

## MARCH 2019 QUARTERLY ACTIVITIES REPORT

### ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

30 APRIL 2019

#### HIGHLIGHTS

##### RTG's Bougainville Interests

- RTG Mining Inc. (ASX:RTG, TSX:RTG, OTCQB:RTGGF) ("RTG" or "the Company") is the nominated development partner with the joint venture company, Panguna Minerals Limited ("PML"), established by the Special Mining Lease Osikaiyang Landowners Association ("SMLOLA") and Central Exploration Pty Ltd ("Central"), in their landowner controlled proposal with respect to the redevelopment of the Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, Papua New Guinea ("PNG"). The proposal is an initiative of the customary landowners of the Panguna mine (who are represented by SMLOLA) and is conditional upon securing the approval of the Autonomous Bougainville Government ("ABG"), who to date has not yet supported the Landowner's proposal.
- The Panguna Landowners and RTG presented their proposal to the ABG on 27 January 2019.
- It was clear from the questions at the presentation and subsequent correspondence, that the ABG required clarification of the basis of the Joint Venture and the terms of the indicative proposal. These issues have since been clarified.
- It is important to note that RTG only invested in the Panguna Landowner Joint Venture, once the ABG had confirmed (on 8 September 2016), that Bougainville Copper Limited ("BCL") had not lodged a valid renewal application, and the Panguna Landowner Joint Venture and employment payments to members of the community in relation thereto were discussed and approved by the ABG.
- Honourable Chief John Momis, President of the ABG – in his Second Reading Speech for the introduction of the Bougainville Mining Act said:  
  
*"The Bill recognises that all Owners of Customary Land own all minerals in, on or under their land."*  
  
*"The rights and needs of the owners of the minerals will be given the highest level of protection. In particular the owners will have power to stop either exploration or the grant of a Mining License over their land."*
- Section 8 of the Bougainville Mining Act provides that all minerals existing on or below the surface of any Customary Land in Bougainville are the property of the owners of the Customary Land.

- RTG believes Landowner support and the Free, Prior and Informed Consent (“FPIC”) of Landowners (a Social License) is the fundamental threshold to achieve a successful development of any mine.
- At Panguna these issues take on an even more profound significance, given the history of the Panguna mine.
- RTG continues to work with the SMLOLA team and the wider community to progress meaningful and transparent discussions with the ABG on the redevelopment proposal of the Landowner Led Consortium and undertake and support local community and social programs and reconciliations.
- The Panguna Landowner’s and RTG’s proposal, started with the Panguna Landowners offering the ABG an initial 100% interest in the mineral resources of Panguna, subject only to the Landowners being treated fairly and their existing rights being respected.
- The Landowner Led Consortium’s indicative offer, is materially better than any other alternative offer.
- Notwithstanding this and the fact that ‘earn in terms’ including percentages and milestones have not yet been discussed, the ABG rejected the proposal.
- The ABG is instead promoting the highly controversial and contentious amendments to the Bougainville Mining Act, to facilitate an alternative proposal (the McGlinn / Caballus proposal).
- The ABG has said it wishes to nationalise Panguna and the entire mining industry and believes the Caballus proposal delivers this outcome through promising to raise \$6 billion without any further dilution after having already promised to give 40% away for a possible investment (no guarantees) of up to US\$150m. The Panguna Landowners and RTG respectfully believe this is not possible and will be detrimental to the mining industry in Bougainville.
- The Panguna Landowners strongly oppose the Caballus proposal due amongst other things, to the lack of relevant mine development experience and demonstrated access to mine finance (both debt and equity) and their view that it is not possible for the ABG to maintain a 60% non diluted interest/permanent control whilst raising all the capital needed for Panguna. They simply do not believe it is possible.
- The Panguna Landowner’s also have obtained three independent legal opinions of the highest calibre, including one from the highly respected Senior Counsel, Mr. Grant Donaldson SC (a Rhodes Scholar and ex Western Australian Solicitor General) and PNG Counsel.
- The substance of the Panguna Landowners independent legal advice is that the proposed amendments to the Bougainville Mining Act are unconstitutional, unlawful and the attempt to make the amendments retrospective will not be effective at law.
- Independent legal advice concludes that the draft amending legislation infringes the following constitutional provisions:
  - s53 of the National Constitution,
  - s23(1) of the Bougainville Constitution,
  - s44(1)(b) of the Bougainville Constitution,
  - s66(4) of the Bougainville Constitution,
  - s178 of the Bougainville Constitution,

- ss181 and 180(2) of the Bougainville Constitution, and
- s180(3) of the Bougainville Constitution.
- The terms and the effect of the Draft Bill render it almost certain that its validity, in terms of ss180(2) and 181 of the Bougainville Constitution will be challenged by Customary Landowners, in the event it is ever passed.
- The Independent legal advice of the Panguna Landowners is that the Draft Bill infringes section 53 of the National Constitution because the result of the Draft Bill would be an 'unjust deprivation of property'.
- Based on this advice, the proposed amending legislation therefore breaches both the PNG and Bougainville Constitution, the United Nations Declaration of Human Rights and the United Nations Declaration of the Rights of Indigenous Peoples.
- Section 293 of the National Constitution also imposes an obligation that the powers and functions available to the ABG will not be exercised in a manner inconsistent with PNG's international obligations and human rights regime.
- The amending legislation has been referred by the House of Representatives to the ABG Parliamentary Legislative Review Committee's inquiry under the chairmanship of the Honourable Rodney Osioco MP, member for Kokoda, Central Bougainville. SMLOLA has lodged a comprehensive submission opposing the proposed legislation.
- The Panguna Landowners and RTG encourage the ABG to obtain its own independent legal advice on this highly contentious proposed legislation.
- The FPIC of Landowners is the preeminent principle of the mining industry.
- RTG remains the only Panguna project proponent to have the overwhelming support of the Customary Landowners of the Panguna open pit area and to articulate the critical need for a collegiate approach with all stakeholders, including the ABG, the Panguna Landowners, the shareholders of BCL (ASX:BOC) and the Bougainville people.

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

- RTG holds a 40% interest in Mt. Labo Exploration and Development Corporation ("Mt. Labo"). Mt. Labo has initiated arbitral proceedings against Galeo Equipment Corporation ("Galeo") in the Singapore International Arbitration Centre seeking varied relief, including a declaration that the Joint Venture Agreement ("JVA") was validly terminated and the compromise agreement was validly rescinded.
- During the quarter, Mt. Labo finalised and lodged its response to the Counter Memorial and associated documentation lodged by Galeo. Mt. Labo believes that its legal position is very strong and, in the quarter, comprehensively addressed and corrected all the inconsistencies and inaccuracies presented in Galeo's documentation.
- Mt Labo is looking forward to the Arbitration Hearing which we anticipate will be scheduled to be heard and completed in the following quarter – the quarter ended 30 September 2019.
- Mt. Labo is also similarly pleased with the progress the Mines and Geosciences Bureau ("MGB") and the Department of Environment and Natural Resources ("DENR") have made in progressing responsible mining activity, including the visit to the Carmen Copper site to review the conduct of open pit mining operations.

- Mt. Labo continues to advance and finalise permitting for the Mabilo Project, with the MGB and the DENR.
- During the quarter, Mt. Labo was delighted to receive final certificates of approval for key environmental permits for the Mabilo Mining Project, the Environmental Protection and Enhancement Program (“EPEP”) and Final Mine Rehabilitation and/or Decommissioning Plan (“FMR/DP”).
- These two approvals form key requirements for the completion of the Declaration of Mining Project Feasibility (“DMPF”), which forms a key milestone for the Mabilo Project.

#### **Other Interests**

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

#### **Corporate**

- Cash and liquid assets as at 31 March 2019 were A\$20.3 million (including US\$0.6 million plus interest due and outstanding from Thor Explorations Ltd).

## **OVERVIEW OF OPERATIONS**

### **RTG’s Bougainville Interests**

RTG is the nominated development partner with the joint venture company established by the SMLOLA and Central in their proposal with respect to the redevelopment of the Copper-Gold Panguna Project located in the Central Region of the island of Bougainville, within the Autonomous Region of Bougainville, Papua New Guinea. RTG owns just under 70% of Central, with additional loans to Central that can be converted to increase our interest. The proposal, being led by the SMLOLA, is a landowner initiative and will be subject to the success or otherwise of the SMLOLA in securing a role in the redevelopment of the mine and the minerals which are owned by the landowners represented by SMLOLA. The SMLOLA proposal is dependent upon them gaining the support of the ABG, who to date has rejected the proposal.

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

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

During 2017 there was an unsuccessful attempt to change control of the leadership of the SMLOLA, being the Association created by the ABG approximately 8 years ago to represent the customary landowners within the old EL1 boundary, by parties associated with BCL. These efforts failed, with Mr Philip Miriori confirmed as the chairman of the SMLOLA, also resulting in the motion to withdraw all court actions relating to SMLOLA leadership. Mr Miriori entered into and signed a formal written reconciliation agreement with Mr Lawrence Daveona following a customary reconciliation process, with the full reconciliation between the parties working well to unify the landowners at Panguna. During the quarter, the Court confirmed that the legal matters had come to an end and the motion to withdraw was confirmed.

The SMLOLA Annual General Meeting was held just before the calendar year end in 2018. Given the 3 year term for Executives, the Board was up for renewal and a new election was held for all officers and Board members, with the addition of more members to ensure they have a broader representation of their constituents. The previous leadership team were re-elected unanimously, demonstrating strong support for the significant progress and unity achieved. The meeting also reaffirmed their support for RTG as their preferred development partner. BCL did not have any of its representatives amongst the Landowners even nominate for election. The elections were strongly supported with over 2,200 members attending in person or by proxy, unanimously supporting the re-election of the nominated Board members, including Mr Philip Miriori as the Chairman of the SMLOLA. The leadership of the SMLOLA have therefore a substantive and undisputed mandate to speak on behalf of and represent their members – the Customary Owners of the land and minerals contained within the area of the old EL-01.

The SMLOLA members made significant progress delivering unity amongst members as requested by President Momis, with the most recent petition demonstrating around 90% of the available titleholders (as prepared by BCL, which will be reviewed under an extensive social mapping program if the landowner consortium is successful in securing an exploration licence) supporting both the leadership of the SMLOLA and the Landowner Led redevelopment proposal with RTG. Since the petition was presented to the ABG, the numbers have grown further, with an estimate of around approximately 95% of available titleholders now supporting both the SMLOLA Executive and Leadership and the nomination of RTG as their preferred developer for Panguna. The Panguna Landowners and RTG presented a proposal to the ABG on 27 January 2019.

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

Section 8 of the Bougainville Mining Act provides that all minerals existing on or below the surface of any Customary Land in Bougainville are the property of the owners of the Customary Land.

Honourable Chief John Momis, President of the ABG - Second Reading Speech for the introduction of the Bougainville Mining Act:

*“The Bill recognises that all Owners of Customary Land own all minerals in, on or under their land.”*

*“The rights and needs of the owners of the minerals will be given the highest level of protection. In particular the owners will have power to stop either exploration or the grant of a Mining License over their land.”*

*“There is also provision allowing companies controlled by Landowners to apply for exploration licences over land owned by those landowners.”*

*“Landowners have more rights and powers under this Bill than Landowners anywhere in the world. In particular they have an absolute power to prevent exploration and mining on their land.”*

*“The Bill fully respects, supports and endorses Customary Law.”*

President Momis in a speech to the Bougainville House of Representatives on 22 December 2015;

*"But once again, no exploration or development will be possible at any place in the Panguna area unless Landowners agree."*

It is important to note that RTG only invested in the Panguna Landowner Joint Venture, after the ABG had advised (on 8 September 2016), that BCL had not lodged a valid renewal application, and the Panguna Landowner Joint Venture and employment payments to members of the community in relation thereto were notified to and approved by the ABG.

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

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

The Panguna Landowner's and RTG's proposal, started with the Panguna Landowners offering the ABG an initial 100% interest in the mineral resources of Panguna, subject only to the Landowners existing rights under the Bougainville Mining Act being respected. The Landowner Led Consortium's indicative offer is materially better than any other alternative offer. Notwithstanding this and the fact that 'earn in terms' including percentages and milestones have not yet been discussed, the ABG rejected the proposal. The ABG is instead promoting highly controversial and contentious amendments to the Bougainville Mining Act to facilitate an alternative proposal (the McGlinn / Caballus proposal).

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Given the widespread opposition to the proposal of Caballus and McGlenn, this has assisted in further broadening the support for the activities of the SMLOLA, with Chairman Philip Miriori welcoming Commander Moses Pipiro's proclamation of full support for the current SMLOLA executive under his chairmanship. As referred to in a recent article in the Post Courier on 18 April 2019, <https://postcourier.com.pg/pipiro-confirms-support-smlola/>, before a recent large crowd of Panguna landowners, the leading identities in the Bougainville Revolutionary Army ("BRA") joined together in peace and optimism to formally announce that BRA Company A, supports the leadership and members of the current executive of the SMLOLA. Together with Alpha Company Commander Peter Onabui, many of the leading figures signed a resolution formally supporting the SMLOLA and RTG by agreeing to work together as joint leaders from a new Panguna office. Radio New Zealand reported on 29 April 2019 about the issue. <https://www.radionz.co.nz/international/pacific-news/388043/bougainville-admonished-by-o-neill-over-planned-mining-change>

The SMLOLA recognise there is still work to do to win the support of the ABG and continue to offer to work with them to develop a proposal for the redevelopment of Panguna, that will have broad support not only from its members but importantly all Bougainvilleans, and which will deliver a strong and successful future for Bougainville and the ABG. Part of that proposal has included offering the rights to the Panguna minerals to the ABG to demonstrate there is no need for the ABG to consider such controversial changes to the Bougainville Mining Act in order for the ABG to secure a key role in the redevelopment of Panguna, which is supported by the SMLOLA.

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

During 2018, Mt. Labo successfully secured the second renewal of EP-014-2013-V for a further 2 year period. Mt. Labo continues to work with the MGB and DENR to finalise permitting for commencement of the Mabilo Project. This is further evidence of the progress being made in the Philippines towards the objective of the normalisation of permitting for mineral projects held by responsible miners who adhere to world's best practices in respect of environmental management.

As a demonstration of the support for the activities at the Mabilo Project, during 2018 the Project was honoured at the 65<sup>th</sup> Annual National Mine Safety and Environment Conference, receiving two awards including the outright winner for the Safest Exploration Project in the Philippines and the prestigious Platinum Award for Mineral Exploration in recognition of excellence in environmental, safety, health management and community development in the conduct of its mineral exploration.

Mt. Labo is focussed 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 DENR and the actions of the original joint venture partner of Mt. Labo.

Environmental monitoring was conducted in line with licence conditions and Mt. Labo continues to work with the DENR and MGB to progress and perfect the permitting process for the Mabilo Project.

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

There have been a number of encouraging steps taken to improve the environment for mining in the Philippines and on 1 August 2018, we announced the DENR had completed the audit of all mining operations pursuant to DENR Memorandum Order No. 2016-01, re: *Audit of All Operating Mines and Moratorium on New Mining Projects*. In line with the President's Economic Agenda, particularly on increasing competitiveness and the ease of doing business to attract local and foreign direct investment to the country, the moratorium on the acceptance, processing and/or approval of applications for an Exploration Permit for metallic and non-metallic minerals was lifted. This was the second new mining policy measure adopted by Secretary Cimatu, following on from the lifting of the moratorium on government approvals for small scale mining projects.

In line with this, Mt. Labo secured a renewal of its EP in 2018 for two years and recently received final certificates of approval for key environmental permits for the Mabilo Mining Project. These two approvals form key requirements for the completion of the DMPF, which forms a key milestone for the Project.

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

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

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

During the quarter, Mt. Labo finalised and lodged its response to the Counter Memorial and associated documentation lodged by Galeo in October 2018. Mt. Labo believes that its legal position is very strong and comprehensively addressed and corrected all the inconsistencies and inaccuracies presented in Galeo's documentation.

Mt. Labo is looking forward to the determinative Arbitration Hearing which we anticipate will be scheduled to be heard in the following quarter (quarter ended 30 September 2019).

## **MABILO PROJECT**

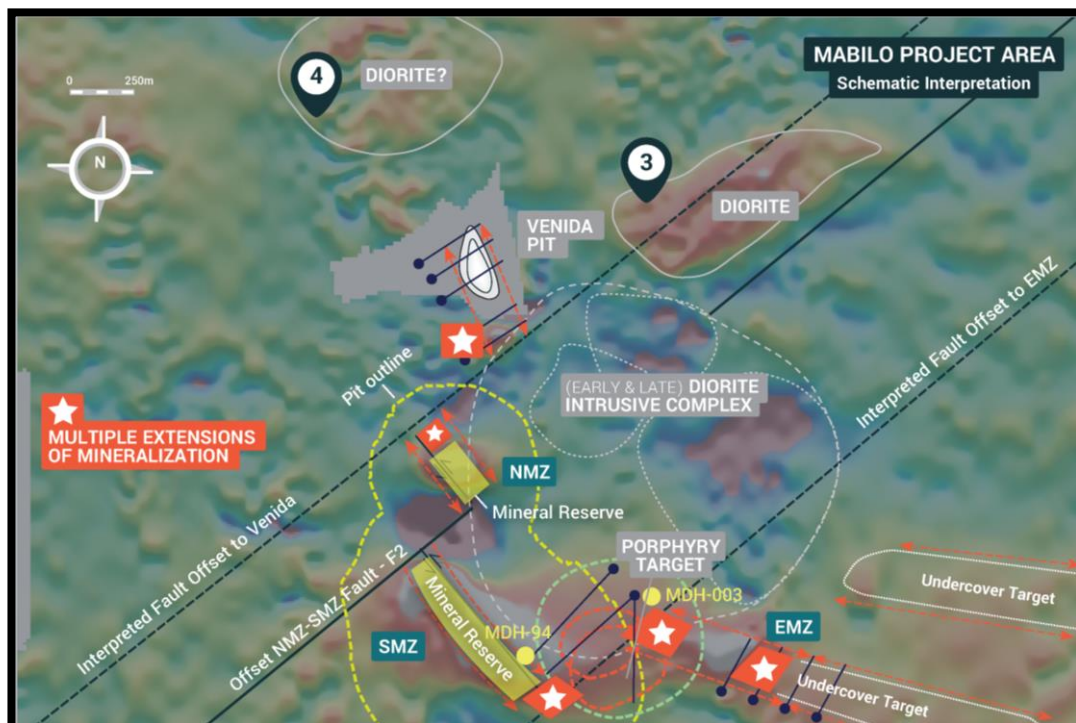
### **Project Background**

The Mabilo Project is located in Camarines Norte Province, Eastern Luzon, Philippines. It is comprised of one granted Exploration Permit (EP-014-2013-V) of approximately 498 ha; and two Exploration Permit Applications (EXPA-000209-V) covering 498 ha and (EXPA-000188-V) covering 1,991 ha. The Mabilo Project area is relatively flat and is easily accessed by 15 km of all-weather road from the highway at the nearby town of Labo.

Massive magnetite mineralisation containing significant copper and gold grades occurs as replacement bodies together with mineralised garnet skarn and calc-silicate altered rocks within a sequence of hornfels sediments of the Eocene aged Tumbaga Formation. The garnet and magnetite skarn rocks were extensively altered by argillic retrograde alteration and weathering prior to being covered by 25-60 metres of post mineralisation Quaternary volcanoclastics (tuff and lahar deposits) of the Mt. Labo Volcanic Complex. The deposits are localised along the margins of a diorite stock which does not outcrop within the Exploration Permit.

The primary copper mineralisation (predominantly chalcopyrite with lesser bornite) occurs as disseminated blebs and aggregates interstitial to magnetite grains and in voids within the magnetite. A strong correlation between gold and copper values in the un-weathered magnetite skarn indicates the gold is hosted by the chalcopyrite. A late stage phase of sulphide mineralisation (predominantly pyrite) veins locally brecciates the magnetite mineralisation.

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



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

Mt. Labo discovered the mineralisation in 2012 during a reconnaissance drilling program targeted on magnetic anomalies from a ground magnetic survey conducted by a former explorer. Mt. Labo subsequently conducted a new ground magnetic survey in early 2013, remodelled the data and commenced a second phase of drilling in mid-2013.

Extensive drilling has been undertaken during 2014 and 2015 with significant extensions in known strike beyond the magnetic model in the north and south directions. A total of 69 drill holes totalling 11,231m were used for the maiden Resource estimate (ASX released on the 24<sup>th</sup> November 2014). An updated Resource estimate (ASX released on the 5<sup>th</sup> November 2015) was completed using 98 drill holes totalling 18,200.9m. By the end of December 2015, 111 drill holes had been completed at the project. ***The current Resource is open down plunge and along strike.***

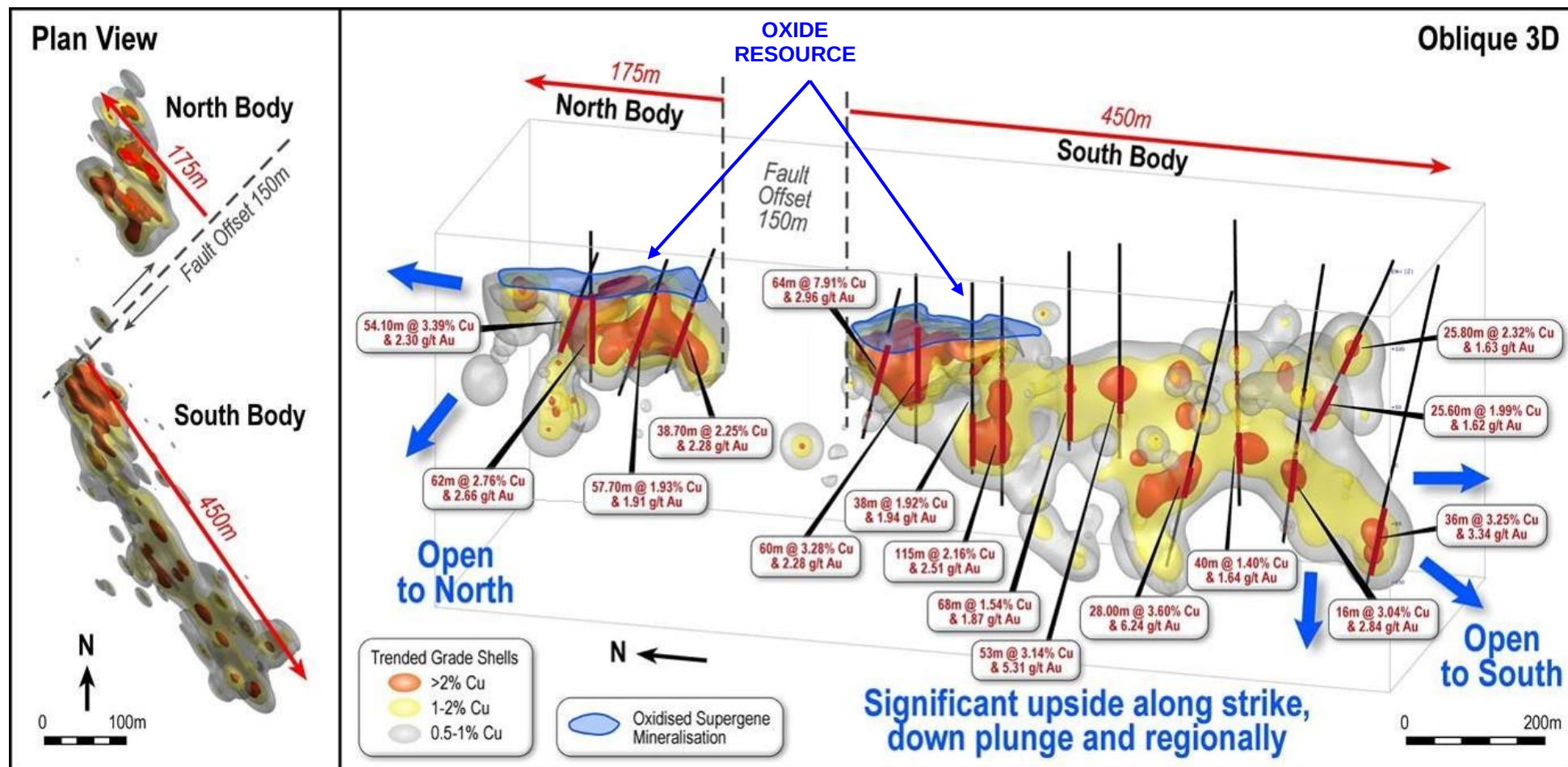


Figure 2 - North and Southern Mineralised Zones with intercept highlights - Schematic Oblique view 3D

## Mabilo Mineral Resource

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

Mineral Resource Estimate Results - Reporting at 0.3 g/t Au lower cut-off - Mabilo South and North Deposits

| Classification   | Weathering                 | Million Tonnes | Cu %       | Au g/t     | Ag g/t     | Fe %        | Contained Au ('000s Oz) | Contained Cu ('000s t) | Contained Fe ('000s t) |
|------------------|----------------------------|----------------|------------|------------|------------|-------------|-------------------------|------------------------|------------------------|
| Indicated        | Oxide + Supergene          | 0.78           | 4.1        | 2.7        | 9.7        | 41.2        | 67.1                    | 32.1                   | 320.8                  |
| Indicated        | Fresh                      | 8.08           | 1.7        | 2.0        | 9.8        | 46.0        | 510.5                   | 137.7                  | 3,713.7                |
| <b>Indicated</b> | <b>Total All Materials</b> | <b>8.86</b>    | <b>1.9</b> | <b>2.0</b> | <b>9.8</b> | <b>45.6</b> | <b>577.6</b>            | <b>169.8</b>           | <b>4,034.5</b>         |
| Inferred         | Oxide + Supergene          | 0.05           | 7.8        | 2.3        | 9.6        | 26.0        | 3.5                     | 3.7                    | 12.3                   |
| Inferred         | Fresh                      | 3.86           | 1.4        | 1.5        | 9.1        | 29.1        | 181.5                   | 53.3                   | 1,121.8                |
| <b>Inferred</b>  | <b>Total All Materials</b> | <b>3.91</b>    | <b>1.5</b> | <b>1.5</b> | <b>9.1</b> | <b>29.0</b> | <b>184.9</b>            | <b>57.0</b>            | <b>1,134.1</b>         |

*Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralised geological units. The Mineral Resource is quoted from all classified blocks above a lower cut-off grade 0.3 g/t Au within these wireframe solids. Differences may occur due to rounding*

## Feasibility Study ("FS")<sup>1</sup>

The Company announced on 18 March 2016 the results from an independent NI 43-101 compliant FS for 100% of the high grade Mabilo Project in Southeast Luzon, Philippines<sup>2</sup>. The Mabilo Project is both high grade and low cost, underpinning the robust economics presented in the FS including a 33% IRR after tax at US\$5,000/t Cu US\$1,200/oz Au prices (43.6% with only a 10% lift in commodity prices). Since the preparation of the Feasibility Study, commodity prices for both copper and gold have improved materially, increasing the value of the project.

## Mabilo Mineral Reserves

Mineral Reserves are quoted within specific pit designs based on Indicated Resources only and take into consideration the mining, processing, metallurgical, economic and infrastructure modifying factors.

**Table 2 - Probable Mineral Reserve Estimate**

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

The November 2015 Resource estimation provided by CSA classified the Resource for the Mabilo Project as Indicated and Inferred. Only Indicated Mineral Resources as defined in NI 43-101 were used to establish the Probable Mineral Reserves. No Reserves were categorized as Proven.

<sup>1</sup> The Company confirms that all the material assumptions underpinning the Feasibility Study as announced to the ASX on the 18<sup>th</sup> of March 2016 continue to apply and have not materially changed. A copy of the announcement can be found on the Company's website at [www.rtgmining.com](http://www.rtgmining.com).

<sup>2</sup> The FS is based on a treatment rate of 1Mtpa. A treatment rate of 1.35Mtpa was also considered in an upside case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa. The capital cost estimates were derived from first principles for the 1 Mtpa process plant to an accuracy of +/- 15% and then the capital cost estimates were factored with an accuracy of +/- 25% for the 1.35 Mtpa process plant. The operating cost estimates were derived from first principles for the 1Mtpa process plant and then plant costs were factored with an accuracy of +/- 25% for the 1.35Mtpa operating scenario. All costs are in 2015 US dollars.

## **CORPORATE**

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

Cash and liquid assets as at 31 March 2019 were A\$20.3 million, including US\$0.6 million plus interest due and outstanding from Thor Explorations Ltd.

## **ABOUT RTG MINING INC**

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

RTG has an experienced management team which has to date developed seven mines in five different countries, including being responsible for the development of the Masbate Gold Mine in the Philippines through CGA Mining Limited, and has B2Gold as one of its major shareholders in the Company. B2Gold is a member of both the S&P/TSX Global Gold and Global Mining Indices.

## **ENQUIRIES**

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

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

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

The information in this release that relates to exploration results at the Mabilo Project is based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr Ayres is a member of the Australian Institute of Geoscientists. Mr Ayres has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” and to qualify as a “Qualified Person” under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). Mr. Ayres has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in the release. Mr. Ayres consents to the inclusion in the release of the matters based on his information in the form and the context in which it appears.

The information in this release that relates to Mineral Resources is based on information prepared by or under the supervision of Mr Aaron Green, who is a Qualified Person and Competent Person. Mr Green is a Member of the Australian Institute of Geoscientists and is employed by CSA Global Pty Ltd, an independent consulting company. Mr Green has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” and to qualify as a “Qualified Person” under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). Mr. Green has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in the release. Mr Green consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release that relates to Mineral Reserves and Mining is based on information prepared by or under the supervision of Mr Carel Moormann, who is a Qualified Person and Competent Person. Mr Moormann is a Fellow of the AusIMM and is employed by Orelogy Consulting, an independent consulting company. Mr Moormann has sufficient experience that is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” and to qualify as a “Qualified Person” under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). Mr Moormann has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in the release. Mr Moormann consents to the inclusion in the release of the matters based on his

information in the form and context in which it appears.

The information in this release that relates to Metallurgy and Processing is based on information prepared by or under the supervision of David Gordon, who is a Qualified Person and Competent Person. David Gordon is a Member of the Australasian Institute of Mining and Metallurgy and is employed by Lycopodium Minerals Pty Ltd, an independent consulting company. David Gordon has sufficient experience that is relevant to the type of process under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). David Gordon has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in the release. David Gordon consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release that relates to areas outside of exploration results, Mineral Resources, Mineral Reserves and Metallurgy and Processing is based on information prepared by or under the supervision of Mark Turner, who is a Qualified Person and Competent Person. Mark Turner is a Fellow of the Australasian Institute of Mining and Metallurgy and is employed by RTG Mining Inc, the Company. Mark Turner has sufficient experience that is relevant to the information under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mark Turner has verified the data disclosed in this release. Mark Turner consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this release based on historic and public information on the Panguna Project has been compiled and reviewed by Mark Turner, who is a Qualified Person and Competent Person. Mark Turner is a Fellow of the Australasian Institute of Mining and Metallurgy and is employed by RTG Mining Inc, the Company. Mark Turner has sufficient experience that is relevant to the information under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mark Turner consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

For the ASX Feasibility Study announcement including JORC tables Section 1 to 4 please refer to the RTG Mining website ([www.rtgmining.com](http://www.rtgmining.com)) and on the ASX, under announcements ([www.asx.com.au](http://www.asx.com.au)).

## Appendix 1: Schedule of interests and location of Tenements

| Tenement reference                             | Location    | Nature of interest                                                                                                                                                                                | Interest at beginning of quarter | Interest at end of quarter |
|------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------|
| MPSA-MLC-MRD-459-V                             | Philippines | <i>Nalesbitan Project</i>                                                                                                                                                                         | 40%                              | 40%                        |
| APSA-002-V                                     | Philippines |                                                                                                                                                                                                   | 40%                              | 40%                        |
| Exploration Permit ("EP") 014-2013-V           | Philippines | Approved 2 <sup>nd</sup> EP renewal<br><i>Mabilo Project</i>                                                                                                                                      | 40%                              | 40%                        |
| EXPA-000209-V                                  | Philippines | <i>Mabilo Project</i>                                                                                                                                                                             | 40%                              | 40%                        |
| EXPA-000188-V                                  | Philippines | <i>Mabilo Project</i>                                                                                                                                                                             | 40%                              | 40%                        |
| Exploration Permit Application ("EXPA") 118-XI | Philippines | RTG's interest is held through its interest in its associate entity Bunawan Mining Corporation.                                                                                                   | 40%                              | 40%                        |
| APSA-003-XIII                                  | Philippines |                                                                                                                                                                                                   | 40%                              | 40%                        |
| EXPA-037A-XIII                                 | Philippines |                                                                                                                                                                                                   | 40%                              | 40%                        |
| EP 033-14-XIII                                 | Philippines | Approved 1st Renewal EP                                                                                                                                                                           | 40%                              | 40%                        |
| EP-001-06-XI                                   | Philippines |                                                                                                                                                                                                   | 40%                              | 40%                        |
| EP-01-10-XI                                    | Philippines | RTG's interest is held through its interest in its associate entity Oz Metals Exploration & Development Corporation.<br>(Both EP-02-10-XI and EP-01-10-XI are subject to 2 <sup>nd</sup> renewal) | 40%                              | 40%                        |
| EP-02-10-XI                                    | Philippines |                                                                                                                                                                                                   | 40%                              | 40%                        |
| EXPA-123-XI                                    | Philippines |                                                                                                                                                                                                   | 40%                              | 40%                        |