuant to the terms of the previously announced scheme implementation deed dated February 24, 2014 (the “Deed”) between RTG and Sierra Mining Limited (“Sierra”) to acquire all of the outstanding securities of Sierra.

Pursuant to the Schemes, RTG has acquired a 40% interest in each of Mt. Labo Exploration and Development Corporation (“Mt. Labo”), St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation (“Bunawan Mining Corp”) and Oz Metals Exploration and Development Corporation, collectively known as the “Associates”.

Overview of the three and six months ended June 30, 2017

Highlights included:

- RTG Mining Inc. confirmed recent press statements that it has been nominated as the development partner with the joint venture company of the Special Mining Lease Osikaiyang Landowners Association (“SMLOLA”) and Central Exploration Pty Ltd (“Central”) in their proposal with respect to the redevelopment of the 1.5B tonne Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, Papua New Guinea (“PNG”).
- Mt. Labo commenced arbitration proceedings against Galeo Equipment Corporation (“Galeo”) in the Singapore International Arbitration Centre in accordance with the provisions of the Joint Venture Agreement (“JVA”) and the compromise agreement which has been rescinded. In those arbitration proceedings, Mt. Labo seeks a number of reliefs, including a declaration that the JVA was validly terminated 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.
- Mt. Labo has appointed a new President, Mr. Eduardo U. Escueta. Mr. Escueta is a well-respected and experienced businessman and lawyer in the Philippines. He was previously a partner of Angara Abello Concepcion Regala and Cruz (ACCRA Law), one of the top law firms in the Philippines and was the Vice-Chairman and Executive Officer of the National Police Commission for eight (8) years (2008-2016).
- RTG announced the results of the diamond drilling program at the Bunawan Project in the Philippines, including a high grade mineralization intercept of 9.0m @ 2.02 g/t Au.

**RTG MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JUNE 30, 2017**

- The Company continues to investigate a number of new business development opportunities diversifying its Philippine interests including the abovementioned opportunity in Bougainville, should the landowners be successful in their current efforts.

RTG has been nominated as the development partner with the joint venture company of the SMLOLA and Central in their proposal with respect to the redevelopment of the 1.5B tonne¹ Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, PNG. RTG has subscribed US\$0.75M into Central for a minority position in Central.² 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.

The SMLOLA and Central proposal is ultimately conditional upon the support of the Autonomous Bougainville Government (“ABG”) and others. RTG appreciates the trust and support the SMLOLA has shown the Company, recognising the community engagement track record and the development experience of the RTG management team, having successfully developed seven new mines in five different countries. RTG makes no representation that the SMLOLA led consortium proposal will be successful. Both the show cause notice issued by the ABG to Bougainville Copper Limited (“BCL”) in connection with the previous exploration permit, which expired in September 2016 and the application for extension of the term of the licence are still under review by the ABG. The ABG has expressed its support for BCL and also have an interest in BCL by way of a significant shareholding.

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 area. In implementing the Bougainville Peace Agreement, a change in the mining law in 2014 resulted in the PNG ownership of mineral rights being expunged and the customary landowners becoming owners of the minerals within their land. Accordingly, the SMLOLA own the minerals of the old Panguna Mine and are in control of access to their land, namely the Panguna pit. The SMLOLA has stated that it will not grant access to their lands to BCL, a position they have held and expressed for an extended period of time. The Autonomous Region of Bougainville has gone through transformative changes over the last couple of years and has recognised the reopening of the Panguna Mine is an important economic initiative for all Bougainvilleans, which is supported strongly by the SMLOLA.

At the Mabilo Project the Company’s activities on site were materially reduced with the current focus on continuing to progress the permitting and local issues given the uncertainty that was created for mining during the term of the previous Secretary of the Department of the Environment and Natural Resources (“DENR”) and the dispute with the joint venture partner of Mt. Labo. We believe the appointment of the new Secretary of the DENR will be constructive for the industry.

Mt. Labo appointed a new President, Mr. Eduardo U. Escueta. Mr. Escueta is a well-respected and experienced businessman and lawyer in the Philippines. He was previously a partner of Angara Abello Concepcion Regala and Cruz (ACCRA Law), one of the top law firms in the Philippines and was the Vice-Chairman and Executive Officer of the National Police Commission for eight (8) years (2008-2016). With his credentials, Mr. Escueta is well-equipped to manage the varied interests of Mt. Labo in the Mabilo Project.

Mt. Labo provided Galeo with an extended period of time to cure its numerous breaches of both the compromise agreement reached in June last year and the JVA, following which Mt. Labo has had no option but to terminate the JVA in accordance with its terms because Galeo failed to cure its breaches.

¹ Refer to BCL’s JORC 2012 Statement released to ASX on 7 February 2013, available at <http://www.asx.com.au/asxpdf/20130207/pdf/42cx2byq5n5lkg.pdf>. This historical estimate only refers to Indicated Resources. If the SMLOLA proposal is successful, a compliant NI 43-101 report needs to be completed by the Company to upgrade and or verify the historical estimate as a current Mineral Resource.

² Refer to 2016 Annual Report of RTG Mining Inc.

Mt. Labo has now also commenced arbitration proceedings against Galeo in the Singapore International Arbitration Centre in accordance with the provisions of the JVA and the compromise agreement. In those arbitration proceedings, Mt. Labo seeks a number of reliefs, including a declaration that the JVA was validly terminated 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.

As we have stated previously, Mt. Labo had hoped to avoid commencing proceedings, but the actions of Galeo to date have left the company with no other option to protect its interests.

The Company announced the results of the diamond drilling program at the Bunawan Project in the Philippines, which intercepted high grade mineralization, including 9.0m @ 2.02 g/t Au in hole BDH15.

The results of the Bunawan program further confirm the presence of breccia/epithermal vein systems within and below the diatreme that is similar geologically to the nearby Co-O vein system. The discovery of a favourable mineralized dacite host in BDH15 also adds to the increased mineral potential of the property. Hydrothermal alteration assemblage in the dacite suggests that it may be a component of a high-sulphidation system in the general area. With the various geological conditions identified, the region has the potential to see another major gold discovery.

MABILO PROJECT (“Mabilo” or the “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 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 mineralization containing significant copper and gold grades occurs as replacement bodies together with mineralized 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 mineralization Quaternary volcanoclastics (tuff and lahar deposits) of the Mt. Labo Volcanic Complex. The deposits are localized along the margins of a diorite stock which does not outcrop within EP-014-2013-V.

The primary copper mineralization (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 mineralization (predominantly pyrite) veins locally brecciates the magnetite mineralization.

In places the more shallow upper parts of the magnetite skarn bodies were weathered to form hematite skarn. Copper in the weathered zone was remobilized forming high-grade supergene copper zones (chalcocite and native copper) at the base of the weathering profile. The gold is more variable, remobilized throughout the hematite skarn and is domained within garnet skarn and calc-silicate altered country rocks in places. The average iron grade of the hematite skarn is consistent with the magnetite skarn.

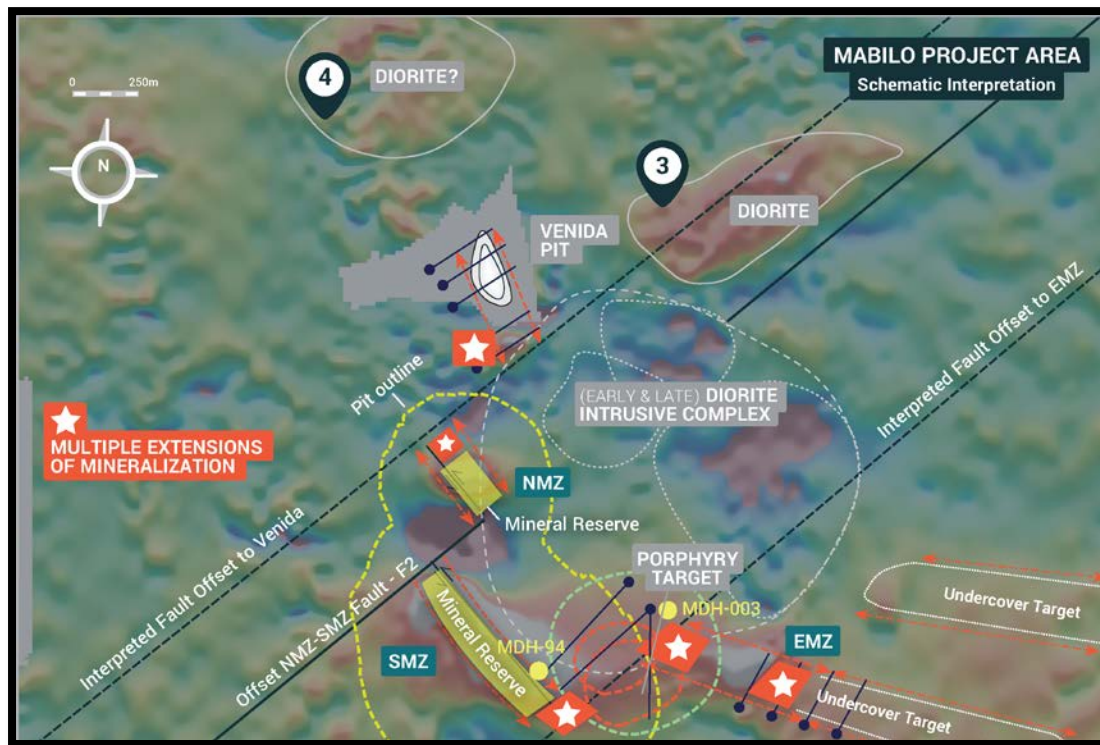


Figure 1- RTP ground magnetic image with modelled South, North and East magnetic bodies, showing exploration upside targets.

Mt. Labo discovered the mineralization 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 November 24, 2014). An updated Resource estimate (ASX released on November 5, 2015) was completed using 98 drill holes totalling 18,200.9m. By the end of December 2015, 111 drill holes had been completed at the project. **The current Resource is open down plunge and along strike.**

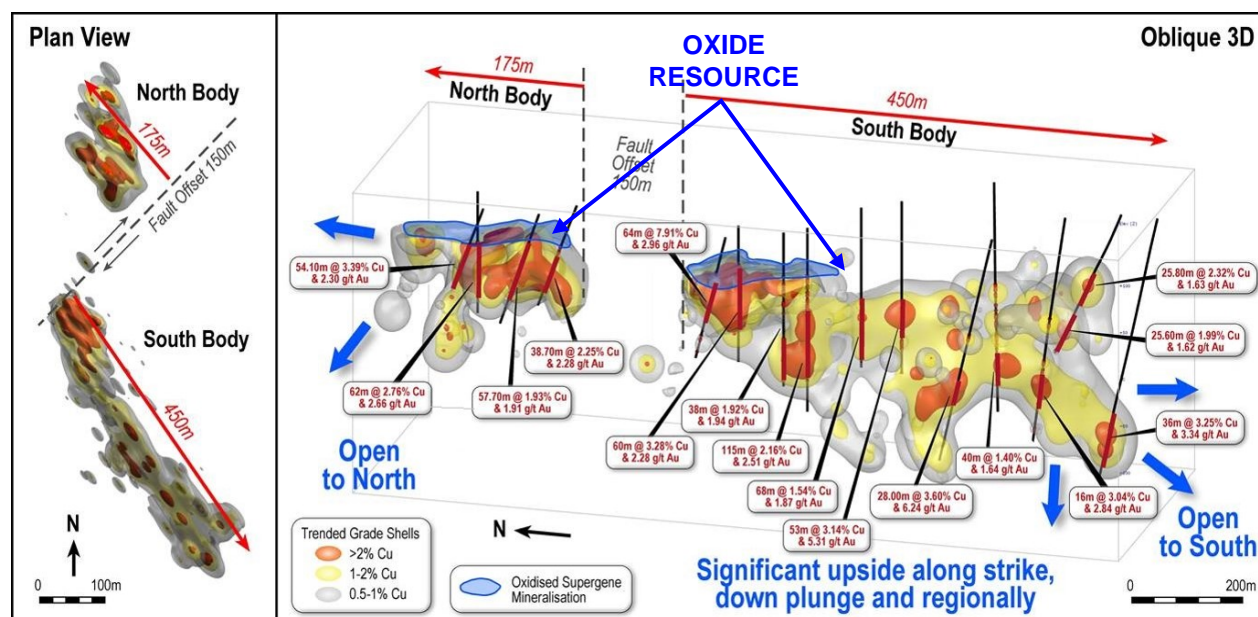


Figure 2 - North and Southern Mineralised Zones with intercept highlights - Schematic Oblique view 3D.

Mabilo Mineral Resource

The current November 2015 Mineral Resource was prepared by independent resource consultancy CSA Global Pty Ltd (“CSA”) and was reported in accordance with the JORC Code (2012) and National Instrument 43-101 – Standards of Disclosure for Mineral Projects. There has been no additional drilling on the deposit since the release of the last Resource.

Table 1 - Mineral Resource Estimate as at November 2015 for the Mabilo Project

Weathering State	Classification	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Cu Metal (Kt)	Au Oz ('000s)	Fe Metal (Kt)
Oxide + Supergene	Indicated	0.78	4.1	2.7	9.7	41.2	32.1	67.1	320.8
	Inferred	0.05	7.8	2.3	9.6	26	3.7	3.5	12.3
Fresh	Indicated	8.08	1.7	2	9.8	46	137.7	510.5	3,713.70
	Inferred	3.86	1.4	1.5	9.1	29.1	53.3	181.5	1,121.80
Combined	Indicated (Total)	8.86	1.9	2	9.8	45.6	169.8	577.6	4,034.50
Combined	Inferred (Total)	3.91	1.5	1.5	9.1	29	57	184.9	1,134.10

Note: Differences may occur due to rounding. All elements reported as total estimated in-situ for blocks above 0.3 g/t Au lower cut-off, no recovery factors have been considered. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Feasibility Study (“FS”)³

The Company announced on March 18, 2016 the results from an independent NI 43-101 compliant FS for 100% of the high grade Mabilo Project in Southeast Luzon, Philippines⁴. 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) and an equivalent operating cost of US\$0.80/lb copper equivalent or US\$425/oz gold equivalent for concentrate production at a throughput rate of 1.35mtpa⁵.

Mabilo Mineral Reserves

The March 2016 Probable Reserve estimate represents an **equivalent gold grade for the Reserves of 5.26 g/t⁶** (before recoveries) **containing 1.32 Moz of equivalent gold** or an **equivalent copper grade of 4.1%⁶** (before recoveries) **containing 316Kt of equivalent copper**.

Table 2 Probable Mineral Reserve Estimate

Ore							Waste	Strip Ratio
Class	Type	Mt	Fe %	Au g/t	Cu %	Ag g/t	Mt	
Probable	Gold Cap	0.351	40.1	3.11	0.38	3.26	77.713	10.0
	Supergene	0.104	36.5	2.20	20.7	11.9		
	Oxide Skarn	0.182	43.6	2.52	4.17	19.9		
	Fresh	7.155	45.9	1.97	1.70	8.73		
Total Probable Ore		7.792	45.5	2.04	1.95	8.79		

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.

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.

³ The Company confirms that all the material assumptions underpinning the Feasibility Study as announced to the ASX on the 18th of March 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.

⁴ 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.

⁵ The Copper equivalent tonnes and gold equivalent ounces are based on the following formulas –

$$\text{CuEq} = (\text{Cu produced/contained} * \$5000) + (\text{Au produced/contained} * \$1200 + (\text{Any Contained Fe metal produced} * \$50)) / \$5000$$

$$\text{AuEq} = (\text{Cu produced/contained} * \$5000) + (\text{Au produced/contained} * \$1200 + (\text{Any Contained Fe metal produced} * \$50)) / \$1200$$

⁶ The gold equivalent grade is based on the following formula –

$$\text{AuEq} = (((\text{AuOz} * \$1,200) + (\text{CuMetal} * \$5,000) + (\text{FeMetal} * \$50) + (\text{AgOz} * \$14)) / \$1,200) / \text{Total ore tonnes}$$
 The copper equivalent grade is based on the following formula –

$$\text{CuEq} = (((\text{AuOz} * \$1,200) + (\text{CuMetal} * \$5,000) + (\text{FeMetal} * \$50) + (\text{AgOz} * \$14)) / \$5,000) / \text{Total ore tonnes}$$

BUNAWAN PROJECT

The Bunawan Property is located in the east of Mindanao Island in Agusan del Sur province, approximately 190 km north-northeast of Davao and adjacent to the Davao – Surigao highway.

The Bunawan Project (Figure 3) is centered on a diatreme intrusive complex (Mahunoc diatreme) approximately five km NE of Medusa Mining’s Co-O mine in eastern Mindanao. Historical production at the Co-O Mine has demonstrated a significant high grade gold system and there is active artisanal mining throughout the region which further reinforces the gold potential of the area. A number of the artisanal mining operations occur within and adjacent to the Mahunoc diatreme and the area is highly prospective for the discovery of economic epithermal Au-Ag mineralisation of intermediate sulphidation / carbonate-base metal type.

The ground magnetics and mapping suggest that the southern margin of the diatreme is a relatively flat-lying apron shallowly overlying andesite wall rock and that Au mineralisation in the diatreme within the “mineralised corridor” is derived from veins in the structural zone in the underlying andesite.

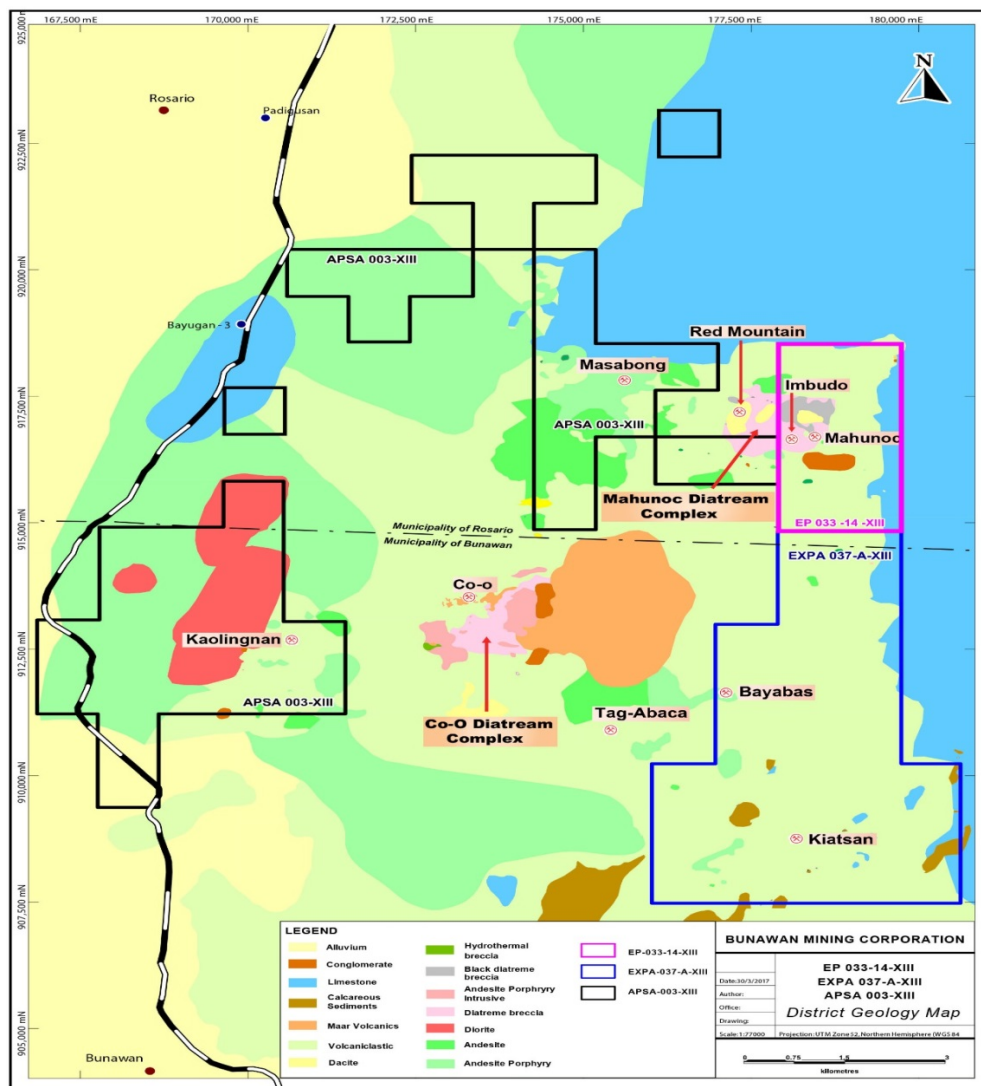


Figure 3 Bunawan Location Plan with Regional Geology

**RTG MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JUNE 30, 2017**

During the June quarter (April 18) the Company announced, the following results at the Bunawan Project in the Philippines.

Table 3 Significant Down-hole Intersections (Note that the true width of the mineralization is not known at this stage)

Drillhole	From	To	Intercept (m)	Au g/t	Mineralisation	Core Recovery (%)
BDH10	62.00	64.00	2.00	2.94	Diatreme Breccia	100.00
<i>and</i>	163.40	167.00	3.60	4.58	Diatreme Breccia	100.00
BDH12	108.00	111.00	3.00	1.05	Diatreme Breccia / Andesite	100.00
BDH14	262.00	264.15	2.15	2.16	Andesite	100.00
BDH15	39.00	48.00	9.00	2.02	Dacite	90.00
<i>including</i>	44.00	48.00	4.00	2.85	Dacite	92.00
<i>and including</i>	45.00	48.00	3.00	3.43	Dacite	92.00
<i>and including</i>	45.00	46.00	1.00	6.78	Dacite	75.00

The results of this program further confirm the presence of breccia/epithermal vein systems within and below the diatreme that is similar geologically to the nearby Co-O vein system. The discovery of a favorable mineralized dacite host in BDH15 also adds to the increased mineral potential of the property. Hydrothermal alteration assemblage in the dacite suggests that it may be a component of a high-sulphidation system in the general area. With the various geological conditions identified, the region has the potential to see another major gold discovery.

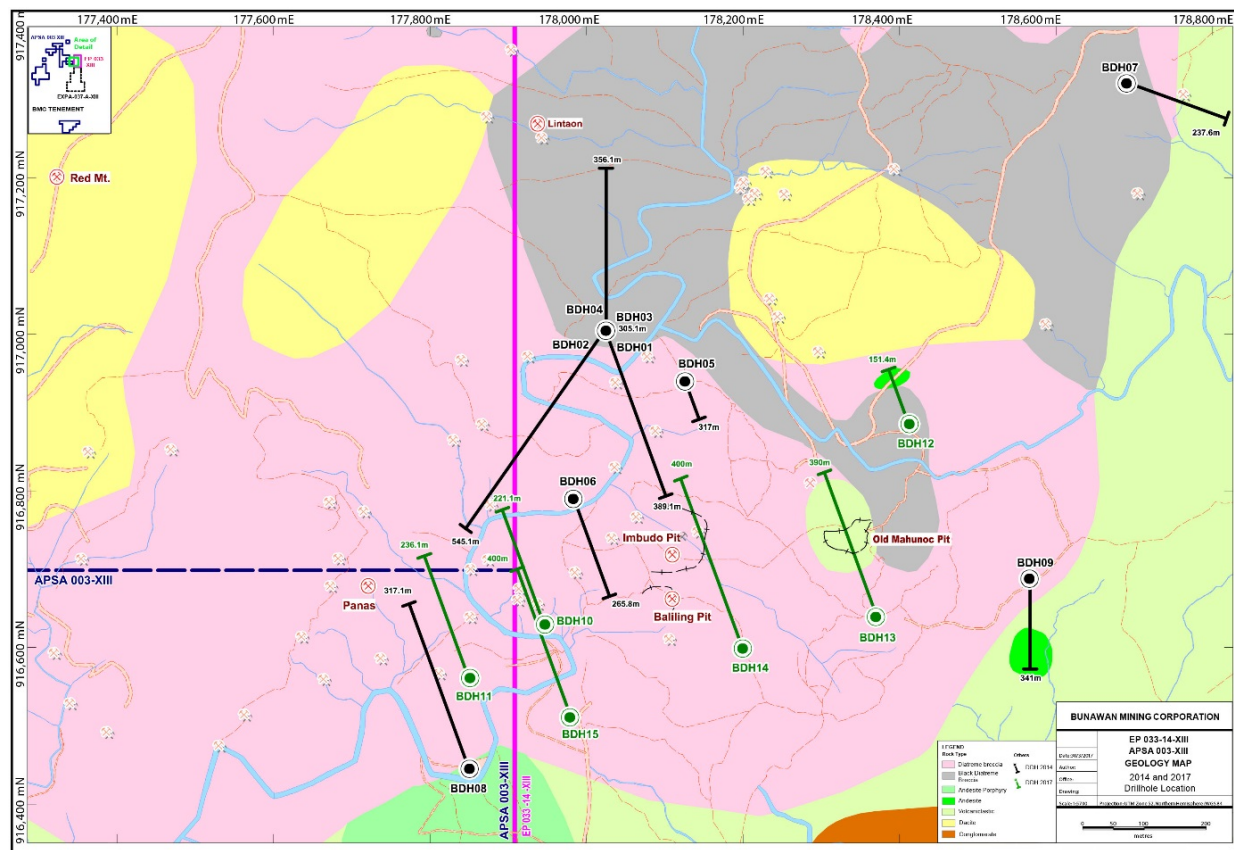


Figure 4 Geological Map showing locations of completed drill holes and artisanal gold workings. Holes of latest program marked in green

Drilling Program

This second phase of reconnaissance drilling (six holes for 1,798.6 meters) was targeted at Induced Polarization responses coincident with magnetic low signatures and anomalous surface gold geochemistry. Targets also included extensions of previously identified mineralization/geology. Holes BDH-10, BDH-11 and BDH-12 were targeted at geophysical responses, whilst holes BDH-13, BDH-14 and BDH-15 tested extensions of mineralization/geology. Geological mapping and comparison with diatreme-related mineralisation which is common in the Philippines also provided guidance in drillhole targeting.

Drilling continued to investigate the extent of mineralization along a corridor marked by artisanal workings on the southern margin of the Mahunoc diatreme complex. Significantly BDH-10 and BDH-12 has added mineralized continuity about the center of the corridor where previous drilling BDH-06 intercepted 36m @ 1.49g/t including 7m @ 4.18g/t Au (ASX release Feb 2015).

At shallow depths BDH15 intersected a new, previously not seen, style of mineralisation characterized by vuggy silica in intensely silicified dacite. **This represents a new style of gold deposition in the Mahunoc prospect and is similar to the nearby artisanal Red Mountain bonanza-style gold-quartz vein system.**

The drilling has emphasized the significant potential of the area and further confirmed that the mineralised corridor on the southern margin of the diatreme (marked by extensive shallow artisanal workings in the diatreme and a coincident, district scale structural zone), is a highly prospective target area.

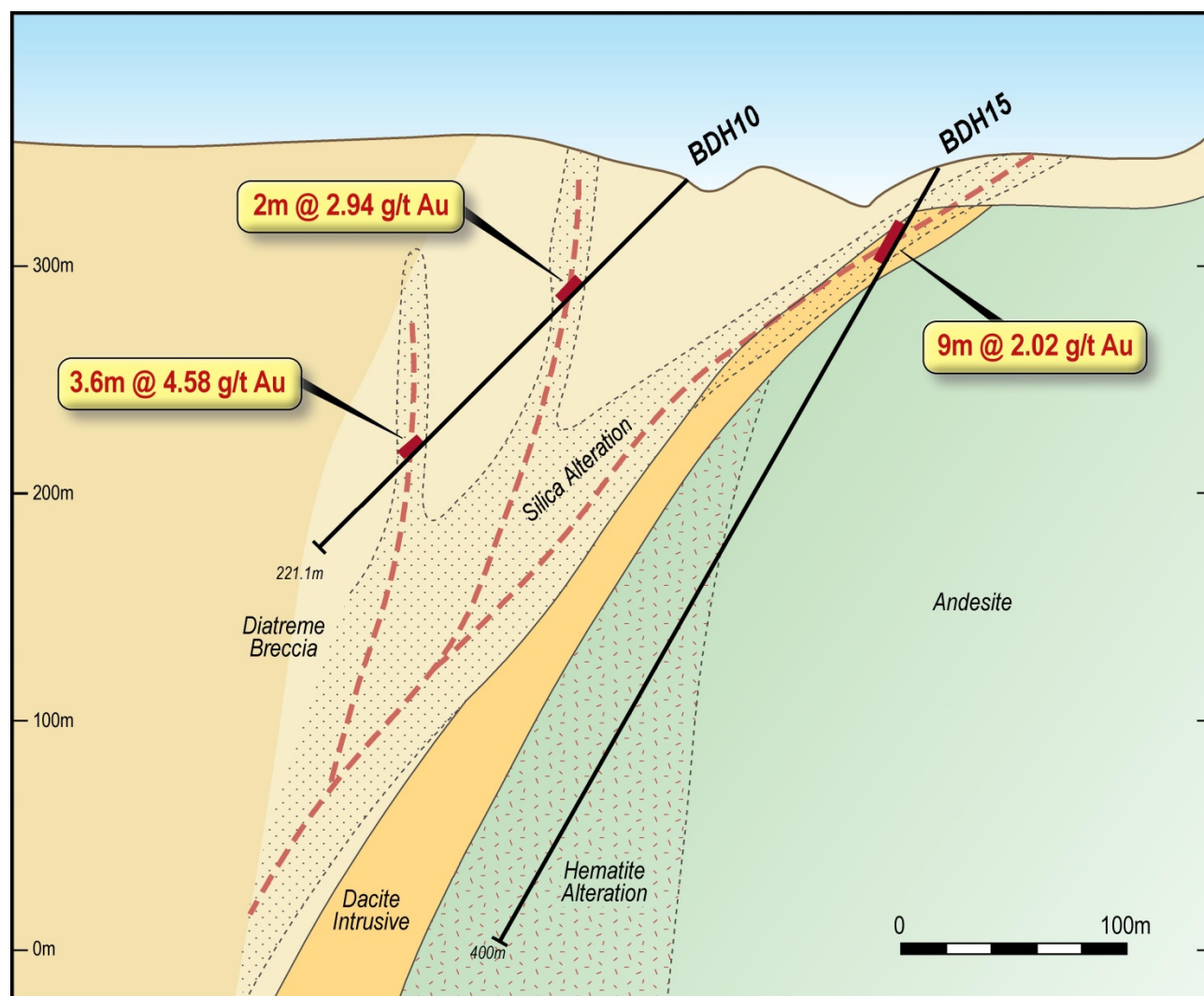


Figure 5 BDH15 & BDH10 interpretive geological cross-section showing mineralization on the edge of the diatreme and the newly found mineralized Dacite.

NALESBITAN PROJECT

The Nalesbitan Project comprises Mining Lease Contract MRD-459 of 500 Ha which was renewed as an MPSA in June 2016. The Nalesbitan Project covers a large zone of alteration in which widespread zones of epithermal gold, silver and copper mineralisation have been outlined.

The mineralisation identified to date includes both low sulphidation and high sulphidation epithermal gold veins, potentially proximal to porphyry copper at depth. Induced Polarisation chargeability anomalies, interpreted to be due to sulphides associated with porphyry copper mineralisation, have been outlined in the southern part of the alteration zone. The Nalesbitan Project system has similarities to the giant Lepanto / Far South-East copper and gold porphyry system in northern Luzon.

The continuing focus at the Nalesbitan Project is the advancement of community relations activities.

JOINT VENTURE

Mt. Labo rescinded the previous settlement agreement with its joint venture partner, Galeo due to non-performance and had served notice of termination and arbitration during the prior year. During the March quarter following a 60 day notice period pursuant to the Joint Venture Agreement, the joint venture was automatically terminated on January 31, 2017, due to Galeo not remedying the notified breaches of the Joint Venture Agreement.

Mt. Labo has now also commenced arbitration proceedings against Galeo in the Singapore International Arbitration Centre in accordance with the provisions of the JVA and the compromise agreement. In those arbitration proceedings, Mt. Labo seeks a number of reliefs, including a declaration that the JVA was validly terminated 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.

OTHER PHILIPPINES PROJECTS

Bahayan Project

The Bahayan Project in the Philippines comprises exploration permit application 123 ("EXPA-123-XI") covering 69.2km² of ground near the Diwalwal mining camp. High-grade gold veins were discovered at Diwalwal in the early 1980's, although there has been little modern exploration at Diwalwal and surrounding areas. Based on the MGB XI MTSR as of December 2016, EXPA-123-XI has been endorsed to the MGB Central Office and is awaiting the clearance of the MGB Director.

Production from the low sulphidation epithermal quartz veins at Diwalwal is estimated to have exceeded 8 million ounces of gold. Geologically the steep dipping veins strike west-northwest and occur in highly fractured zones which are deeply oxidized, silicified and chloritised.

Work at the Bahayan Project in 2015 included the completion of 60.2 line kms of ground magnetic survey, further geological mapping, rock chip sampling and petrographic work. The Bahayan Project continues to show potential and the ground magnetic work has highlighted a number of areas that warrant further interpretation and follow up resistivity work. No work was conducted on this project during the quarter.

Mawab Project

The Mawab Project in the Philippines comprises two contiguous applications which have a combined area of 65.66 km². They are located in the Masara Mineral Field, one of most highly mineralised section of the Pacific Cordillera where there are a number of past mines and deposits currently at an advanced stage of development. No work was conducted on this project during the quarter.

Taguibo Project

The Taguibo Project in the Philippines comprises one granted exploration permit and two applications for exploration permits covering a combined area of 128.7 km². Exploration permit no. 000001-06-XI was granted on the October 18, 2006. The two applications have been cleared and have priority of application. No work was conducted on this project during the quarter.

OTHER INVESTMENTS

RTG announced on August 29, 2013 that it had sold its interest in the Mkushi Copper Project for \$13.1M to Elephant Copper Ltd (“Elephant Copper”), to date the Company has fully provided for the consideration to be received under the agreement.

On August 22, 2016 the Company announced the completion of the sale of its Segilola Gold Project in Nigeria to Thor, a TSX-V listed company, for total consideration of \$8.5M, including \$3.0M consideration upfront, including \$1.5M in cash and \$1.5M in Thor listed shares. The listed shares are still held and as at the June 30, 2017 had a fair market value on RTG's balance sheet of \$2.862M. An additional \$2M cash payment and a capped royalty on the Segilola Gold Project of \$3.5M was included as part of the consideration for the sale; however, has not yet been received.

RESULTS OF OPERATIONS

The Company recorded a net loss for the three and six month periods ended June 30, 2017 of \$4.342M and \$5.964M respectively, as compared to net losses of \$1.685M and \$2.841M for the three and six month periods ended June 30, 2016. The increased loss result compared to the prior period was primarily due to impairment expenses recognised over the Company's loans advanced to its Associates (\$2.207M) and available-for-sale financial assets (\$0.800M).

Adjusting for impairment, the loss for the three month period ended June 30, 2017 was \$0.439M less than the previous period. There was a decrease in costs related to exploration and evaluation expenditure as well as administration expenses, offset by share of Associates loss relating to the resolution of joint venture issues as well as a foreign exchange loss.

For the six month period ended June 30, 2017, adjusting for impairment, the loss was comparable to the previous period. There was an increase in costs related to new business development opportunities and share of Associates loss relating to the resolution of joint venture issues, offset by lower exploration and evaluation expenditure, administration expenses as well as a foreign exchange gain.

Consolidated results

(US\$000's, except per share information)

Profit and loss results for the quarter	Three month period ended				
	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016
Other income	9	25	18	210	2
Business development expenses	(312)	(498)	(388)	(299)	(317)
Administrative expenses	(590)	(759)	(491)	(871)	(963)
Impairment expense	(3,096)	-	(80,747)	-	-
Exploration and evaluation expenditure	-	-	(126)	(84)	(204)
Share of Associates loss	(344)	(574)	446	(298)	(205)
Foreign exchange gain / (loss)	(9)	182	(207)	156	2
Loss from continuing operations	(4,342)	(1,623)	(81,495)	(1,186)	(1,685)
Gain from discontinued operations	-	-	-	700	-
Net loss for the period	(4,342)	(1,623)	(81,495)	(486)	(1,685)
Loss per share from continuing operations					
Basic loss per share (US\$ cents)	(2.59)	(0.97)	(0.74)	(1.25)	(0.86)
Diluted loss per share (US\$ cents)	(2.59)	(0.97)	(0.74)	(1.25)	(0.86)
Loss per share attributable to ordinary shareholders					
Basic loss per share (US\$ cents)	(2.02)	(0.65)	(0.31)	(1.25)	(0.86)
Diluted loss per share (US\$ cents)	(2.02)	(0.65)	(0.31)	(1.25)	(0.86)

Specific items discussed below:

Other income

The Company earned interest income for the three month period ended June 30, 2017 of \$0.009M from cash held in short-term deposits, compared to the three month period ended June 30, 2016 of \$0.002M.

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Foreign exchange gain / (loss)

The Company holds its cash in different currencies including Australian dollars, Canadian dollars and United States dollars which exposes the Company to foreign exchange gains and losses. For the three month period ended June 30, 2017 the Company incurred foreign exchange losses of \$0.009M, compared to a foreign exchange gain incurred in the three month period ended June 30, 2016 of \$0.002M.

Business development expenses

The Company incurred business development expenses for the three month period ended June 30, 2017 of \$0.312M, compared to the three month period ended June 30, 2016 of \$0.317M. Costs incurred in the current quarter were comparable to the prior year.

Administrative expenses

The Company incurred administrative expenses for the three month period ended June 30, 2017 of \$0.590M, compared to the three month period ended June 30, 2016 of \$0.963M.

Prior period costs were higher due to legal costs associated with the sale of Segilola and the binding Heads of Agreement for the Mabilo Joint Venture (\$0.250M) as well as costs associated with the private placement subsequently completed on July 22, 2016.

Share of Associates loss

The Company incurred a share of losses of its Associates including a loss of \$0.344M for the three month period ended June 30, 2017, compared with the three month period ended June 30, 2016 of \$0.205M. The share of Associates losses are generated from the investment in Philippine entities acquired in the merger with Sierra. Costs incurred during the quarter are a function of the resolution of joint venture issues, and work at the Company's other Philippines projects including Bunawan.

Commitments, events, risks or uncertainties

As detailed above, the joint venture between Mt. Labo and Galeo was terminated on January 31, 2017 and is subject to actions in both the Philippine Courts and Singapore Arbitration. The previous Secretary of the Department of Environment and Natural Resources announced a moratorium on new mining developments in the country, resulting in increased uncertainty with regard to the Mabilo Project. The Company intends to continue to work with Mt. Labo to help progress the Mabilo Project.

The Company's risks are further detailed in the AIF for the year ended December 31, 2016 dated March 30, 2017 in the "Risk Factors" section; this Risk Factors section is incorporated into the MD&A by reference.

LIQUIDITY AND CAPITAL RESOURCES

The Company does not have any operations that generate cash inflow at this stage. RTG's financial success relies on management's ability to find economically viable mineral deposits. This process can take many years and is largely based on factors beyond the control of RTG.

In order to finance its project exploration and development activities, and corporate overhead, the Company is dependent on investor sentiment being positive towards the exploration business, so that funds can be raised through the sale of the Company's securities.

Cash and financial conditions

As at June 30, 2017, the Company had cash and cash equivalents of \$7.084M compared to \$11.207M at December 31, 2016.

The Company had working capital of \$6.885M at June 30, 2017 compared to working capital of \$11.851M at December 31, 2016. The decrease in working capital during the three month period can be attributed to general office expenses, new business development opportunities and costs associated with the Company's Philippines assets.

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The Company expects to receive an estimated A\$0.080M during the next quarter as part of its Research and Development tax claim from the Australian Government. The claims received to date total A\$0.319M.

The Company manages liquidity risk through maintaining sufficient cash, loan facilities or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. The Company's liquidity needs can likely be met through existing cash on hand, subject to current operating parameters and budgets being met.

The Company currently has in place an active program of financial forecasting and budgeting both at a corporate and project level to manage both the application of funds and planning for future financial needs to ensure that any shortfall in revenue funds is adequately covered by cash reserves or planned new sources being either debt or equity based on the then most cost effective weighted average cost of capital. Expenditure to date for the Company has been largely in line with the overall initial budget forecasts, save for any costs related to legal disputes.

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at the reporting date in relation to each class of financial asset is the carrying amounts of those assets as indicated in the Company's balance sheet.

Investing activities

The Company recognised net investing cash outflows of \$0.772M and \$2.258M for the three and six months ended June 30, 2017, compared to \$0.130M and \$1.620M for the three and six months ended June 30, 2016. During the quarter, loans were extended to the Company's Associates for a share of project and legal related costs in the Philippines.

Financing activities

For the three and six month periods ended June 30, 2017, the Company had no financing activities.

SECURITIES OUTSTANDING

The total outstanding capital of the Company as at the date of this report was 167,585,577 fully paid common shares. During the quarter, 8,784,687 warrants on issue expired. The warrants do not entitle the holder to participate in any share issue of the Company or any other body corporate.

FUTURE OUTLOOK

At the Mabilo Project, work going forward will be focused on finalising all necessary permits and further reducing operating costs while the disputes between Mt. Labo and Galeo are outstanding and the position on new developments in the Philippines is clarified. Environmental and Community Development continues at Mabilo in line with agreed programs with the local community and in line with lease requirements.

The focus will be on seeking a resolution of Mt. Labo's issues with Galeo, including the litigation and arbitration matters, and in parallel identifying and delivering on new business opportunities to diversify the Company's exposure to the Philippines.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows for the six months ended June 30, 2017:

Name	Nature of transactions
Coverley Management Services Pty Ltd	Consulting as Director

The Company paid the following fees in the normal course of operation in connection with companies owned by directors.

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
	\$US	\$US	\$US	\$US
Directors fees	12,519	13,381	22,128	25,978
Total	12,519	13,381	22,128	25,978

During the six month period ended June 30, 2017 the Group entered into transactions with related parties in:

- Loans of \$65,193 were advanced on short term inter-company accounts, and
- Loans of \$2,207,491 were advanced on to Associates of the Company.

These transactions were undertaken on the following terms and conditions:

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

CONTRACTUAL OBLIGATIONS

June 30, 2017		Payments due by period		
Contractual obligations	Total	Within one year	One year and not later than five years	More than 5 years
Lease obligations ¹	291,620	142,240	149,380	-
Total contractual obligations	291,620	142,240	149,380	-

¹ Corporate office lease payments due.

Contingent Liabilities

At the date of this report the Company had no contingent liabilities.

CRITICAL ACCOUNTING ESTIMATES

The significant accounting policies used by RTG are disclosed in note 1 to the audited financial statements for the year ended December 31, 2016. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

ACCOUNTING POLICIES

The Group's consolidated financial statements as at December 31, 2016 complies with IFRS as issued by the International Accounting Standards Board. The accounting policies of the Group are set out in note 1 to the December 31, 2016 audited financial statements, available on www.sedar.com.

There were no changes in the Group's accounting policies during the quarter.

Income taxes

The determination of income and other tax liabilities requires interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ from that estimated and recorded by management.

Financial instruments and related risks

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: Financial assets at fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale; or other liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	June 30, 2017
Cash	Level 1 (FVTPL)	\$7,083,595
Other receivables and prepayments	Level 1 (loans and receivables)	\$257,006
Financial assets	Level 1 (available-for-sale)	\$2,862,978*
Trade and other payables	Level 1 (other liabilities)	\$254,663

* During the quarter, the Group recognised a gain on fair value measurement of \$961,980

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

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

The recorded amounts for cash, other receivables and prepayments, and trade and other payables approximate their fair value due to their short-term nature.

The Group's principal financial instruments comprise cash and cash equivalents, receivables, payables and borrowings. The Company currently has in place an active program of financial forecasting and budgeting both at a corporate and project level to manage both the application of funds and planning for future financial needs to ensure that any shortfall in funds is adequately covered by cash reserves or planned new sources being either debt or equity based on the then most cost effective weighted average cost of capital.

Risk management is carried out by management, the Audit and Risk Committee and the Board under policies approved by the Board. The Board also provides regular guidance for overall risk management, including guidance on specific areas, such as mitigating foreign exchange, interest rate and credit risk.

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The Group does not enter into financial instruments, including derivative financial instruments, for trade or speculative purposes.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, credit limits and future cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial asset, financial liability and equity instrument are disclosed in note 1 to the audited financial statements for the year ended December 31, 2016.

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the audited financial statements for the year ended December 31, 2016.

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at the reporting date in relation to each class of financial asset is the carrying amounts of those assets as indicated in the statement of financial position. Receivable balances are monitored on an ongoing basis and to the extent that recovery is deemed to be uncertain the Company raises a provision or impairs the asset against expected recovery. To date the only receivable provided for has been the Elephant Copper receivable of \$1.4M which has been fully provided for to date.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group monitors this credit risk through holding its cash through banks with a Standard and Poors credit rating of 'A' or greater. The credit risk associated with cash is considered negligible by the Group. The Group does not hold collateral as security.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will maintain sufficient cash or credit terms with its suppliers to meet the operating requirements of the business and invest excess funds in highly liquid short term cash deposits. Maintaining surplus working capital in highly liquid short term deposits allows the Group to meet its primary objectives by being able to fund new development and acquisition opportunities at short notice.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk

The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The Group's policy is to manage its exposure to interest rate risk by holding cash in short term fixed rate deposits and variable rate deposits. The Group's exposure to interest rate risk on post-tax profit or loss arises from higher or lower interest income from cash and cash equivalents.

(b) Foreign currency risk

The Company has identified its functional currency as the US dollar. Transactions are transacted in US dollars, Canadian dollars and Australian dollars. The Company maintains Australian dollar bank accounts in Australia to support the cash needs locally, and US dollar and Canadian dollar bank accounts for its international purposes.

The Company does not intend to engage in transactions to hedge its foreign exchange risks. There can be no assurance that RTG will not be materially affected thereby.

(c) Commodity price risk

It is anticipated that any revenues derived from mining will primarily be derived from the sale of precious and base metals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements which the Company enters into.

Metal prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for minerals and metals, forward selling by producers, and production cost levels in major mineral-producing regions.

Moreover, metal prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the metal as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Capital risk management

The Group's total capital is defined as equity attributable to equity holders of the parent and cash and cash equivalents amounted to \$145,460,280 at June 30, 2017 (December 31, 2016: \$149,584,107).

The Group's capital management objectives are to safeguard the business as a going concern, to maintain a capital base sufficient to maintain future exploration and development of its projects. Management may issue more shares or raise or repay debt in order to maintain the optimal capital structure.

The Group does not have a target debt/equity ratio, but maintains a flexible financing structure so as to be able to take advantage of new investment opportunities that may arise. The Group monitors its capital risk management through annual cash flow projections and monthly reporting against budget.

The business of RTG should be considered speculative given the volatility in world stock markets (particularly with respect to mining and exploration companies) and the uncertain nature of mining and exploration activities generally. Amongst other things, the following are some of the key risk factors faced by RTG, its subsidiaries and associates:

- foreign exchange movements;
- movements in commodity prices (in particular gold, copper and iron ore prices and costs of production);
- securing offtake agreements for non-gold products;
- access to new capital (both debt and equity) and meeting liquidity requirements;
- the uncertain nature of exploration and development activities;
- increases in capital expenditures necessary to advance the Company's projects;
- the ability to profitably exploit new development projects;
- political, security and sovereign risks of the Philippines;
- joint venture relationships and disputes;
- permitting and local government and community support; and
- environmental obligations.

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For further information on these and other risks inherent in the Company's business, we direct readers to the Company's AIF for the December 31, 2016 financial year, and the May 2, 2016 43-101 Technical Report lodged on SEDAR at www.sedar.com.

SUBSEQUENT EVENTS

As part of the litigation process, Galeo has commenced a number of nuisance and harassment actions in the Philippines. The Makarti RTC 147 branch has now issued an order referring the civil actions associated with this to arbitration in Singapore in accordance with Mt. Labo's original Joint Venture Agreement with Galeo.

Other than the above, no other significant events have occurred subsequent to the reporting period that would have a material impact on the consolidated interim financial statements.

INTERNAL CONTROLS AND DISCLOSURE CONTROLS

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of internal controls over financial reporting (as such term is defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109")), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with International Financial Reporting Standards. The Company maintains an effective control environment and has used the Internal Control – Integrated Framework (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission to design the Company's internal controls over financial reporting. The Company's CEO and CFO believe that the Company's internal controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

During the six months ended June 30, 2017, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

The Company's CEO and CFO are also responsible for the design and effectiveness of disclosure controls and procedures (as such term is defined in NI 52-109) to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's CEO and CFO believe that the Company's disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed under applicable securities legislation is recorded, processed, summarized and reported in a timely manner.

The Company's CEO and CFO have each evaluated the effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures as of June 30, 2017 and have concluded that these controls and procedures are effective in reasonably assuring the reliability of financial reporting and that material information relating to the Company is made known to them by others within the Company and that such controls and procedures have no material weaknesses and no limits on the scope of their design.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This report 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 2016 filed with the Canadian securities regulatory authorities on the SEDAR website at sedar.com. The forward-looking statements made in this report 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 report except as required by law or by any appropriate regulatory authority.

QUALIFIED PERSON AND COMPETENT PERSON STATEMENT

The information in this report that relates to exploration results at the Mabilo and Bunawan Projects are 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 and a consultant of RTG Mining Limited. Mr Ayres has sufficient experience that is relevant to the style of mineralization 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 report, including sampling, analytical and test data underlying the information contained in the report. Mr. Ayres consents to the inclusion in the report of the matters based on his information in the form and the context in which it appears.

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

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

The information in this report 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

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

The information in this report 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 report. Mark Turner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report 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 report 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) and on the ASX, under announcements (www.asx.com.au).



FINANCIAL STATEMENTS





Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2017

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**RTG MINING INC.
CORPORATE DIRECTORY**

Directors	Michael J Carrick Justine A Magee Robert N Scott Phillip C Lockyer David A T Cruse	Chairman President and Chief Executive Officer Non-Executive Lead Director Non-Executive Director Non-Executive Director
Company secretary	Nicholas Day	
Office	<u>Registered</u> Sea Meadow House Blackburne Highway PO Box 116 Road Town Tortola VG1110 British Virgin Islands	<u>Principal</u> Level 2 338 Barker Road Subiaco, Western Australia, 6008 Australia Telephone: +61 8 6489 2900 Facsimile: +61 8 6489 2920
Bankers	Westpac Banking Corporation 130 Rokeby Road Subiaco, Western Australia, 6008 Australia	
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco, Western Australia, 6008 Australia	
Share registry	<u>Australian Register</u> Computershare Investor Services Pty Limited Level 11 172 St Georges Terrace Perth, Western Australia, 6000 Australia Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033	<u>Canadian Register</u> Computershare Investor Services Inc 11 th Floor 100 University Avenue Toronto, Ontario, M5J2Y1 Canada Telephone: +1 416 263 9449 Facsimile: +1 416 981 9800
Stock Exchange	<u>Australia</u> Australian Securities Exchange Limited Exchange Code: RTG – Chess Depositary Interests (CDI's)	<u>Canada</u> Toronto Stock Exchange Inc Exchange Code: RTG – Fully paid shares
Lawyers	Corrs Chambers Westgarth Level 15 240 St Georges Terrace Perth, Western Australia, 6000 Australia K&L Gates Level 32 44 St Georges Terrace Perth, Western Australia, 6000 Australia	Blakes Cassels & Graydon Suite 2600, 3 Bentall Centre 59 Burrard Street Vancouver, BC, V7X 1L3 Canada
Website	www.rtgmining.com	

RTG MINING INC. DIRECTORS' REPORT

The Directors of RTG Mining Inc. ("the Company" or "RTG") present their report on the consolidated entity consisting of RTG and the entities it controlled during the period ended June 30, 2017 (the "Consolidated Entity" or "the Group"). The Company's functional and presentation currency is USD (\$).

DIRECTORS

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

Name	Position	Appointment date
Michael J Carrick	Chairman	28/3/2013
Justine A Magee	President and Chief Executive Officer	28/3/2013
Robert N Scott	Non-Executive Lead Director	28/3/2013
Phillip C Lockyer	Non-Executive Director	28/3/2013
David A Cruse	Non-Executive Director	28/3/2013

REVIEW AND RESULTS OF OPERATIONS

Operating Results

The Consolidated Entity recorded a net loss of \$5,964,414 (2016 loss: \$2,841,982) for the period ended June 30, 2017.

The Group's activities during the half year to June 2017 included:

Nomination of RTG as the development partner with the joint venture company of the Special Mining Lease Osikaiyang Landowners Association and Central Exploration Pty Ltd ("Central") in their proposal with respect to the redevelopment of the 1.5B tonne Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, PNG.

Mt. Labo Exploration and Development Corporation ("Mt. Labo") commenced arbitration proceedings against Galeo Equipment Corporation ("Galeo") in the Singapore International Arbitration Centre in accordance with the provisions of the Joint Venture Agreement ("JVA") and the compromise agreement which has been rescinded. In those arbitration proceedings, Mt. Labo seeks a number of reliefs, including a declaration that the JVA was validly terminated and the compromise agreement was validly rescinded. Under the JVA, on termination of 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.

Mt. Labo has appointed a new President, Mr. Eduardo U. Escueta. Mr. Escueta is a well-respected and experienced businessman and lawyer in the Philippines. He was previously a partner of Angara Abello Concepcion Regala and Cruz (ACCRA Law), one of the top law firms in the Philippines and was the Vice-Chairman and Executive Officer of the National Police Commission for eight (8) years (2008-2016).

RTG announced the results of the diamond drilling program at the Bunawan Project in the Philippines, including intercepted high grade mineralization intervals, with 9.0m @ 2.02 g/t Au.

In addition to the above, the Company continues to investigate a number of new business development opportunities diversifying its Philippine interests including the abovementioned opportunity in Bougainville, should the landowners be successful in their current efforts.

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 20, which forms part of the Directors' Report.

This report is made in accordance with a resolution of the Directors on August 10, 2017.



Justine Alexandria Magee
President and Chief Executive Officer

Perth
August 11, 2017

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	UNAUDITED		REVIEWED	
		3 MONTH PERIOD ENDED		6 MONTH PERIOD ENDED	
		June 30 2017 US\$	June 30 2016 US\$	June 30 2017 US\$	June 30 2016 US\$
Continuing operations					
Other income	3	9,342	1,659	34,771	36,482
Exploration and evaluation expenditure	4	-	(204,323)	-	(321,300)
Business development expenses	4	(312,141)	(317,042)	(809,844)	(488,569)
Share of Associates loss	4	(344,233)	(204,827)	(917,959)	(534,024)
Impairment expense	4	(3,095,890)	-	(3,095,890)	-
Foreign exchange gain / (loss)		(8,752)	1,869	173,153	(26,551)
Administrative expenses	4	(589,957)	(962,108)	(1,348,645)	(1,508,020)
Loss before income tax from continuing operations		(4,341,631)	(1,684,772)	(5,964,414)	(2,841,982)
Income tax benefit		-	-	-	-
Loss for the period from continuing operations		(4,341,631)	(1,684,772)	(5,964,414)	(2,841,982)
Other comprehensive income / (loss)					
<i>Items that may be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of foreign operations		(4,746)	112,350	138,603	19,994
Net gain on available-for-sale financial assets		961,980	-	1,354,223	-
Total comprehensive loss for the period		(3,384,397)	(1,572,422)	(4,471,588)	(2,821,988)
Loss attributable to:					
Equity holders of the Company		(4,341,631)	(1,684,772)	(5,964,414)	(2,841,982)
Total comprehensive loss attributable to:					
Equity holders of the Company		(3,384,397)	(1,572,422)	(4,471,588)	(2,821,988)
Loss per share from continuing operations					
Basic loss per share (cents)		(2.59)	(1.25)	(3.56)	(2.12)
Diluted loss per share (cents)		(2.59)	(1.25)	(3.56)	(2.12)
Loss per share attributable to ordinary shareholders					
Basic loss per share (cents)		(2.02)	(1.17)	(2.67)	(2.10)
Diluted loss per share (cents)		(2.02)	(1.17)	(2.67)	(2.10)

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
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<i>REVIEWED</i>	<i>AUDITED</i>
		June 30	December 31
		2017	2016
	Note	US\$	US\$
Current assets			
Cash and cash equivalents	5	7,083,595	11,207,422
Receivables	6	249,658	1,061,555
Prepayments		7,348	41,515
Total current assets		7,340,601	12,310,492
Non-current assets			
Receivables	6	2,000,000	2,000,000
Property, plant and equipment		175,727	187,311
Available-for-sale financial assets	7	2,862,978	1,508,755
Investment in Associates	8	10,139,155	10,988,032
Total non-current assets		15,177,860	14,684,098
Total assets		22,518,461	26,994,590
Current liabilities			
Trade and other payables	9	254,663	295,142
Provisions	10	200,523	164,585
Total current liabilities		455,186	459,727
Total liabilities		455,186	459,727
Net assets		22,063,275	26,534,863
Shareholder's equity			
Issued capital	11	138,376,685	138,376,685
Reserves		9,565,527	8,072,701
Accumulated losses		(125,878,937)	(119,914,523)
Total shareholder's equity		22,063,275	26,534,863

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

**RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Six months to June 30, 2017</i>	<i>Issued capital</i>	<i>Acquisition reserve</i>	<i>Asset revaluation reserve</i>	<i>Share based payment reserve</i>	<i>Foreign currency translation reserve</i>	<i>Accumulated losses</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Balance at January 1, 2017	138,376,685	-	8,755	7,601,285	462,661	(119,914,523)	26,534,863
Loss for the period	-	-	-	-	-	(5,964,414)	(5,964,414)
Currency translation differences	-	-	-	-	138,603	-	138,603
Net gain on available-for-sale financial assets	-	-	1,354,223	-	-	-	1,354,223
Total comprehensive income / (loss) for the period	-	-	1,354,223	-	138,603	(5,964,414)	(4,471,588)
Shares issued during the period	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-
Balance at June 30, 2017	138,376,685	-	1,362,978	7,601,285	601,264	(125,878,937)	22,063,275

<i>Six months to June 30, 2016</i>	<i>Issued capital</i>	<i>Acquisition reserve</i>	<i>Asset revaluation reserve</i>	<i>Share based payment reserve</i>	<i>Foreign currency translation reserve</i>	<i>Accumulated losses</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Balance at January 1, 2016	124,708,862	(4,300,157)	-	7,601,285	144,443	(35,091,165)	93,063,268
Loss for the period	-	-	-	-	-	(2,841,982)	(2,841,982)
Currency translation differences	-	-	-	-	19,994	-	19,994
Total comprehensive income / (loss) for the period	-	-	-	-	19,994	(2,841,982)	(2,821,988)
Shares issued during the period	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-
Balance at June 30, 2016	124,708,862	(4,300,157)	-	7,601,285	164,437	(37,933,147)	90,241,280

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, 2017

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	UNAUDITED 3 MONTH PERIOD ENDED		REVIEWED 6 MONTH PERIOD ENDED	
		June 30 2017 US\$	June 30 2016 US\$	June 30 2017 US\$	June 30 2016 US\$
Operating activities					
Payments for exploration and evaluation		-	(204,323)	-	(321,300)
Payments to suppliers and employees		(954,923)	(1,020,926)	(2,130,077)	(1,764,657)
Interest received		2,178	1,340	34,256	2,973
Other receipts		-	318	-	33,509
Net cash flows used in operating activities		(952,745)	(1,223,591)	(2,095,821)	(2,049,475)
Investing activities					
Payments for property, plant and equipment		-	(2,164)	(538)	(2,164)
Loans to associated entities		(772,434)	(1,128,093)	(2,207,491)	(1,754,722)
Investment in non-related entities		-	-	(50,000)	-
(Increase) / decrease to bank guarantees		-	-	-	136,614
Net cash flows used in investing activities		(772,434)	(1,130,257)	(2,258,029)	(1,620,272)
Financing activities					
Net cash flows from financing activities		-	-	-	-
Net decrease in cash and cash equivalents		(1,725,179)	(2,353,848)	(4,353,850)	(3,669,747)
Cash and cash equivalents at the beginning of the period		8,812,483	3,271,121	11,207,422	4,561,717
Net foreign exchange difference		(3,709)	(9,363)	230,023	15,940
Cash and cash equivalents at end of the period	5	7,083,595	907,910	7,083,595	907,910

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, 2017**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated interim financial statements of RTG are presented as at June 30, 2017 for the three months and half year period ending June 30, 2017. The consolidated interim financial statements to June 30, 2017 are made in accordance with a resolution of the Directors on August 10, 2017.

RTG was incorporated on December 27, 2012, and is domiciled in the British Virgin Islands. The Company's registered address is Sea Meadow House, Blackburne Highway (PO Box 116) Road Town, Tortola, British Virgin Islands. Its shares are publicly traded on both the Australian Stock 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 is 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 also been prepared on a historical cost basis and are presented in United States Dollars (US\$).

The consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2016, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards and the Annual Information Form ("AIF") dated March 30, 2017 for the year ended December 31, 2016 as well as any public announcements made by the Company during the period.

The disclosures for the three month periods ending June 30, 2016 and June 30, 2017 included in this consolidated interim financial statements have not been reviewed.

Significant accounting policies

These 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, 2016, and any public announcements made by the Company during the period.

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.

RTG MINING INC.
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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies - continued

Carrying value of the investment in Associates

The Group assesses whether there is objective evidence that the investment in Associates is impaired by reference to the underlying mining projects held by the Associates in the Philippines. These mining projects include the Mabilo project, held by Mt. Labo, which entered into the development phase during the previous year, therefore requiring an impairment assessment in accordance with IAS 36 Impairment of Assets. 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.

When assessing recoverable amounts, RTG makes estimates and assumptions which are subject to risk and uncertainty. RTG has assessed the recoverable amount using a fair value less costs of disposal (FVLCD) method. The FVLCD method under IAS 36 Impairment of Assets requires a determination of the fair value, being the price that would be received to sell the project in an orderly transaction between market participants at measurement date. In this context, RTG considers that the fair value that a willing buyer would place on the Mabilo project includes the political risk factors and the risks associated with litigation between the Joint Venture partners which is incorporated in the market capitalisation approach disclosed above.

Material uncertainty arising from the political risk and litigation associated with the mining projects in the Philippines. There is material uncertainty over the outcome of the political risk and litigation (as disclosed in note 8) associated with the mining projects in the Philippines.

3. OTHER INCOME

	<i>UNAUDITED</i>		<i>REVIEWED</i>	
	<i>3 MONTH PERIOD ENDED</i>		<i>6 MONTH PERIOD ENDED</i>	
	June 30	June 30	June 30	June 30
	2017	2016	2017	2016
	US\$	US\$	US\$	US\$
Interest income	9,342	1,340	34,771	2,972
Research and development tax credit received	-	-	-	33,191
Other	-	319	-	319
	9,342	1,659	34,771	36,482

RTG MINING INC.
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4. EXPENSES

	<i>UNAUDITED</i>		<i>REVIEWED</i>	
	<i>3 MONTH PERIOD ENDED</i>		<i>6 MONTH PERIOD ENDED</i>	
	June 30	June 30	June 30	June 30
	2017	2016	2017	2016
	US\$	US\$	US\$	US\$
Exploration and evaluation expenditure				
Consultants fees	-	60,722	-	60,753
Employee fees	-	44,410	-	83,077
Travel expenses	-	91,499	-	169,778
Other	-	7,692	-	7,692
	-	204,323	-	321,300
Business development expenses				
Conferences	4,865	14,708	22,373	30,512
Employee and director fees	105,671	99,566	210,392	193,625
Project analysis	15,725	18,934	43,426	33,112
Travel expenses	79,368	142,398	271,639	157,090
Other expenses	106,512	41,436	262,014	74,230
	312,141	317,042	809,844	488,569
Administrative expenses				
Accounting, tax services and audit fees	28,536	59,042	54,767	133,789
Computer support fees	9,125	14,060	13,199	21,024
Consultants fees	32,221	112,448	101,236	176,014
Depreciation expenses	6,071	6,489	12,121	13,801
Employee and directors fees	387,586	389,116	768,224	648,956
Insurance	17,218	(1,289)	30,894	10,654
Legal fees	(57,771)	268,205	16,929	282,159
Listing and shareholder reporting costs	32,503	40,751	78,245	89,323
Occupancy expenses	47,897	41,650	72,434	85,188
Travel expenses	64,921	-	151,243	-
Other expenses	21,650	31,636	49,353	47,112
	589,957	962,108	1,348,645	1,508,020
Share of Associate loss				
Share of net losses of Associates	344,233	204,827	917,959	534,024
	344,233	204,827	917,959	534,024
Impairment expense				
Available-for-sale financial asset impairment	800,000	-	800,000	-
Loan receivable	88,399	-	88,399	-
Loans to Associates	2,207,491	-	2,207,491	-
	3,095,890	-	3,095,890	-

RTG MINING INC.
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5. CASH AND CASH EQUIVALENTS

	<i>REVIEWED</i> June 30 2017 US\$	<i>AUDITED</i> December 31 2016 US\$
Cash on hand	61	72
Cash at bank	7,083,534	11,207,350
	7,083,595	11,207,422

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, earning interest at the respective short-term deposit rates.

6. RECEIVABLES

Current assets

GST receivable	29,567	22,454
Other receivables	220,091	206,223
Loan receivables	(i) -	832,878
	249,658	1,061,555

Non-current assets

Other receivable	2,000,000	2,000,000
	2,000,000	2,000,000

- (i) During the period, \$800,000 previously advanced to Central Exploration Pty Ltd ("CEPL"), an un-listed Australian proprietary company, was converted into an equity investment.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Non-current

Available for sale financial assets	2,862,978	1,508,755
	2,862,978	1,508,755

Reconciliation of movements in available-for-sale financial assets:

Opening balance	1,508,755	-
Additions	(i) 800,000	1,500,000
Gain / (loss) on fair value measurement	1,354,223	8,755
Impairment expense	(ii) (800,000)	-
Closing balance	2,862,978	1,508,755

- (i) During the period, \$800,000 previously advanced to Central Exploration Pty Ltd ("CEPL"), an un-listed Australian proprietary company, was converted into an equity investment.
- (ii) Impairment of available-for-sale financial assets of \$800,000 was recognised during the period relating to the equity investment in CEPL.

**RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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8. NET INVESTMENT IN ASSOCIATE

The Group has a direct 40% interest in each of Mt Labo, St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation and Oz Metals Exploration and Development Corporation. All of these companies are incorporated in the Philippines. The Group's interest in the Associates is accounted for using the equity method. The following table illustrates summarised financial information relating to the Group's Associates:

	<i>REVIEWED</i> June 30 2017 US\$	<i>AUDITED</i> December 31 2016 US\$
(a) Investment in Associates		
Opening balance	10,988,032	80,650,232
Impairment	-	(69,607,950)
Share of Associates net loss	(917,959)	(386,275)
Share of foreign currency translation reserve	69,082	332,025
	10,139,155	10,988,032
(b) Loans to Associates		
Opening balance	-	7,622,597
Additions	2,207,491	3,516,743
Impairment	(2,207,491)	(11,139,340)
	-	-
Closing balance	10,139,155	10,988,032

The Associates have a December 31 reporting date.

(a) Investment in Associates

The Group assesses recoverability of its investment in Associates at each reporting date. There is no impairment recognised at June 30, 2017 (December 31, 2016: \$69,607,950), determined using a fair value less costs of disposal method in consideration of external factors; including the current political risk associated with the granting of mining licences in relation to the mining projects held by the Associates in the Philippines, as well as the current litigation between Mt. Labo and its former joint venture partner.

Gina Lopez the previous Secretary of the DENR in the Philippines previously rescinded a number of mining licences previously awarded, not related to the projects of the Group's Associates. This creates uncertainty as to whether the government may further rescind mining licenses in the area in the future; however, this has been mitigated by the fact that during the period, Gina Lopez has been removed from her position with the DENR.

During the previous year, Mt. Labo rescinded the previous settlement agreement with its joint venture partner, Galeo due to non-performance by Galeo and served a notice of termination and arbitration as required. As such, Galeo is no longer a shareholder of Mt. Labo and the joint venture was terminated on January 31, 2017. During the period, Mt. Labo commenced arbitration proceedings against Galeo in the Singapore International Arbitration Centre in accordance with the provisions of the JVA and the compromise agreement which has been rescinded. In those arbitration proceedings, Mt. Labo seeks a number of reliefs, including a declaration that the JVA was validly terminated 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.

Mt. Labo and Galeo have estimated contingent liabilities relating to the legal proceedings for both the civil case in the Philippines and arbitration through the Singapore International Arbitration Centre. Mt. Labo's claims under the civil case are for PHP7,000,000 against Galeo and USD18,000,000 through arbitration. Galeo's claims under the civil case are for PHP1,500,000 and USD3,500,000 under arbitration. The Associates had no other contingent liabilities or capital commitments as at June 30, 2017 (nil: December 31, 2016).

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2017

8. NET INVESTMENT IN ASSOCIATE – continued

(b) Loans to Associates

The Group assesses the recoverability of its Loans to Associate at the end of each reporting date in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The impairment recognised of \$2,207,491 (2016: \$11,139,340) is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Throughout the period the Company has funded its share of costs associated with the Associates for the following:

- Project and legal related costs in the Philippines;
- Continuation of diamond drilling program at the Bunawan Project; and
- Continued community relations and environmental compliance in the Philippines.

These transactions were undertaken on commercial terms and conditions, except that:

- (i) There is no fixed repayment of the loan; and
- (ii) No interest payable on the loans at present.

9. TRADE AND OTHER PAYABLES

	<i>REVIEWED</i>	<i>AUDITED</i>
	June 30	December 31
	2017	2016
	US\$	US\$
Trade creditors – third parties	186,802	154,267
Accrued expenses	67,861	140,875
	254,663	295,142

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

10. PROVISIONS

Employee entitlements	200,523	164,585
	200,523	164,585

**RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2017**

11. ISSUED CAPITAL AND RESERVES

Issued and paid up share capital

	June 30 2017 Number	December 31 2016 Number	June 30 2017 US\$	December 31 2016 US\$
Issued and paid up capital	167,585,577	134,252,237	138,376,685	124,708,862

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

Movements in contributed equity during the period were as follows:

	Number	US\$
Opening balance at 1 January 2017	167,585,577	138,376,685
Shares issues	-	-
Shares issue costs	-	-
Total shares on issue at 30 June 2017	167,585,577	138,376,685
Opening balance at 1 January 2016	134,252,237	124,708,862
Shares issues	-	-
Shares issue costs	-	-
Total shares on issue at 30 June 2016	134,252,237	124,708,862

Movements in warrants during the period were as follows:

	Number
Opening balance at 1 January 2017	8,784,687
Expired during the period	(8,784,687)
Total warrants on issue at 30 June 2017	-
Opening balance at 1 January 2016	8,784,687
Exercised during the period	-
Total warrants on issue at 30 June 2016	8,784,687

Dividends

No dividends were paid or proposed during or since the end of the financial period.

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2017

12. FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

Fair value

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

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

Recognised fair value measurements

The following table presents the Group's assets measured at fair value at June 30, 2017 and December 31, 2016:

At June 30, 2017	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Available-for-sale financial asset	2,862,978	-	-	2,862,978
Total	2,862,978	-	-	2,862,978

At December 31, 2016	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Available-for-sale financial asset	1,508,755	-	-	1,508,755
Total	1,508,755	-	-	1,508,755

Fair value of other financial instruments not measured at fair value

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

13. COMMITMENT AND CONTINGENCIES

Commitments

June 30, 2017	Payments due by period			
Contractual obligations	Total	Within one year	One year and not later than five years	More than 5 years
Lease obligations ¹	360,730	153,309	207,421	-
Total contractual obligations	360,730	153,309	207,421	-

¹ Corporate office lease payments due.

December 31, 2016	Payments due by period			
Contractual obligations	Total	Within one year	One year and not later than five years	More than 5 years
Lease obligations ¹	361,833	140,780	221,053	-
Total contractual obligations	361,833	140,780	221,053	-

¹ Corporate office lease payments due.

**RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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13. COMMITMENT AND CONTINGENCIES – continued

Contingent Liabilities

Mt. Labo has estimated contingent liabilities relating to the legal proceedings for both the civil case in the Philippines and arbitration through the Singapore International Arbitration Centre, further discussed in note 8. In the event that Mt. Labo is found to be liable to Galeo's claims, Mt. Labo's costs are estimated as PHP1,500,000 for the civil case against Galeo and USD3,500,000 under arbitration. The Directors consider that it is not probable that these cash outflows will occur and have therefore not recorded a liability.

At June 30, 2017 the Company had no contingent liabilities (December 31, 2016: nil).

14. RELATED PARTY DISCLOSURE

Controlling entity

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

Other transactions with related parties

Transactions with related parties consist of companies with Directors and officers in common and companies owned in whole or in part by executive officers and Directors as follows for the three and six months ended June 30, 2017 and 2016:

Name	Nature of transactions
Coverley Management Services Pty Ltd	Consulting as Director

The company paid the following fees in the normal course of operation in connection with companies owned by Directors:

	<i>UNAUDITED 3 MONTH PERIOD ENDED</i>		<i>REVIEWED 6 MONTH PERIOD ENDED</i>	
	June 30 2017 US\$	June 30 2016 US\$	June 30 2017 US\$	June 30 2016 US\$
Directors fees	12,519	13,381	22,128	25,978
Total	12,519	13,381	22,128	25,978

During the period ended June 30, 2017 the Group entered into transactions with related parties:

- Loans of \$65,193 were advanced on short term inter-company accounts, and
- Loans of \$2,207,491 were advanced on to Associates of the Company.

These transactions were undertaken on the following terms and conditions:

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

During the period, \$2,207,491 of loans advanced to Associates of the Company were impaired.

RTG MINING INC.
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15. SEGMENT REPORTING NOTE

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

The Company operates in a single segment, being mineral exploration and development with its exploration and evaluation assets held in the Philippines.

June 30, 2017

Operating segment	Philippines	Australia	Other	Consolidated total
	2017	2017	2017	2017
	US\$	US\$	US\$	US\$
Revenue from external customers	-	-	-	-
Interest income	-	34,771	-	34,771
Other	-	-	-	-
Total revenue				34,771
Results				
Segment profit / (loss) before tax	(3,125,450)	(2,781,005)	57,959	(5,964,414)
Revenue	-	34,771	-	34,771
Administrative expenses	-	(1,290,847)	(57,799)	(1,348,645)
Foreign exchange	-	173,314	(161)	173,153
Share of associate loss	(917,959)	-	-	(917,959)
Impairment expense	(2,207,491)	(888,399)	-	(3,095,890)
Other expenses	-	(809,844)	-	(809,844)
Segment loss before income tax from continuing operations				(5,964,414)
Depreciation expense	-	(12,017)	-	(12,017)

June 30, 2017

Operating segment	Philippines	Australia	Other	Consolidated total
	2017	2017	2017	2017
	US\$	US\$	US\$	US\$
Segment assets				
Corporate assets	10,139,155	12,362,643	16,663	22,518,461
Total assets				22,518,461
Segment liabilities				
Corporate liabilities	-	(455,186)	-	(455,186)

**RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2017**

15. SEGMENT REPORTING NOTE – continued

June 30, 2016

Operating segment	Philippines	Australia	Other	Consolidated total
	2016	2016	2016	2016
	US\$	US\$	US\$	US\$
Revenue from external customers	-	-	-	-
Interest income	-	2,972	-	2,972
Other	-	33,510	-	33,510
Total revenue				36,482

Results

Segment profit / (loss) before tax	(855,324)	(1,950,277)	(36,381)	(2,841,982)
Revenue	-	36,482	-	36,482
Administrative expenses	-	(1,470,164)	(37,856)	(1,508,020)
Foreign exchange	-	(28,028)	1,477	(26,551)
Share of associate loss	(534,024)	-	-	(534,024)
Impairment expense	(321,300)	-	-	(321,300)
Other expenses	-	(488,569)	-	(488,569)
Segment loss before income tax from continuing operations				(2,841,982)

Depreciation expense	-	(13,801)	-	(13,801)
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December 31, 2016

Operating segment	Philippines	Australia	Other	Consolidated total
	2016	2016	2016	2016
	US\$	US\$	US\$	US\$
Segment assets				
Corporate assets	10,988,032	16,001,175	5,383	26,994,590
Total assets				26,994,590

Segment liabilities

Corporate liabilities	-	(459,727)	-	(459,727)
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16. EVENTS AFTER REPORTING PERIOD

As part of the litigation process, Galeo has commenced a number of nuisance and harassment actions in the Philippines. The Makati RTC 147 branch has now issued an order referring the civil actions associated with this to arbitration in Singapore in accordance with Mt. Labo's original Joint Venture Agreement with Galeo.

Other than the above, no other significant events have occurred subsequent to the reporting period that would have a material impact on the consolidated interim financial statements.

RTG MINING INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2017
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, 2017 and of its performance for the six month period ended June 30, 2017; and
 - (ii) comply with International Accounting Standards IAS 34 and other mandatory professional reporting standards; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



JUSTINE ALEXANDRIA MAGEE
President and Chief Executive Officer

Perth, August 11, 2017

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF RTG MINING INC.

As lead auditor for the review of RTG Mining Inc. for the half-year ended 30 June 2017, 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.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 11 August 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RTG Mining Inc.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of RTG Mining Inc., which comprises the consolidated statement of financial position as at 30 June 2017, 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, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the requirements of International Accounting Standard 34 ("IAS 34") as issued by the International Accounting Standards Board and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with International Accounting Standard 34 ("IAS 34") including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with International Accounting Standard 34 ("IAS 34"). As the auditor of RTG Mining Inc., ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of RTG Mining Inc. is not in accordance with the International Accounting Standard 34 ("IAS 34"), including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- (b) complying with International accounting Standard 34 ("IAS 34").

Emphasis of matter

We draw attention to Note 2 to the half-year financial report, which describes the material uncertainty arising from the political risk and litigation associated with the mining projects in the Philippines. Our conclusion is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, consisting of the letters 'BDO' above the name 'J Prue'.

Jarrad Prue
Director

Perth, 11 August 2017