No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws and may not be offered or sold in the United States or to "U.S. persons", as such term is defined in Regulation S under the 1933 Act, unless pursuant to an exemption therefrom. See "Plan of Distribution".

Initial Public Offering 29 June 2010

PROSPECTUS

RATEL GOLD LIMITED

UP TO Cdn.$14,000,000
UP TO 70,000,000 COMMON SHARES

This prospectus qualifies the distribution (the "Offering") of a minimum of 40,000,000 and a maximum of 70,000,000 common shares (the "Shares") of Ratel Gold Limited ("Ratel" or the "Company"), a growth-oriented exploration and development mining company, at a price of Cdn.$0.20 per common share (the "Offering Price") pursuant to the terms of an agency agreement dated 29 June 2010 (the "Agency Agreement") between Haywood Securities Inc. (the "Agent") and Ratel. At the date of this prospectus, Ratel is a wholly-owned subsidiary of CGA Mining Limited ("CGA") and the Offering is subject to approval by the CGA shareholders ("CGA Shareholders"). The Offering Price of the Shares was determined by negotiation between Ratel and the Agent.

There is currently no market through which the Shares may be sold and purchasers may not be able to resell securities purchased under the prospectus. This may affect the pricing of the Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Shares and the extent of issuer regulation. Investment in the Shares involves significant risks. Investors should carefully consider the risks referred to under the heading "Risk Factors" beginning at page 105 of this prospectus. The Company currently only has a resource estimate on the Segilola Gold Project located in Nigeria and it has not completed the Feasibility Study on the project. Closing of the Offering is dependent on SGL delivering the Feasibility Study (for the purposes of satisfying the minimum project parameters set out in the Segilola JV) to TML and the Feasibility Study will be subject to the usual requirements of obtaining all necessary licences and permits including TML securing the enlarged mining license area, which is expected on or before 31 December 2010. For clarification, the delivery of the Feasibility Study is not subject to TML securing the enlarged mining license area, but development of the project on the basis set out in the Feasibility Study will be. In the event TML is unable to secure the enlarged mining license area, Ratel will review the proposed development plan and make necessary changes. The project economics may be affected by such changes but Ratel is unable to determine what the effect is at this point in time and there is no certainty that the minimum thoroughput of 500,000 tonnes of ore or an internal rate of return of not less than 25% (the parameters for economic viability in the definition of Feasibility Study) will be obtained. See "Risk Factors". The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of Ratel's common shares (including the Shares distributed under this prospectus) under the symbol "RTL" (the "Listing"). The Listing is subject to the Company fulfilling all of the requirements of the TSX on or before 22 September 2010, including the distribution of the Shares to a minimum number of public shareholders and the Company amending its articles of association to the satisfaction of the TSX to provide shareholder protections consistent with the Canada Business Corporations Act.

Price: Cdn.$0.20 per Share

	Price to Public	Agent's Fee[(1)]	Net Proceeds to Ratel
Per Share	Cdn.$0.20	Cdn.$0.01	Cdn.$0.19
Minimum Offering [(2)]	Cdn.$8,000,000	Cdn.$400,000	Cdn.$7,600,000
Maximum Offering[(2)]	Cdn.$14,000,000	Cdn.$700,000	Cdn.$13,300,000

Notes:

(1) Pursuant to the terms and conditions of the Agency Agreement between Ratel and the Agent, Ratel has agreed to pay a cash commission to the Agent (the "Agent's Fee") equal to 5% of the gross proceeds of the Offering.

(2) Before deducting expenses of the Offering, estimated to be Cdn.$400,000, which expenses, together with the Agent's Fee, Ratel will pay from the proceeds of the Offering.

The Agent conditionally offers the Shares on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by Ratel and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters by Blake, Cassels & Graydon LLP, on behalf of Ratel, and by Miller Thomson LLP, on behalf of the Agent.

Subscriptions for the Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Offering will be conducted under the book-based system. Accordingly, a subscriber who purchases Shares will receive a customer confirmation from the registered dealer from or through whom Shares are purchased. CDS Clearing and Depositary Services Inc. ("CDS") will record the CDS participants who hold Shares on behalf of owners who have purchased or transferred Shares in accordance with the book-based system. Certificates evidencing Shares will not be issued unless specifically requested. It is expected that the closing of the Offering will take place on 6 August 2010 or such other date (not later that 90 days following the receipt for the final prospectus) as Ratel and the Agent may agree (the "Closing Date").

The Company is incorporated under the laws of a foreign jurisdiction and all of the directors and the promoter of the Company reside outside of Canada. Although the Company and such directors and promoter have appointed Blake, Cassels & Graydon LLP, Suite 2600, Three Bentall Centre, 595 Burrard Street, PO Box 49314, Vancouver, BC V7X 1L3, Canada as its agent for service of process in Canada, it may not be possible for investors to enforce judgments obtained in Canada against the Company, its directors or the promoter.

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GENERAL MATTERS

Unless otherwise noted or the context otherwise indicates, "Ratel" refers to Ratel Gold Limited alone and the "Company", "we", "us" and "our" refers to Ratel Gold Limited and its subsidiaries.

For reporting purposes, we prepare our financial statements in United States dollars and in conformity with the accounting principles of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Unless otherwise indicated, all references to "$", "US$" or "dollars" in this prospectus are to United States dollars. References to "Cdn.$" are to Canadian dollars and references to "A$" are to Australian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this prospectus constitute forward looking statements within the meaning of applicable securities laws including, among others, statements made or implied relating to Ratel's objectives, strategies to achieve those objectives, Ratel's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward looking statements generally can be identified by words such as "objective", "may", "will", "expect", "likely", "intend", "estimate", "anticipate", "believe", "should", "plans" or similar expressions suggesting future outcomes or events and may be found under the headings "Prospectus Summary", "Our Business", "Use of Proceeds" and "Management Discussion & Analysis" and elsewhere in this prospectus. Such forward looking statements are not guarantees of future performance and reflect Ratel's current beliefs based on information currently available to management. Such statements involve estimates and assumptions that are subject to a number of known and unknown risks, uncertainties and other factors inherent in the business of Ratel and other materials filed with the securities regulatory authorities from time to time which may cause the actual results, performance or achievements of Ratel to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Those risks, uncertainties and assumptions include, but are not limited to: the mining industry (including operational risks; risks in exploration, development and production; the uncertainties involved in the discovery and delineation of mineral deposits, resources or reserves; and the uncertainty of mineral resource and mineral reserve estimates); the risk of gold, copper and other commodity price and foreign exchange rate fluctuations; the ability of Ratel to fund the capital and operating expenses necessary to achieve the business objectives of Ratel; the uncertainty associated with commercial negotiations and negotiating with foreign governments; the risks associated with international business activities; risks related to operating in Zambia and Nigeria; environmental risk; the dependence on key personnel; the ability to access capital markets; and the additional factors discussed under the heading "Risk Factors" on page 105. Although the forward-looking information contained in this prospectus is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, prospective investors should not place undue reliance on forward-looking information. Such forward-looking information is made as of the date of this prospectus and, other than as required by applicable securities laws, we assume no obligation to update or revise such forward-looking information to reflect new events or circumstances.

TECHNICAL AND INDUSTRY INFORMATION

The disclosure in this prospectus of technical information for the Segilola gold project in Nigeria (the "Segilola Gold Project") and the Mkushi copper project in Zambia (the "Mkushi Copper Project") is based on the following technical reports, respectively:

- Independent Technical Report Resource Estimate of the Segilola Gold Project, Osun State, Nigeria dated 1 May 2010 prepared by Mr Alfred Gillman of Odessa Resources Pty Ltd (the "Segilola Technical Report"); and

- Independent Technical Report Resource Estimate of the Mkushi Copper Project, Zambia dated August 2008 prepared by Mr Matthew Nimmo of Snowden Mining Industry Consultants (the "Mkushi Technical Report") and reissued to Ratel in March 2010.

The authors of these technical reports are independent of the Company and are qualified persons for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The technical reports will be available for review on the Internet on the system for electronic document analysis and retrieval ("SEDAR") at www.sedar.com. Alternatively, these technical reports may be inspected during normal business hours at the offices of Blake Cassels & Graydon LLP, Suite 2600, 595 Burrard Street, Vancouver, British Columbia, during the period of distribution of the Shares and for 30 days thereafter.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to Ratel, and, Miller Thomson LLP counsel to the Agent, on the date of this prospectus, the Shares, if and when listed on a designated stock exchange as defined in the *Income Tax Act* (Canada) (the "Tax Act") and the regulations thereunder, will be qualified investments in Canada under the Tax Act, and the regulations thereunder, for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a deferred profit sharing plan, a registered disability savings plan and a tax-free savings account ("TFSA"), and generally should not be a "prohibited investment" for a TFSA provided that (i) the holder of the account does not have a "significant interest", as defined in the Tax Act, in Ratel and (ii) Ratel deals at arm's length within the meaning of the Tax Act with the holder and each corporation, partnership or trust in which the holder holds a significant interest.

Generally a holder of a TFSA should not hold a significant interest in a corporation (including Ratel) provided that neither the holder nor any one or more persons with whom the holder does not deal at arm's length, alone or in any combination, directly or indirectly holds 10% or more of the issued shares of any class of shares in the capital stock of the corporation. For these purposes, specific rules may deem a holder to own shares of a corporation that are held by a partnership in which the holder is a member or by a trust of which the holder is a beneficiary. A holder of a TFSA will not generally hold a significant interest in a partnership or trust if neither the holder, nor any one or more persons with whom the holder does not deal at arm's length, holds interests representing 10% or more of the fair market value of all the interests in the partnership or trust. Holders of trusts governed by a TFSA should consult their own tax advisors to ensure the Shares would not be prohibited investments in their particular circumstances.

EXCHANGE RATE INFORMATION

The following tables set forth, for each of the periods indicated, the year end exchange rate, the average noon rate and the high and low noon exchange rates of one Canadian dollar in exchange for U.S. currency and one Canadian dollar in exchange for Australian currency, as quoted by the Bank of Canada.

One Canadian dollar to U.S. currency

	Three Months Ended	Six Months Ended	Year Ended June 30		
	31 March 2010	31 December 2009	2009	2008	2007
High	0.9775	0.9484	0.9875	1.0340	0.9388
Low	0.9462	0.8911	0.7908	0.9450	0.8504
Average	0.9609	0.9287	0.8571	0.9900	0.8830
Period End	0.9775	0.9484	0.8877	0.9835	0.9388

On 28 June 2010, the noon rate quoted by the Bank of Canada was Cdn.$1.00 equals US$0.9674.

One Canadian dollar to Australian currency

	Three Months Ended 31 March 2010	Six Months Ended 31 December 2009	Year Ended June 30 2009	2008	2007
High.....	1.0716	1.1085	1.2468	1.1547	1.1870
Low	1.0500	1.0268	1.0261	1.0342	1.0652
Average	1.0632	1.0666	1.1599	1.1049	1.1231
Period End	1.0716	1.0507	1.1065	1.0342	1.1146

On 28 June 2010, the noon rate quoted by the Bank of Canada was Cdn.$1.00 equals A$1.072.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

OUR BUSINESS

Ratel is a mining exploration company whose mission is to focus on the development of mining projects in Africa. We are actively engaged in exploring and developing mining projects and currently have an advanced-stage exploration property in Nigeria, the Segilola Gold Project, upon which we are currently undertaking a feasibility study ("Feasibility Study"), and the Mkushi Copper Project in Zambia. Our current objective is to focus on a potential development of the Segilola Gold Project and acquire further projects as and when appropriate opportunities arise.

Ratel acquired its interest in the Segilola Gold Project from its immediate holding company CGX Holdings Pty Ltd ("CGX Holdings"), through the execution of a share sale agreement between it and CGX Holdings whereby CGX Holdings sold its 100% ownership of CGX Limited ("CGX") to Ratel. CGX, in turn, wholly owns Segilola Gold Limited ("SGL") which holds a 38% interest in the Segilola Gold Project and has a right to acquire a further 13% interest.

Likewise, Ratel acquired its interest in the Mkushi Copper Project from its immediate holding company Zambian Holdings Pty Ltd, through the execution of a share sale agreement between it and Zambian Holdings Pty Ltd whereby Zambian Holdings Pty Ltd sold its 100% ownership of Zambian Mining Limited ("Zambian Mining") to Ratel. Zambian Mining, in turn, wholly owns Seringa Mining Limited ("SML") and Seringa has a 51% interest in the Mkushi Copper Project.

The Shares being offered under this prospectus are being issued in connection with the restructuring whereby Ratel will be spun off from the CGA group of companies, following which Ratel will no longer be a wholly owned subsidiary of CGX Holdings (which will remain a wholly owned subsidiary of CGA). The spin off of Ratel from the CGA group of companies, by way of Ratel undertaking an initial public offering, is subject to CGA Shareholder approval.

Our Competitive Strengths

We believe that the following competitive strengths will allow us to establish the Company as a successful mining company in Africa and will provide us with advantages in terms of our ability to locate, explore and develop mining projects over a range of countries.

Management and Board Expertise

We have knowledge of the gold and copper mining industry and broad experience in acquiring portfolios of resource properties, exploring and developing resource projects, as well as operating producing resource projects. Our officers and directors also have experience in raising capital through the public equity markets and in project finance.

In particular, Mr Mark Savage, our Chairman, Mr Michael Carrick, Director and Mr Geoff G. Jones, CEO each bring with them over 20 years experience in the resource sector and the management of publicly listed companies.

See "Directors and Executive Officers".

Our Assets

Our current properties range across different stages of project development and commodities, including the Segilola Gold Project in Nigeria, upon which we are currently undertaking a Feasibility Study, and the Mkushi Copper Project in Zambia, which is undergoing exploration activities. This diversification reduces our exposure to political and regulatory risk in any one jurisdiction and fluctuations in commodity prices.

Growth Potential of Existing Projects

We intend to increase our exploration activities and further enhance our projects by:

- completing a Feasibility Study for the Segilola Gold Project;
- commencing design and construction of the mine for the Segilola Gold Project, subject to an anticipated positive Feasibility Study; and
- continuing to optimise the Mkushi Copper Project and explore our options.

Strong Financial Position

We provide investors with an opportunity to invest in an exploration stage mining company with potential to move into production with the development of the Segilola Gold Project. Upon completion of this Offering, we will have cash of approximately Cdn.$12,900,000 assuming the maximum offering is fully subscribed, or $7,200,000, assuming a minimum offer, and no long term debt.

See "Our Business", "Segilola Gold Project", and "Use of Proceeds".

Directors and Executive Officers

Our board of directors and management team include:

Name & Office with Ratel	Experience
MARK S. SAVAGE, Chairman	Chairman of CGA Mining Limited
GEOFF G. JONES, Chief Executive Officer	Mining Engineer
MICHAEL J. CARRICK, Director	President and CEO of CGA Mining Limited
IAN C. FISHER, Independent Director	Director, Erin Resources Pty Ltd
RON CLARKE, Independent Director	Senior Financial and Executive positions in publically listed companies
HANNAH HUDSON, Company Secretary/Chief Financial Officer	Company Secretary and Financial Controller of CGA Mining Limited

See "Directors and Executive Officers".

OUR PROPERTIES

Segilola Gold Project

The Segilola Gold Project is located in Iperindo-Odo in the Osun State in Nigeria. The Segilola Gold Project site is situated within 600 metres of a sealed road, 18 kilometres south of the nearest large town Ilesha. Ilesha itself, is located on a sealed dual carriage way, 230 kilometres northeast of Lagos (the principal international entry port and major commercial centre of Nigeria).

SGL, a wholly owned subsidiary of Ratel, entered into a joint venture agreement with Tropical Mines Limited ("TML"), a Nigerian company, in May 2007 (the "Segilola JV"). Under the terms of the Segilola JV, SGL is to carry out and sole-fund exploration activities and the preparation of the Feasibility Study. The Segilola Gold Project comprises Mining Lease 41 ("ML 41") and Exploration License 39 ("EL 39"). ML 41 covers an area of 46.41 hectares and is wholly contained within EL 39 which is an area of 43.8 square kilometres.

Subject to the Segilola JV, SGL has the right to earn up to a 51% interest in the Segilola Gold Project. To-date, SGL has earned 38% equity in the licence holding (through its exercise of option 1 and option 2), with the remaining 62%

interest held by TML. SGL will acquire the remaining 13% (by way of completing the exercise of option 3) on delivery of the Feasibility Study, which is currently underway and progressing well, in addition to the satisfaction of other conditions to the Segilola JV, including negotiating a mining operations agreement. SGL has until 26 April 2011 to exercise the third option. In order to exercise the third option SGL is required to provide to TML a Feasibility Study demonstrating the economic viability of the Segilola Gold Project which SGL has agreed to deliver to TML by 24 August 2010, documentation confirming that since the exercise of the second option SGL has incurred further expenditure of US$750,000, execute a production sharing contract (an operating agreement), and obtain confirmation from the project accountant that it has incurred a total expenditure of US$2,000,000. In accordance with the Segilola JV, no profits and/or dividends shall be declared by the Segilola JV until TML has been repaid $6,000,000 and SGL has been repaid $2,000,000.

Pursuant to the Segilola JV, if SGL fails to exercise the third option (as stipulated by the Segilola JV), which includes delivery of the Feasibility Study to TML by 24 August 2010 or any other date agreed between SGL and TML, or, once the third option has been exercised, if SGL fails (a) to commence commercial production of gold on the Segilola Gold Project within a period of 21 months from exercising the third option or (b) to sustain commercial production of gold from the Segilola Gold Project for a continuous period of 6 months, the Segilola JV will terminate and SGL will automatically forfeit to TML its entire interest in the Segilola Gold Project, subject to certain exceptions, as set out in the Segilola JV. See "Our Business – The Segilola Gold Project".

Recent Activities

In December 2009, Ratel announced an indicated resource estimate for the Segilola Gold Project. The Company obtained the Segilola Technical Report which disclosed an indicated resource of 521,814 ounces of gold at a grade of 4.5g/t at a quantity of 3,620,386 tonnes and an inferred resource of 96,445 ounces of gold at a grade of 4g/t at a quantity of 747,590 tonnes at the Segilola Gold Project. This maiden resource has been generated from a drilling campaign of 12,166 metres in 119 holes ranging in depth from 40 metres to 220 metres. The deposit lends itself to being exploited by open pit mining methods. The metallurgical characteristics of the ore are amenable to conventional CIL processing techniques.

Currently, the Feasibility Study is being prepared and undertaken by Sedgman Limited through its metals division, Sedgman Metals Engineering Services which is based in Perth, Western Australia.

Physical and leach tests have been completed on seven composite samples recovered from thirty seven ore intersections in twenty seven diamond drill holes located across the complete mineralised zone. Results indicate in excess of ninety five percent gold recovery at a grind of P80. 106 microns.

A baseline environmental study has been completed by a quality, health, safety and environmental consulting and laboratory services company. The study was carried out in compliance with the Nigerian national legislation and the consultant's corporate policies on environment. This was followed by an environmental impact assessment which will be submitted along with the Feasibility Study for the required mining permit to operate.

A suitable process flowsheet has been determined and have commenced the engineering work required to progress process plant design to a standard whereby capital and operating costs can be determined to the required level of accuracy has been commenced.

Preliminary design work by engineering consultants for the Tailings Storage Facility ("TSF") and Water Storage Dam ("WSD") has been completed. To secure a reliable, consistent water supply for processing it will be necessary to dam a perennial flowing local creek located one kilometre east of the mineralised zone.

An independent Perth based mining engineer has undertaken the design of an initial open pit mine. The location of suitable waste dumping sites has been determined. A preliminary mining schedule based on exploitation of 500,000 tonnes per annum has been completed.

As ML 41 covers only a portion of the mineralisation with the balance of mineralisation within the surrounding EL 39, which is owned by the joint venture, an application to enlarge the existing mining lease to encompass all of the mineralisation, infrastructure and utilities was lodged in January 2010 with the Federal Ministry of Mines and Steel

Development, Mining Cadestre Office. Approval of this enlargement application is currently being considered by the Mining Cadastre Office.

See "Segilola Gold Project".

Mkushi Copper Project

The Mkushi Copper Project is the subject of a joint venture agreement originally executed in 2007 between CGA and SML, (a wholly owned subsidiary of Ratel), and African Eagle Resources plc ("AFE") and Katanga Resources Limited ("Katanga"), a wholly owned subsidiary of AFE (the "Mkushi JV"). SML holds a 51% interest in the Mkushi Copper Project, and pursuant to the terms of the Mkushi JV, is responsible for managing the development drill out and feasibility study preparation. Katanga holds the remaining 49% interest and manages a regional exploration programme. A Zambian company, Mkushi Copper Joint Venture Ltd ("MCJVL"), has been established to own and operate the project with SML and Katanga each holding 51% and 49% respectively of the shareholding of MCJVL. See "Our Business – Mkushi Copper Project".

Upon completion of the Offering, Ratel will replace CGA as a party to the Mkushi JV and assume all the obligations of CGA pursuant to the Mkushi JV.

The Mkushi Copper Project is located close to the southern limb of the Zambian copperbelt, 60 kilometres east of the regional centre of Kapiri Mposhi and 250 kilometres north of the State capital of Lusaka. Kapiri Mposhi is the Zambian terminus for the Tanzam railway which was established in the 1970's for the dedicated purpose of transporting copper exports produced on the Zambian copperbelt to the port of Dar es Salaam in neighbouring Tanzania. There is good sealed road access from both Lusaka to the south and Ndola to the north, both having an international airport with connecting daily flights to Johannesburg, in the Republic of South Africa. In addition to the Tanzam rail system there are rail connections to neighbouring Zimbabwe and Botswana both of which continue through to South Africa. The site is easily accessed by the main northern highway from Lusaka to Kapiri Mposhi, and then by following the main sealed highway through to Tanzania for a further 15 kilometres of sealed road plus 30 kilometres on an existing gravel road which leads to the project site. Plentiful water and electrical power is regionally available. The project site is approximately 123 kilometres south south east of Ndola, the copperbelt provincial centre, and some 45 kilometres south west of the regional town of Mkushi.

A draft feasibility study was undertaken in October 2008 by SML. During the feasibility study preparation, the tenure was secured by applying for and having granted a Large Scale Mining Licence covering 75% of the old prospecting licence, PL114. The Large Scale Mining Licence, LML67, was approved by the MOMMD on 31 July 2008 for a period of 25 years.

See "Our Business – Mkushi Copper Project".

Recent Activities

An application for the extension of the surrounding prospecting licence, PL 290, for a further two year period was approved on 28 April 2009.

An Environmental Impact Assessment and Resettlement Action Plan were submitted to the Environmental Council of Zambia for approval, which was obtained on 9 April 2009 and completed the process for the full mining licence to become effective.

A memorandum of understanding has been entered into with Lunsemfwa Hydro Power Company Ltd for the supply of power to the Mkushi Copper Project should a development take place. The Environmental Impact Assessment for the power line route has been approved.

Metallurgical test work was carried out by AMMTEC Ltd at their Balcatta facility in Western Australia. This test work established the design criteria for process and plant design. The results of the programme indicated a potential recovery in excess of 96% of contained copper using conventional copper sulphide flotation technology. The test

work so far has shown that the process may generate a concentrate containing 30% copper and has indicated that there is a potential for economic extraction of the copper mineralization at the Mkushi Copper Project.

Metplant Engineering Services Pty Ltd, a wholly owned subsidiary of the multi-national engineering organisation, Bateman Engineering Pty Ltd, carried out design and cost estimation studies for the process plant area. The process is planned to be a simple crushing, grinding and flotation circuit.

Optimisation of the resource model, mine design and scheduling was undertaken by Lower Quartile Solutions Ltd, a Perth based mining consultant. Since the initial pit designs and scheduling were completed, additional reviews were undertaken looking at various options. The reviews are currently ongoing including the possibility of utilising a modular processing facility that would reduce the capital cost.

See “Mkushi Copper Project”.

Other Properties

Ratel has entered into the Kankanfrasi Option Agreement (the “Kankanfrasi Option”) dated 27 May 2010 with Central Asia Minerals Limited (“CAML”) to acquire 100% of its interest in CAML Ghana Limited, the company holding a 51% interest in the Kankanfrasi Gold Project in Ghana. Pursuant to its terms, Ratel has three months from the date of the Kankanfrasi Option to exercise the option to acquire 100% of CAML’s interest in CAML Ghana Limited. The Kankanfrasi concession, covering approximately 130 km2, is located 13 km west of the Ashanti Gold Mine at Obuasi, in the highly prospective central Ashanti Province of Ghana. Exercise of the Kankanfrasi Option is conditional on amongst other things, satisfactory completion of due diligence by Ratel and the successful completion of the Offering. If the Kankanfrasi Option is exercised, the purchase consideration will be satisfied by an issue of 2,500,000 common shares. The Kankanfrasi concession is an early stage exploration property in Ghana and CAML Ghana Limited has a commitment to spend approximately US$1.1 million on exploration activities in two stages, a portion of which has already been spent and up to US$2.5 million on deferred purchase consideration, subject to satisfaction of various conditions.

THE OFFERING

Issuer:	Ratel Gold Limited
Minimum Offering:	40,000,000 Shares ("Minimum Offering")
Maximum Offering:	70,000,000 Shares ("Maximum Offering")
Offering Price:	Cdn.$0.20 per Share
Shares Outstanding:	Prior to the Offering: 17,500,000 Shares After the Offering: Up to 87,500,000 Shares
Agent's Fee	Ratel has agreed to pay an Agent's Fee equal to 5% of the gross proceeds of the Offering.
Base Offer:	Up to 60,000,000 Shares (the "Base Offer") will be offered to the public pursuant to this prospectus, subject to the Priority Offer.
President's List Offer:	Up to 10,000,000 Shares (the "President's List Offer") will be offered pursuant to this prospectus to a list of strategic investors, family members, friends and business associates of Ratel as determined by Ratel and the Agent (the "President's List").
Priority Offer:	Existing CGA Shareholders resident in the Eligible Jurisdictions (as defined herein) will be given the opportunity to participate in the Base Offer on a pro-rata basis to their shareholdings in CGA based on the total number of CGA shares issued and outstanding as of 11 June 2010 (the "Priority Offer"). Ratel may elect to extend the Priority Offer to certain CGA Shareholders who are not resident in an Eligible Jurisdiction if Ratel determines that such offering to, and subscription by, such person for Shares is lawful and in compliance with all securities and other laws applicable in the jurisdiction where such person is resident (an "Approved Eligible Holder"). The Priority Offer is not, and under no circumstances is to be construed as, an offering of any Shares in any jurisdiction outside of the Eligible Jurisdictions or a solicitation therein of an offer to buy any securities. See "Plan of Distribution". The Priority Offer is subject to rejection or allotment, in whole or in part, by the Board of Directors of Ratel. CGA Shareholders are being presented with an opportunity to participate in the Base Offer, but they do not have an absolute right or entitlement to acquire Shares and they do not have an enforceable claim to any Shares. The opportunity presented by the Priority Offer cannot be sold or transferred. The Priority Offer is not a security or an option, right, subscription or other interest in or to a security. Further, the Priority Offer is not a rights offering. No CGA Shareholder who is in the United States, a "U.S. person" (as defined in Regulation S of the United States Securities Act of 1933, as amended (the "1933 Act")) (a "U.S. Person") or holding for the account or benefit of a U.S. Person or person in the United States may participate in the Priority Offering and this prospectus does not constitute an offer to sell or the solicitation of an offer to buy from any such persons.
CGA Shareholder Approval:	The Offering is subject to the approval of the CGA Shareholders at a special meeting of CGA Shareholders to be held on 2 July 2010.
Delivery of Feasibility Study:	The closing of the Offering is subject to the delivery of a Feasibility Study to TML in accordance with the terms of the Segilola JV.

Offering Jurisdictions for the Base Offer and President's List Offer:	All Provinces of Canada, except Québec, and in the United States on a private placement basis pursuant to available exemptions from the registration requirements of the 1933 Act and in accordance with any applicable state securities laws and in offshore jurisdictions pursuant to relevant prospectus or registration exemptions in accordance with applicable laws. The Offering will also be made directly by the Company to eligible CGA Shareholders in Australia.
Use of Proceeds:	The estimated net proceeds to be received by us from the Offering are expected to be approximately Cdn.$12.9 million, after deducting the Agent's Fee, being Cdn.$700,000, and the estimated expenses of the Offering, being Cdn.$400,000, assuming the Maximum Offering is fully subscribed, or Cdn.$7.2 million, after deducting the Agent's Fee of Cdn.$400,000 and the estimated expenses of the Offering assuming the Minimum Offering. The net proceeds of the Offering will be used primarily for exploration and development activities, including feasibility study costs, on the Company's Segilola Gold Project, as well as the Mkushi Copper Project, general and administrative expenses and for working capital purposes. We intend to use the net proceeds as follows for the following 18 months with any further expenditure being subject to the results of the Feasibility Study:

USE OF NET PROCEEDS

Ratel Corporate	**Minimum Offering (Cdn.)**	**Maximum Offering (Cdn.)**
General and administrative expenses	$1,439,727	$1,439,727
Segilola Gold Project		
Site and office costs for Lagos, Abuja and Ilesha	$1,617,171	$1,617,171
Feasibility Study	$984,201	$984,201
Mkushi Copper Project		
Site and office costs	$542,813	$542,813
Optimisation drilling	$502,968	$502,968
Working capital	$2,113,120	$7,813,120
TOTAL USE OF NET PROCEEDS	**$7,200,000**	**$12,900,000**

CGA has agreed to provide additional funding as required to Ratel to enable the company and its controlled entities to operate and meet their respective obligations for a period of the earliest of 31 May 2011 or up to the date of the closing of the Offering. Ratel has agreed to repay CGA for the funds provided from 31 March 2010 until the date of the closing of the Offering. As at the expected closing of the Offering on or about 6 August, 2010, CGA estimates to have funded, and will be repaid from the net proceeds of the Offering, a total of Cdn$1,167,908. See "Use of Proceeds".

While we intend to spend these net proceeds as stated above, there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary or advisable. See "Use of Proceeds" and "Risk Factors".

RISK FACTORS

An investment in Shares should be considered highly speculative and involves significant risks due to the nature of our business, our status as a recently incorporated entity with a limited operating history and the

stage of development of our properties, among other factors. An investment should be considered only by investors who can afford the total loss of their investment.

A prospective investor in our Shares should be aware that there are various risks that could have a material adverse effect on, among other things, our properties, business and condition (financial or otherwise) and/or our subsidiaries. These risk factors which are summarized below, together with all of the other information contained in this prospectus, including information contained in the section entitled "Cautionary Statement Regarding Forward-Looking Information", should be carefully reviewed and considered before an investment in our Shares is made. **The risks summarized below do not necessarily comprise all the risks we face.**

Risks Relating to Ratel's Business and Industry

- Mining exploration and development are highly speculative, are characterized by significant inherent risk and may not be successful.
- Commodity prices are subject to dramatic and unpredictable fluctuations.
- We have a limited operating history.
- Future performance depends on our ability to establish that our gold and copper resources are economically viable and sustainable.
- Interests in the mineral properties are held through joint ventures and we are exposed to the risks related to working with joint venture partners and the requirement to comply at all times with our obligations under the joint venture agreements.
- Industry competition may impede our ability to access suitable resources and or enter into necessary agreements on terms favourable to us, or at all, which would negatively impact our revenue.
- Environmental and other regulatory requirements may add cost and uncertainty.
- Our business and operations are subject to government regulations.
- We require certain licences and permits in order to conduct our business and operations, for which there is no certainty of receipt.
- Administrative procedures in the jurisdictions in which we operate may adversely affect our business by increasing costs for financing or development of power plants and related transmission facilities.
- We may be unable to obtain the financing we need to pursue our growth strategy, which may adversely affect our ability to expand our operations.
- It is very costly to place gold and copper resources into commercial production.
- The success of our business relies on attracting and retaining key personnel.
- Our officers and directors may have conflicts of interests arising out of their relationships with other companies.
- Adverse claims on our title may adversely affect our business.
- We may not be able to successfully integrate companies that we acquire in the future, which could materially and adversely affect our business, financial condition, future results and cash flows.

Risks Relating to the Political and Economic Climates of Countries in which we Operate

- There are risks associated with regional and international laws applicable to our projects and operations, including permitting, taxes and other fiscal conditions.

- Host country's economic, social and political conditions can negatively affect project development including, without limitation, prevention or restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals, withdrawal or limitations on licences and limitations on access to capital.

Risks Relating to the Offering, our Shares and Trading Market

- There is no prior public market for our securities and there is no assurance that one will develop.

- If our share price decreases after the Offering, investors could lose a significant part of their investment.

- We have no dividend payment policy and do not intend to pay any cash dividends in the foreseeable future.

- Fluctuation in foreign currency exchange rates may affect our results.

- The issuance of additional equity securities may negatively impact the trading price of our Shares.

- Management will have discretion over the use of proceeds of the Offering, as well as the timing of expenditures.

- Current global financial conditions may impact our ability to obtain equity and debt financing in the future and, if obtained, on terms favourable to us.

See "Risk Factors" beginning at page 105 of this prospectus.

SUMMARY OF SELECTED FINANCIAL INFORMATION

Selected Historical Financial Information for Ratel

The following sets out our selected consolidated financial information for the period from inception on 27 January 2010 to 31 March 2010. This information has been derived from our audited and unaudited financial statements included elsewhere in this prospectus. All our financial statements have been prepared in US dollars in accordance with IFRS. You should read the following information in conjunction with those financial statements and the related notes thereto, along with the "Management Discussion and Analysis" provided herein.

	For the period from 27 January 2010 to 31 March 2010 US$ (audited)
Revenue	-
Exploration and evaluation expenditure	-
Foreign exchange losses	-
Administrative expenses	-
Cash and cash equivalents	16,595
Total assets	16,595
Total current liabilities	-
Total non-current liabilities	-
Issued capital	16,595
Accumulated losses	-
Total shareholders deficit	16,595

Selected Pro Forma Financial Information for Ratel

The following sets out certain selected consolidated financial information for the nine months ended 31 March 2010 on a pro forma basis giving effect to our acquisition of CGX and Zambian Mining, which hold the Segilola Gold Project and the Mkushi Copper Project, respectively. The statement of comprehensive income has been prepared as if the acquisition occurred at the beginning of the period and the statement of financial performance has been prepared as if the transaction occurred at the date of the statement of financial position. This selected financial information has been derived from our unaudited pro forma financial statements included elsewhere in this prospectus. You should read the following information in connection with those statements and the related notes thereto, along with the "Management Discussion and Analysis" provided herein.

	For the period from 27 January 2010 to 31 March 2010 US$ (unaudited) Minimum offering	**For the period from 27 January 2010 to 31 March 2010 US$ (unaudited) Maximum offering**
Revenue	622	622
Exploration and evaluation expenditure	(633,278)	(633,278)
Foreign exchange losses	(5,896)	(5,896)
Administrative expenses	(6,107)	(6,107)
Cash and cash equivalents	7,128,789	12,700,539
Total assets	7,499,231	13,070,981
Total current liabilities	(96,678)	(96,678)
Total non-current liabilities	-	-
Issued Capital	7,054,595	12,626,345
Reserves	(18,642,568)	(18,642,568)
Retained earnings	18,990,526	18,990,526
Total shareholders equity	7,402,553	12,974,303

RATEL GOLD LIMITED

Ratel was incorporated under the *BVI Business Companies Act 2004* (British Virgin Islands) on 27 January 2010. Ratel's registered office is at Jayla Place, Wickhams Cay I, Road Town, Tortolo, British Virgin Islands with its head office at the BGC Centre, Level 5, 28 The Esplanade, Perth, Western Australia.

Intercorporate Relationship

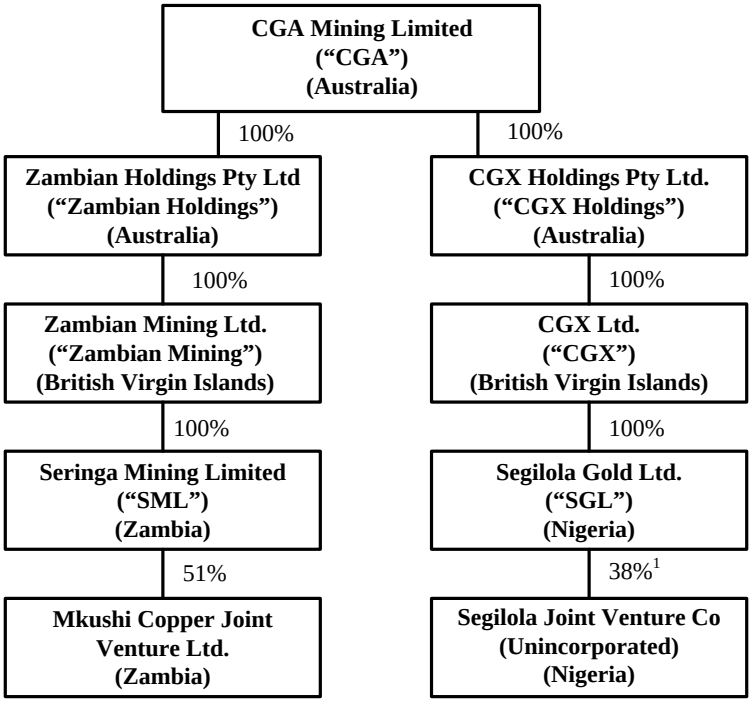
The Shares being offered under this prospectus are being issued in connection with a series of restructuring transactions whereby Ratel, a wholly owned subsidiary of CGA prior to completion of the Offering, will (i) acquire the Segilola Gold Project and Mkushi Copper Project and (ii) be spun off from CGA. Upon completion of the Offering, Ratel will no longer be a wholly owned subsidiary of CGA.

The spin off of Ratel from the CGA group of companies, by way of Ratel undertaking an initial public offering, is subject to CGA Shareholder approval. The rationale for the spin off is to enhance the ability of existing CGA Shareholders to realise value for the assets and to allow investors to choose between the various sovereign risk profiles in which CGA operates.

Prior to Ratel acquiring a 100% interest in Zambian Mining and CGX on 1 June 2010, these entities were held by Zambian Holdings Pty Ltd and CGX Holdings Pty Ltd (see Figure 1). The consideration paid by Ratel for Zambian Mining was $2 and for CGX was $2. In addition, Ratel assumed the liabilities owed by Zambian Mining and CGX to CGA and CGA will forgive these liabilities. The Company has elected to apply the "pooling of interest" method to account for the combinations. Following completion of the acquisitions, but prior to completion of the Offering, Zambian Mining and CGX are held by Ratel, which remains a wholly owned subsidiary of CGA (see Figure 2).

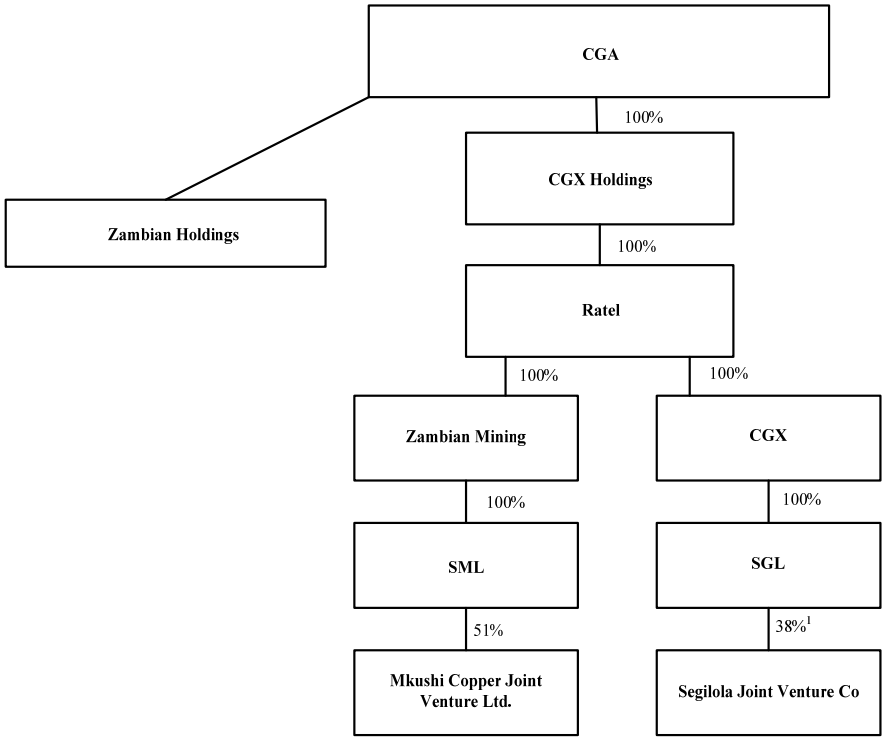
Following the completion of the Offering (see Figure 3), Ratel will no longer be a wholly owned subsidiary of CGA, rather CGA will retain a minimum of a 20% interest, assuming a maximum offering, 30.43% interest, assuming a minimum offering. The issuance of the Shares will result in net proceeds of between approximately Cdn$7,600,000 under the minimum offering and Cdn$13,300,000 under the maximum offering, before deducting estimated expenses of the Offering.

Figure 1 – Organizational Structure prior to the Acquisitions:



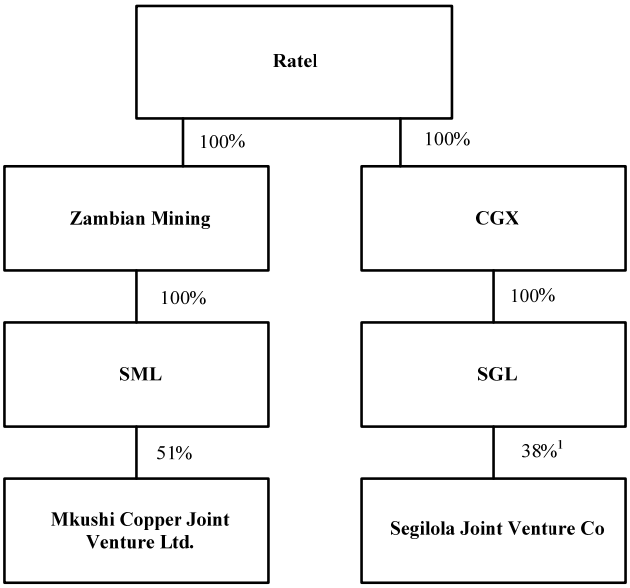
[1] SGL is in the process of earning a 51% undivided interest in the mine tenements of the Segilola JV. SGL will acquire the remaining 13%, upon the completion of certain conditions, including the delivery of the Feasibility Study which is currently underway.

Figure 2 – Organizational Structure following the Acquisitions:



[1] SGL is in the process of earning a 51% undivided interest in the mine tenements of the Segilola JV. SGL will acquire the remaining 13%, upon the completion of certain conditions, including the delivery of the Feasibility Study which is currently underway.

Figure 3 – Organizational Structure upon completion of the Offering:



[1] SGL is in the process of earning a 51% undivided interest in the mine tenements of the Segilola JV. SGL will acquire the remaining 13%, upon the completion of certain conditions, including the delivery of the Feasibility Study which is currently underway.

OUR BUSINESS

Ratel is a mining exploration company whose mission is to focus on the development of mining projects in Africa. We are actively engaged in exploring and developing mining projects and currently have an advanced-stage exploration property in Nigeria with the Segilola Gold Project, currently the subject of the preparation of the

Feasibility Study, and the Mkushi Copper Project in Zambia. Our current objective is to focus on a potential development of the Segilola Gold Project and acquire further projects as and when appropriate opportunities arise.

General Development

Ratel was incorporated under the *BVI Business Companies Act 2004* (British Virgin Islands) on 27 January 2010. Ratel acquired its interest in the Segilola Gold Project from its immediate holding company CGX Holdings, through the execution of a share sale agreement between it and CGX Holdings whereby CGX Holdings sold its 100% ownership of CGX to Ratel. CGX in turn wholly owns SGL.

Likewise Ratel acquired its interest the Mkushi Copper Project from its immediate holding company Zambian Holdings, through the execution of a share sale agreement between it and Zambian Holdings whereby Zambian Holdings sold its 100% ownership of Zambian Mining to Ratel. Zambian Mining in turn, wholly owns SML.

As the Segilola Gold Project and the Mkushi Copper Project are non-operational, all activity on the projects has, to date, been funded by CGA pursuant to loan agreements between CGA and each of CGX and Zambian Mining dated 22 August 2006 (the "Loan Agreements"). Under the terms of these Loan Agreements, CGA agreed to advance funds to each of CGX and Zambian Mining to fund the Segilola Gold Project and the Mkushi Copper Project, respectively. The funds advanced under the Loan Agreements have been used by both CGX and Zambian Mining (through their respective subsidiaries, SGL and SML) to fund exploration activities, preparation of feasibility studies and general administrative expenses for the Segilola Gold Project and the Mkushi Copper Project. As at 31 March 2010, CGA had advanced an aggregate of US$7,787,468 to CGX and US$11,203,054 to Zambian Mining pursuant to the loan agreements. The majority of the funds advanced to CGX have been applied to exploration and evaluation expenditure totalling US$7,181,865, including US$2,368,636 in assay and drilling spend, $708,406 in feasibility study costs and $1,013,743 in wages and salaries directly related to the Segilola Gold Project. The majority of the funds advanced to Zambian Mining have also been used towards exploration and evaluation expenditure totalling US$10,493,604, including $4,476,148 in assay and drilling spend, $2,633,015 in bankable feasibility study spend, and $1,400,291 in wages and salaries directly related to the Mkushi Copper Project. The balance of the funds advanced to CGX and Zambian Mining has been spent on capital assets including office furniture and fittings and motor vehicles, and other administrative expenses.

The Loan Agreements were novated to Ratel pursuant to a deed of novation among CGX, Ratel and CGA and a deed of novation among Zambian Mining, Ratel and CGA, each dated 1 June 2010, whereby Ratel assumed the debts owed by CGX and Zambian Mining to CGA. Pursuant to deeds of forgiveness between CGA and Ratel regarding the Segilola Gold Project and between CGA and Ratel regarding the Mkushi Copper Project, each dated 23 June 2010, (the "Deeds of Forgiveness") CGA has agreed to forgive the amounts owing by Ratel pursuant to the assumed Loan Agreements upon completion of the Offering.

The general business of Ratel since incorporation and acquiring the Segilola Gold Project and the Mkushi Copper Project, has been a continued focus on the preparation of the Feasibility Study.

Pursuant to this prospectus, Ratel intends to issue up to 70 million Shares at a price of Cdn.$0.20 per Share, for gross proceeds of Cdn.$14,000,000. The net proceeds of the Offering will be used primarily for exploration and development activities, including feasibility study costs, on the Company's Segilola Gold Project, as well as the assessment of other opportunities for the development of the Mkushi Copper Project, general and administrative expenses and for working capital purposes.

The Segilola Gold Project

The Segilola Gold Project is located in Iperindo-Odo in the Osun State in Nigeria and is situated within 600 metres of a sealed road, 18 kilometres south of the nearest large town Ilesha. Ilesha itself, is located on a sealed dual carriage way, 230 kilometres northeast of Lagos (the principal international entry port and major commercial centre of Nigeria). SGL, a wholly owned subsidiary of Ratel, entered into the Segilola JV with Tropical Mines Limited ("TML"), a Nigerian company, in May 2007. Under the terms of the Segilola JV, SGL is to carry out and sole-fund exploration activities and the preparation of the Feasibility Study for the Segilola Gold Project. The Segilola Gold Project comprises ML 41 and EL 39. The Mining Lease 41 covers an area of 46.41 hectares and is wholly contained within EL 39 which is an area of 43.8 square kilometres.

Subject to the Segilola JV, SGL has the right to earn up to a 51% interest in the Segilola Gold Project, considered to be the most advanced gold exploration project in the country. To date, SGL has earned 38% equity in the license holding (option 1 and option 2), with the remaining 62% interest held by TML. SGL will acquire the remaining 13% (option 3) upon the completion of certain conditions, including the delivery of the Feasibility Study which is currently underway. SGL has until 26 April 2011 to exercise the third option. In order to exercise the third option SGL is required to provide to TML a Feasibility Study demonstrating the economic viability of the development of the gold project which SGL has agreed to deliver to TML by 24 August 2010, documentation confirming that since the exercise of the Second Option SGL has incurred further expenditure of US$750,000, execute a production sharing contract (an operating agreement), and obtain confirmation from the project accountant that it has incurred a total expenditure of US$2,000,000. In accordance with the Segilola JV, no profits and/or dividends shall be declared by the Segilola JV until TML has been repaid $6,000,000 and SGL has been repaid $2,000,000.

Pursuant to the Segilola JV, if SGL fails to exercise the third option (as stipulated by the Segilola JV) which includes delivery of the Feasibility Study to TML by 24 August 2010 or any other date agreed between SGL and TML, or, once the third option has been exercised, if SGL fails (a) to commence commercial production of gold on the Segilola Gold Project within a period of 21 months from exercising the third option or (b) to sustain commercial production of gold from the Segilola Gold Project for a continuous period of 6 months, the Segilola JV will terminate and SGL will automatically forfeit to TML its entire interest in the Segilola Gold Project, subject to certain exceptions, as set out in the Segilola JV.

The closing of the Offering is conditional on SGL delivering the Feasibility Study to TML in accordance with the terms of the Segilola JV.

Recent Activities

The Company obtained the Segilola Technical Report which disclosed an indicated resource of 521,814 ounces of gold at a grade of 4.5g/t at a quantity of 3,620,386 tonnes and an inferred resource of 96,445 ounces of gold at a grade of 4g/t at a quantity of 747,590 tonnes at the Segilola Gold Project. This maiden resource has been generated from a drilling campaign of 12,166 metres in 119 holes ranging in depth from 40 metres to 220 metres. The deposit lends itself to being exploited by open pit mining methods. The metallurgical characteristics of the ore are amenable to conventional CIL processing techniques.

Currently, the Feasibility Study is being undertaken by Sedgman Limited through its metals division, Sedgman Metals Engineering Services which is based in Perth, Western Australia.

Physical and leach tests have been completed on seven composite samples recovered from thirty seven ore intersections in twenty seven diamond drill holes located across the complete mineralised zone. Results indicate in excess of ninety five percent gold recovery at a grind of P80. 106 microns.

A baseline environmental study has been completed by a quality, health, safety and environmental consulting and laboratory services company. The study was carried out in compliance with the Nigerian national legislation and the consultant's corporate policies on environment. This was followed by an environmental impact assessment which will be submitted along with the Feasibility Study for the required mining permit to operate.

A suitable process flowsheet has been determined and have commenced the engineering work required to progress process plant design to a standard whereby capital and operating costs can be determined to the required level of accuracy has been commenced.

Preliminary design work by engineering consultants for the Tailings Storage Facility ("TSF") and Water Storage Dam ("WSD") has been completed. To secure a reliable, consistent water supply for processing it will be necessary to dam a perennial flowing local creek located one kilometre east of the mineralised zone.

The design of an initial open pit mine has been undertaken and the location of suitable waste dumping sites has been determined. A preliminary mining schedule based on the exploitation of 500,000 tonnes per annum has been completed.

As the existing ML 41 covers only a portion of the mineralisation with the balance located within the surrounding EL 39 which is owned by the joint venture, an application to enlarge the existing ML 41 to encompass all of the

mineralisation, infrastructure and utilities was lodged in January 2010 with the Federal Ministry of Mines and Steel Development, Mining Cadestre Office. Approval of this enlargement application is currently being considered by the Mining Cadastre Office and it is anticipated that a decision is imminent.

Mkushi Copper Project

The Mkushi Copper Project is the subject of a joint venture agreement originally executed in May 2007 between CGA and SML, (a wholly owned subsidiary of Ratel), and African Eagle Resources plc ("AFE") and Katanga Resources Limited ("Katanga"), a wholly owned subsidiary of AFE. SML holds a 51% interest in the Mkushi Copper Project and pursuant to the terms of the Mkushi JV, is responsible for managing the development drill out. Katanga holds the remaining 49% interest and manages a regional exploration programme. A Zambian company, Mkushi Copper Joint Venture Ltd ("MCJVL"), has been established to own and operate the project with SML and Katanga each holding 51% and 49% respectively of the shareholding of MCJVL.

Upon completion of the Offering, Ratel will, pursuant to a deed of assumption executed on 24 May 2010, replace CGA as a party to the Mkushi JV and assume all of the obligations of CGA pursuant to the Mkushi JV. No consideration has been paid by Ratel but it is also receiving all the rights which includes the indirect ownership of the project. CGA is released and discharged from all its obligations under the Mkushi JV and Ratel has indemnified CGA from any act or omission by Ratel in respect to of the obligations it has assumed.

There is no requirement for any government or regulatory approvals as there is no change in ownership or control at the MCJVL level, it being the company which holds the mining rights.

The Mkushi Copper Project is located close to the southern limb of the Zambian copperbelt, 60 kilometres east of the regional centre of Kapiri Mposhi and 250 kilometres north of the State capital of Lusaka. Kapiri Mposhi is the Zambian terminus for the Tanzam railway which was established in the 1970's for the dedicated purpose of transporting copper exports produced on the Zambian copperbelt to the port of Dar es Salaam in neighbouring Tanzania. There is good sealed road access from both Lusaka to the south and Ndola to the north, both having an international airport with connecting daily flights to Johannesburg, in the Republic of South Africa. In addition to the Tanzam rail system there are rail connections to neighbouring Zimbabwe and Botswana both of which continue through to South Africa. The site is easily accessed by the main northern highway from Lusaka to Kapiri Mposhi, and then by following the main sealed highway through to Tanzania for a further 15 kilometres of sealed road plus 30 kilometres on an existing gravel road which leads to the project site. Plentiful water and electrical power is regionally available. The project site is approximately 123 kilometres south south east of Ndola, the copperbelt provincial centre, and some 45 kilometres south west of the regional town of Mkushi.

A draft feasibility study was undertaken in October 2008 by SML. During the feasibility study preparation, the tenure was secured by applying for and having granted a Large Scale Mining Licence covering 75% of the old prospecting licence, PL114. The Large Scale Mining Licence, LML67, was approved by the Ministry of Mines and Mineral Development ("MOMMD") on 31 July 2008 for a period of 25 years.

Recent Activities

An application for the extension of the surrounding prospecting licence, PL 290, for a further two year period was approved on 28 April 2009.

An Environmental Impact Assessment and Resettlement Action Plan was submitted to the Environmental Council of Zambia for approval, which was obtained on 9 April 2009 and completed the process for the full mining licence to become effective.

A memorandum of understanding has been entered into with Lunsemfwa Hydro Power Company Ltd for the supply of power to the Mkushi Copper Project should a development take place. The Environmental Impact Assessment for the power line route has been approved.

Metallurgical test work was carried out to establish the design criteria for process and plant design. The results of the programme indicated a potential recovery in excess of 96% of contained copper using conventional copper sulphide flotation technology. The test work so far has shown that the process may generate a concentrate containing

30% copper and has indicated that there is a potential for economic extraction of the copper mineralization at the Mkushi Copper Project.

Design and cost estimation studies have been carried out for the process plant area. The process is planned to be a simple crushing, grinding and flotation circuit.

Optimisation of the resource model, mine design and scheduling was undertaken by Lower Quartile Solutions Ltd, a Perth based mining consultant. Since the initial pit designs and scheduling were completed, additional reviews were undertaken looking at various options. The reviews are currently ongoing including the possibility of utilising a modular processing facility that would reduce the capital cost.

Other Properties

Pursuant to the Kankanfrasi Option, Ratel has the right to acquire 100% of CAML's interest in CAML Ghana Limited, the company holding a 51% interest in the Kankanfrasi Gold Project in Ghana. The Kankanfrasi concession, covering approximately 130 km2, is located 13 km west of the Ashanti Gold Mine at Obuasi, in the highly prospective central Ashanti Province of Ghana. Pursuant to its terms, Ratel has three months from the date of the Kankanfrasi Option to exercise the option to acquire 100% of CAML's interest in CAML Ghana Limited. Exercise of the Kankanfrasi Option is conditional on amongst other things, satisfactory completion of due diligence by Ratel and the successful completion of the Offering. If the Kankanfrasi Option is exercised, the purchase consideration will be satisfied by an issue of 2,500,000 common shares. The Kankanfrasi concession is an early stage exploration property in Ghana and CAML Ghana Limited has a commitment to spend approximately US$1.1 million on exploration activities in two stages, a portion of which has already been spent and up to US$2.5 million on deferred purchase consideration, subject to satisfaction of various conditions.

Social and Environmental Policies

Ratel is committed to the guidelines on environmental assessment and management issued by the World Bank and to the Equator Principles for managing environmental and social issues which are followed by the international financiers to the resources industry. In keeping with that commitment the Company appointed internationally experienced consulting companies to undertake environmental impact assessments and completion of environmental management plans for the Mkushi Copper Project and for the Segilola Gold Project.

The resulting Environmental Impact Assessment Plan ("EIA"), the Environmental Management Plan ("EMP"), the Social Management Plan ("SMP") and the Resettlement Action Plan ("RAP") have been approved by the Zambian government and will take effect if and when the Mkushi Copper Project is developed. For the Segilola Gold Project the EIA Plan has been submitted for approval to the Nigerian Environmental Ministry.

Resettlement Action Plan

The RAP sets out the policies and procedures to guide the resettlement, relocation and compensation of affected households, buildings and infrastructure in the event MCJVL initiates project development activities. The RAP is dependent on the Mkushi Copper Project proceeding and MCJVL have a right to review the RAP prior to its implementation in case circumstances have changed such that fewer people require relocation or other issues have been resolved or identified.

In summary in accordance with the RAP, MCJVL will:

- Compensate the local community for the part of the farmland and any structure affected by its mining activities.

- Compensate 15 of the 17 households in the affected area who have opted to receive monetary compensation packages for their affected assets such as houses, banana suckers, fruit trees and farming fields. These households will also receive repatriation allowances to assist them in their relocation and preparation of new farming fields. The financial compensation will be in line with World Bank Guidelines.

- The remaining 2 households have agreed to be relocated to safe areas within the old Mkushi mine community and the houses will be constructed to an agreed layout by MCJVL. In conjunction with the community, MCJVL will also arrange farming fields for these households and help to prepare them for the

first farming season. They will also be entitled to receive compensation for their other immovable assets such as fruit trees, banana suckers and destroyed crops, if any, in accordance with World Bank Guidelines.

- Build an improved modern school with 7 classrooms, a school house and adequate toilets.
- Sink a borehole closer to the school to replace the existing one.
- Liaise with the Ministry of Education on the issue of housing for teachers.

Environmental Management Plan

The EMP specifies what environmental issues need to be managed and how these issues should be managed. The key areas of the mining operations identified by the EMP as raising environmental issues requiring management are:

- Preparation of the open pit mine and the removal of commercial timber, vegetation and topsoil, contamination, public safety and waste generation.
- Waste rock dumping.
- Removal of commercial timber in the plant area, run of mine pad and processing facilities and the copper tailings storage facility.
- Activities such as the washing of mobile equipment and machine parts within the plant area workshop.
- Transport of hazardous materials within and around the mine site.
- Waste management procedures.
- Material handling and storage.
- Fuel handling and storage.
- Construction activities.
- Contractor activities.

The EMP addresses each of these issues and the actions that are to be taken to ensure these issues are properly and appropriately managed. If MCJVL initiates mining activities it will be required to implement the EMP at that time.

Social Management Plan

The main objectives of the SMP are to:

- Preferentially maximise the use of local and provincial employment opportunities wherever possible and economically feasible.
- Encourage the economic expansion and diversification in Mkushi through provision of aid to third parties and to encourage diversification away from the mining sector.
- Implement an occupational health and safety policy and strive to ensure that all MCJVL employees are aware of the policy and their role within this policy.
- Ensure that any relocation of people is carried out to World Bank Guidelines and that the relocated population are satisfied with the process.

- Explain MCJV's environmental policies to the local population through public consultation and feedback throughout the project.

The SMP will be implemented if a decision is taken by MCJVL to initiate mining activities.

Our Competitive Strengths

We believe that the following competitive strengths will allow us to establish Ratel as a successful mining company in Africa and will provide us with advantages in terms of our ability to locate, acquire, explore and develop mining projects over a range of countries.

Management and Board Expertise: We have knowledge of the gold and copper mining industry and broad experience in acquiring portfolios of resource properties, exploring and developing resource projects, as well as the operation of producing resource projects. Our officers and directors also have experience in raising capital through the public equity markets and in project finance.

In particular, Mr Mark Savage, our Chairman, Mr Michael Carrick, Director and Mr Geoff G. Jones, CEO each bring with them over 20 years experience in the resource sector and the management of publicly listed companies. See "Directors and Executive Officers".

Our Assets: Our current properties range across different stages of project development and commodities, including the Segilola Gold Project, upon which we are preparing the Feasibility Study and the Mkushi Copper Project in Zambia. This diversification reduces our exposure to political and regulatory risk in any one jurisdiction and to fluctuations in commodity prices.

Growth Potential of Existing Projects: We intend to increase our exploration activities and further enhance our projects by:

- completing the Feasibility Study for the Segilola Gold Project;
- commencing design and construction of the mine for the Segilola Gold Project, subject to an anticipated positive feasibility study; and
- continuing to optimise the Mkushi Copper Project and explore our options.

Strong Financial Position: We provide investors with an opportunity to invest in an exploration stage mining company with potential to move into production with the development of the Segilola Gold Project. Upon completion of this Offering, we will have cash of approximately Cdn.$12,900,000 assuming a Maximum Offering, or Cdn.$7,200,000, assuming a Minimum Offering, and no long term debt.

SEGILOLA GOLD PROJECT

The information in this section is based on the Segilola Technical Report prepared on behalf of Ratel Gold Limited by Mr Alfred Gillman of Odessa Resources Pty Ltd ("Odessa"). Reference should be made to the full text of the Segilola Technical Report which is available for review on SEDAR located at www.sedar.com.

Mr Gillman originally prepared this report for CGA on 14 September 2009. CGA is an Australian company based in Perth and is listed on both the Australian Securities Exchange ("ASX") and the TSX. CGA has been actively involved in the exploration of gold in Nigeria through its wholly owned Nigerian subsidiary, SGL (which is now a subsidiary of Ratel).

Ratel is a wholly owned subsidiary of CGA and falls within the chain of ownership for the Segilola Gold Project. CGA is undertaking a re-organisation, which, subject to CGA Shareholder approval, will result in the spin out of Ratel from CGA. At the date of this prospectus Ratel remains a wholly owned subsidiary of CGA.

The original report commissioned by CGA was for Odessa to assess, calculate and report classified Mineral Resource estimates for the Segilola Gold Project. The Mineral Resource estimate for the Segilola Gold Project was

completed on 10 August 2009. The estimate was conducted in accordance with both the Australian Code for the Reporting of Mineral Resource and Mineral Reserves ("JORC") and NI 43-101.

Project Description and Location

The town of Ilesha is located at 7°20' N and 4°45' E within the tropical zone of Nigeria (Figure 1). The Segilola Gold Project deposit is located some 18kilometres south-east of the town of Ilesha, between Odo Ijesha and Iperindo villages in Atakunmosa East Local Government area of Osun State, in the south-western region of Nigeria (Figure 2). Osun State is endowed with several mineral resource deposits including talc, kaolin, granite, clay, gold and feldspar. There are also indications of the occurrence of cassiterite, columbite, aquamarine and mica in the State.

The surrounding settlements of the Segilola Gold Project, consist of three villages, Odo Ijesha, Iperindo and Igmobara. The villages are linked by minor roads and footpaths. The inhabitants of the villages are mainly farmers with family holdings.

Figure 1: Nigeria Location Map

Figure 2: General Location Map

Claims, Title and Tenure

The Segilola Gold Project comprises Mining Lease ML 19706 (now ML 41) and Exclusive Prospecting License EPL 13205 (now EL 39). The Mining Lease ML 41 covers an area of 0.188 km^2 (46.41 hectares) and is wholly contained within the larger EL 39 which itself, covers a larger area of approximately 43.8km^2.

ML 19706 was a rectangular lease measuring 460m by 1,000m with the longer side angled 9° towards the east and was granted to TML for a period of 21 years on 29 September 1995.

EL 13205 was granted to TML for a period of 2 years on 29 September 2005 and has subsequently been renewed twice for two year extensions.

Both tenements were established prior to introduction of the new Mining Cadastre or graticular tenement system whereby the tenement boundaries are defined by regularized eastings and northings. Since the introduction of the new Mining Cadastre in 2007 the boundaries of ML 19706 and EL 13205 have been re-defined and the original tenement designations have changed to ML41 and EL 39 respectively. In the new graticular system, the origin point of ML 41 has remained in its original position. However, the tenement boundaries have rotated 9° towards the west so that the western boundary is aligned in a northerly direction along longitude 4° 48" E. This has not affected the positioning of the active exploration area as being within ML 41.

Ownership and Joint Venture Agreement

Subject to the expenditure and reporting requirements of the Ministry of Mines and Steel Development, the tenements are registered to and owned by TML which is a joint venture company formed between Pineridge Nigeria Limited ("PNL"), which holds 80% and Nigeria Mining Corporation ("NMC"), a parastatal mining corporation within the Ministry of Mines and Steel Development which holds the remaining 20%.

On 25 May 2007 SGL entered into the Segilola JV with TML, to evaluate and develop the Segilola Gold Project. Subject to the terms and conditions of the Segilola JV, TML granted to SGL the sole and exclusive right to options to earn a 51% interest in the mine tenements, ML41 and EL39 respectively (the "Mine Tenements"). To-date, SGL has earned 38% equity in the license holding (option 1 and option 2). SGL will acquire the remaining 13% (option

3) upon the completion of certain conditions, including the delivery of the Feasibility Study and the successful execution of an operating agreement.

Currently Ratel, as a wholly owned subsidiary of CGA, is the holding company of SGL.

Permits and Approvals

The Mines Department of the Ministry of Mines and Steel Development is the Nigerian Government's agency for policy making, implementation of laws and regulations governing solid minerals exploration, exploitation, use or exportation. Mining operators are expected to maintain safety and environmental standards at all times and keep all records required of them in accordance with the relevant regulations.

Surface rights are locally owned and permission from the local owners to access an area, the subject of a mining licence application, has to be demonstrated when lodging the licence application. All necessary permits and approvals have been obtained and are in place for the current activities being carried out at the Segilola Gold Project. There is currently no known reason why permits and approvals for future activities, including mining operations, will not be granted.

Environmental Liabilities

In September 2008 SGL engaged Fugro to undertake an Environmental Baseline Study of EL39. This has been completed by Fugro and there are no known environmental issues currently associated with the license areas. The study was carried out in compliance with the relevant Nigerian legislation and Fugro's corporate policies on environment.

An Environmental Impact Assessment ("EIA") has been carried out and submitted for approval by the Federal Ministry of Environment. All drill sites in the Segilola Gold Project area have been rehabilitated and the collars of the drill holes secured.

Encumbrances, Royalties and Taxes

Companies engaged in mining activities are liable for a corporate tax of 30 per cent of their taxable profits. They are also liable for education tax of 2 per cent on taxable profits. A value-added tax ("VAT") of 5 per cent is payable in respect of taxable goods and services. Certain goods and services are, however, exempted from VAT. The most significant of these exemptions is for goods that are exported such as gold.

Minerals obtained in the course of mining or exploration are subject to the payment of a royalty at a rate yet to be prescribed by Nigerian Minerals and Mining Act 2007's regulations. The Minister may, upon the approval of the Federal Executive Council, defer payment of any royalty on any mineral for a specified period.

Annual service fees are payable in respect of all mineral titles. In addition to this the holder of a mining lease is required to pay surface rent at a yearly rate to be determined by the Minister with respect to lands used by it for mining operations.

The holder of a mineral title enjoys the following tax incentives:

- a tax exemption for the first three years of operation, which period may be extended for another two years;
- capital allowance of 95 per cent of qualifying capital expenditure incurred in the year of investment;
- annual indexation of the unclaimed balance of capital expenditure by 5 per cent (only applicable to mines that commence production within five years of enactment of the Act);
- carry-over of losses indefinitely;
- deduction of the mine reclamation costs and pension contributions from assessable profits;

- exemption from customs and import duties on approved plant and machinery, equipment and accessories imported specifically and exclusively for mining operations;

- subject to the prior permission of the Central Bank of Nigeria, retention of a portion of earned profits in an external account for use in acquiring spare parts and other inputs required for its mining operations where such equipment will not be readily available without the use of such earnings;

- expatriate quota and resident permit in respect of the approved expatriate personnel;

- personal remittance quota for expatriate personnel, free from any tax imposed by any enactment for the transfer of external currency out of Nigeria;

- free transferability of dividends or profits, payments in respect of servicing a foreign loan and foreign capital in the event of sale or liquidation of mining operations in any convertible currency;

- freedom from expropriation, nationalization or acquisition by any government of the federation unless the act is in the national interest or for a public purpose and under a law that makes provision for payment of fair and adequate compensation and a right of access to the courts for the determination of the investors' interest or right and the amount of compensation to which he or she is entitled; and

- the right to a dispute settlement procedure under UNCITRAL Rules.

Location of Development Infrastructure

The mineral resource is located wholly within ML41 and EL39. The location of mining infrastructure and facilities such as the plant, tailings dam and waste dumps are likely to be located in the immediate vicinity of the resource and hence up to 2,000 metres from the nearest tenements boundary.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access

The project site is situated within 600 metres of a sealed road, 18 kilometres south of the regional centre Ilesha, which is located on a sealed dual carriage way, 230 kilometres north east of Lagos (the principal international entry port and major commercial centre of Nigeria). The Segilola Gold Project site can be reached from the sealed road by foot or by four wheel drive vehicles throughout the year.

Topography

The general area topography is undulating with elevations ranging between 300 metres and 380 metres above mean sea level. Locally, north north-easterly striking steep valley incisions are developed. Within the exploration permit area the topography shows a general slope towards the south. The southern limits of mineralisation within the permits are in the vicinity of the village of Iperindo. The topographic relief within the Segilola Gold Project deposit area on EL 39 is gently undulating with a 80 metres range in elevation.

Vegetation types of the area comprise mainly of cash crop plantations (kola nuts, cocoa, banana/plantain) together with secondary forests and bush fallows.

Climate

A humid tropical climate predominates with a mean average annual rainfall in excess of 1434 millimetres concentrated in the rainy season from March to November. The mean maximum and minimum temperatures are 34°C (in the month of February) and 18°C (in the month of December) respectively. The highest relative humidity range is between 81% and 87% corresponding to the wettest months (April through October). Although situated in a zone of tropical rain forest, the vegetation is mainly moderate to dense secondary forest and bush re-growth, due to intensive farming.

Hydrogeology

The Segilola Gold Project area lies within the crystalline Basement Complex rocks of south western Nigeria. Groundwater availability in the Basement Complex is very unpredictable. The crystalline rocks by their nature are impervious but fracturing, fissuring, jointing and weathering may impose secondary aquifer characteristics on these rocks, thus making them favorable to groundwater storage. Recoverable groundwater often occurs in the weathered mantle covering the basement. Groundwater in the Basement Complex is essentially unconfined and the water table is restricted to sub-basins, which may be locally hydrological isolated. Borehole yields vary widely in this area, with the average safe yield, of the successful holes, being in the order of a few hundred litres per hour.

There are few perennial rivers, with a dense network of smaller seasonal tributaries. The drainage system of the Segilola Gold Project area flows north into the Osun River and south towards into the Oni River. The watershed cuts across in the northern parts of the tenements.

Weathering is typically tropical and penetrates down to 15 metres depending on the parent rock types and the morphology. Where exposed, the rocks are reddish brown and are decomposed to clay minerals with quartz relics. Fresh rocks are found in the steep north-south striking valleys whereas the heavily weathered meta-sediments occur at higher levels. In general, saprolite can be reached within less than one meter except where there are from the alluvial terraces or other sedimentary cover.

Services and Infrastructure

An office, accommodation for workers, core logging and sample preparation facility are all located within a single secured compound on the outskirts of the town of Ilesha.

History

The area is well known for its gold output from eluvial placers. Modern mining of the alluvial and eluvial deposits began in 1942. Official records state an annual production of approximately 23,000 ounces for the early years. The Segilola Gold Project deposits, formerly known as the Iperindo Reef, were first discovered during the working of the eluvial deposits in 1945. The Iperindo Reef was subsequently investigated through a shaft and an adit.

From 1949 to 1969, the Iperindo Reef was worked by small scale local operators in an open cast down to a depth of approximately 5 metres from the surface and 300 metres along strike. However, a production of only 220 ounces is confirmed for 1969 in the official records. The operators processed the ore with a second-hand stamp mill together with a ball mill and shaking tables. The recovery of gold was very low.

Geological exploration on the Segilola Gold Project tenements has been carried out by various parties and at various times and stages since the initial operations.

Exploration History

Between 1984 and 1987 the NMC completed 33 diamond holes along the strike length of the mineralisation. These holes were pre-fixed F-IG and numbered sequentially from F-IG1. The mineralisation was tested with mostly one hole on each section, along strikewith drilling commencing in the north and progressing to the south. Sections were roughly spaced at 25 metres.

In 1996 Hansa negotiated and signed agreements with TML and PNL for a joint-venture based on the exploration and the development of five exploration prospecting licences and one mining lease. The exploration prospecting licences covered the known gold deposits of Ilesa-Iperindo and neighbouring areas. The rediscovered Ilesa-Iperindo lode gold deposit was renamed as Segilola.

Between 1997 and 1999 Hansa drilled seven diamond holes. Four of these holes were prefixed NIG and three were prefixed TIG. The drilling campaign was mainly designed to check and evaluate a previous PNL study on the deposit. Hansa started core drilling on the property in February 1998 with local contractors, Geo Core Drillers and the state owned NMC. Neither contractor was able to achieve the average drilling progress as stipulated in the respective contracts, mainly due to logistical problems and poor equipment.

- Hansa drilled twinned holes to compare and check results of the old-boreholes, deep holes to demonstrate the vertical extent of the mineralisation and intersect the ore body at around 130m depth and new holes to step-out of the drill-hole covered zone of the Segilola Gold deposit to clarify the lateral extension of the mineralisation

The core drilling program totalling 895 metres was completed in September 1998. During this period Hansa also resurveyed and relogged the available core for the original NMC holes. Hansa re-numbered the original holes with BH prefixes. The assay results of three of their twinned holes compared very well to those of the respective NMC holes. Unfortunately, as a result of the re-sampling, little of the ore intersection core remains.

Geological Setting

The project area is located in the crystalline Basement Complex rocks of south western Nigeria within one of the main schist belts know as the Ilesha Schist Belt. Schist belts in Nigeria occur as north-south trending domains of Upper Proterozoic (Eburnean 2,000Ma) meta-sedimentary, meta-volcanic and intrusive sequences that are oriented parallel to the boundary between the West African Craton and the Pan African Province (Figure 3). These schist belts are deeply infolded into a migmatite-gneiss-granite basement of Archean to Lower Proterozoic age and have been intruded by granitoids of the Pan African (600Ma) orogenic suite.

Primary gold mineralization in the schist belts commonly occur in quartz veins within several lithologies. In the Ilesha district mineralized lodes occur in fractures, folds and foliation planes at the lithological contact of amphibolites, talc tremolite schists and biotite schists. Quartz veins are foliated and commonly contain interleaved mica and feldspar with minor amounts of pyrite, pyrrhotite, chalcopyrite, magnetite and limonite.

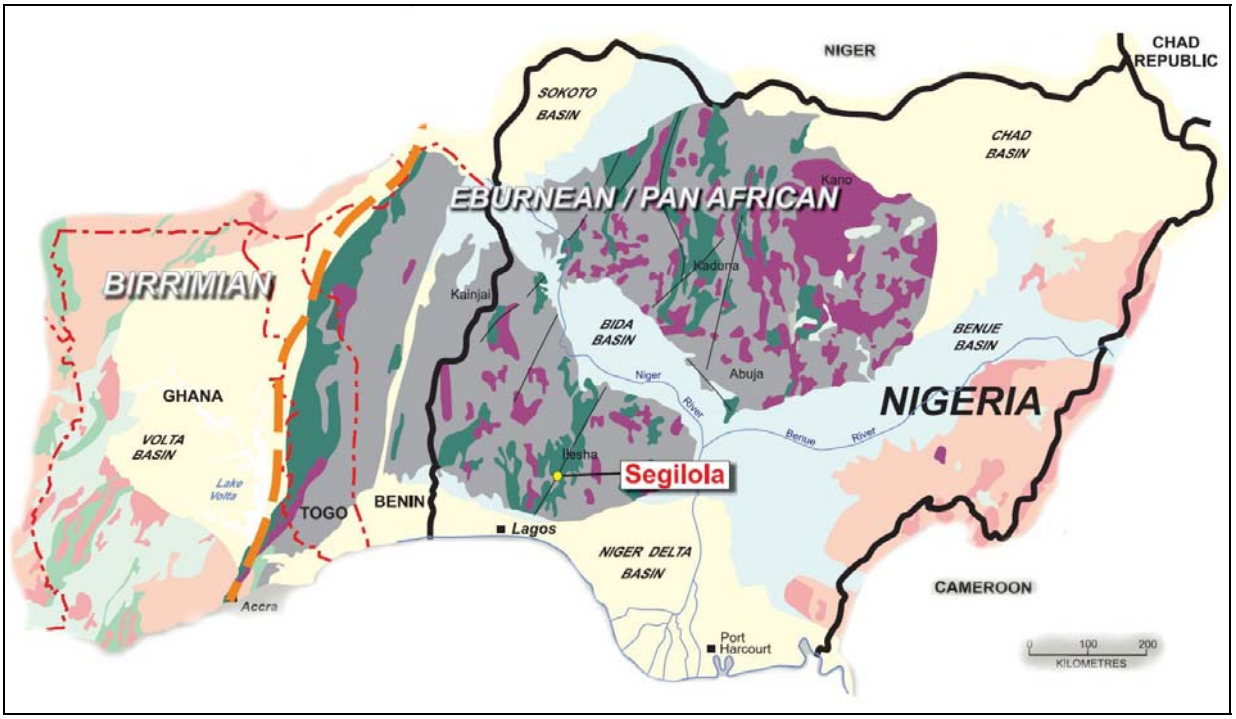


Figure 3: Generalized Regional Geology Map

The lithological units within the general Ilesha area include; variably migmatised gneiss, biotite and biotite-hornblende-gneiss with intercalated amphibolites, coarse porphyritic-biotite and biotite-hornblende-granite and quartzites. The acidic biotite-and biotite-hornblende-gneiss rock is mineralogically similar to coarse-porphyritic biotite and biotite-hornblende gneiss mentioned above. The basic amphibolites occur mainly as lenses and inclusions in the migmatite gneiss.

The stratigraphy of the Segilola Gold Project area consists of the quartzite schists, the gneissic sequence and of the surficial Quarternary and alluvial sediments. The geneissic sequence is subdivided into:

- undifferentiated para-gneisses; and
- orthogneisses

The orthogneisses underlie topographic highs with rounded tops which are often poor in vegetation. These tops can be easily identified on aerial photos and satellite images and due to their rounded shapes some of them can even be identified on the topographic map. These orthogneisses dominate the western parts of the EL 39 but they are also found in the Kajola Ridge at the eastern margin of EL39. The orthogneisses are located below the quartzite schists. The northernmost outcrops of this unit have been found at the lower eastern side of Kajola Ridge. In the area of Kajola, the orthogneisses are building up the whole eastern flank of the ridge.

East of Iperindo, the quartzite schists are restricted to the western flank of the ridge. These could be interpreted as contact metamorphism from the intrusion of the now orthogneiss. Another outcrop of garnet bearing schists/gneisses is located in the steep valley of Arafa River. This outcrop is isolated and disappears below the adjacent quartzite hills.

Within the orthogneisses, different degrees of metamorphosis can be observed. The orthogneisses located within the permit are intersected by quartz-feldspar pegmatoids of different size and the foliation ranges from weak to medium intensity. The texture of the orthogneisses north of Ijimo is more a granitic one, but a metamorphic overprint caused a weakly developed foliation.

The undifferentiated gneisses are often found at the base of steep valleys, which are located between quartzite ridges.

Deposit Types

The Segilola Gold Project deposit is a typical steeply-dipping shear-zone lode deposit that is developed within a fine-grained granitic-gneissic host rock. Apart from a surficial 1 to 2 metres of partial weathering the host rock is unoxidised and competent. The exploration/resource development program designed to assess the Segilola Gold Project deposit's geometry and grade is based on angled diamond core drilling directed at 90 degrees to the general strike of mineralisation and into the plane of the lode.

Mineralization

The mineralized lodes generally comprise highly silicified fine-grained foliated biotite gneiss typically intruded by both discordant and concordant pegmatitic quartz-feldspar veins. Minor sulphides, typically pyrite, are associated with the lode. Macroscopic observations show that sulphide grains and blebs are often aligned with foliation, commonly following either biotite-rich laminae or near pegmatite boundaries.

There is also, however, a common generation of pyrite occurring along fractures or as quartz-pyrite tension gashes, highly discordant to the foliation. Cursory examination of these occurrences suggests most do not contain pyrrhotite, but this needs to be confirmed.

Visible gold is commonly logged as occurring both in altered wall rock (usually gneiss) and in quartz-feldspar veins. Hansa reported that native gold occurs with petzite (a silver gold telluride) within pyrite and quartz veins. The typical size of native gold blebs is about 10 microns.

Exploration

The bulk of the recent exploration activities undertaken on the Segilola Gold Project site comprise diamond drilling as documented below. In addition to the drilling, soil geochemical and trench sampling was also completed. The soil geochemical program was designed to assess the broader potential of the known mineralized structure while the trenching was carried out over the known mineralized strike length in order to gain a better understanding of the geology to enable effective drill placement. A total of 531 samples were collected on thirteen east-west oriented 100 metres to 200 metres spaced lines with sampling on 20 metre spaced points along each line. The soil geochemical

program covered the known mineralized strike together with a 700 metres extension to the north. The highest soil value of 71.1g/tAu was obtained 600 metres directly along strike from the northern most drilling line. This area has yet to be drill tested.

The interpretation of the exploration information by Odessa indicates the following:

- that the mineralized structure continues towards the north;
- the highest value of 71.1g/tAu is located directly along strike from the northern end of the know resource;
- there is potential to expand the resource subject to successful follow-up drilling programs to the north; and
- based on the current geochemical coverage there is no significant mineralisation either east or west of the known structure. However, additional close-spaced geochemical sampling is recommended to confirm this.

Drilling

The Segilola Gold Project deposit has been drilled systematically over a strike length of over 1500 metres. The average strike of the lodes is 010° with an average dip to the west of 70°. Holes are located on mostly 25 metre spaced sections. Where possible, the holes were inclined at -60° to the east. However, due to access problems many holes, particularly towards the south, were inclined up to -90° in order to intersect the lode.

Diamond drilling from surface, using mainly NQ diameter equipment, was selected by SGL as the appropriate method of sampling the mineralization. A single track-mounted diamond rig from the Turkish-based drilling company, Spektra Jeotek Sanayi Ve Ticaret A.S. ("Spektra"), was used for the duration of the program from April 2008 to July 2009. A total of 11,989 metres was completed in 199 holes, excluding two abandoned holes, ranging in depth from 4 0 metres to 220 metres. Holes were numbered SGD001 to SGD119.

Examination of the assay database revealed sample intervals of varying lengths but with a dominant sample length of 1m representing over 90% of all samples within the lode wireframes. As the deposit is characterised by a narrow lode geometry, with quartz veins defining gold mineralisation, 1m was chosen as the appropriate interval for compositing. Composites were generated downhole from drillhole collars conforming with drillhole-wireframe intersections.

Data Security

Geological data is captured on paper logs and then transcribed into Excel spreadsheets. The paper logs, sample submission sheets and other associated paperwork are then filed in the Ilesha Office. Although this office is located in a secured compound, a system of providing paper back-up was implemented and back-up copies of all electronic data are sent to Ratel's head office in Perth. This data is stored in both the raw data form and in a relational Gemcom database.

On completion of each drillhole, a registered contract land surveyor from Sphero Grid Surveys (NIG) Ltd, located the drillhole collar using a ProMark 2 GPS and Kolida Digital Total Station DGPS. The system utilises a base receiver set up on a control point with a separate rover receiver used for the surveying of drillhole collars. The data from both instruments is post processed using Astech Solution Softwares, Kolida Downloading Softwares and Autocad software.

Two control points with steel pegs set in concrete have been established on the Segilola Gold Project. Validation checks of the control points are routinely undertaken along with some earlier surveyed holes. Approximately one in ten existing drillholes have been resurveyed with the same instrument as a check on a prior field surveys. Results indicate accuracy of the collar locations is within ±0.3 m for Eastings, Northings and RLs. All drillhole collar coordinates are recorded in X,Y,Z using WGS84, UTM Zone 31N.

Downhole survey measurements were made in each drillhole to determine the spatial position and the bottom of the hole. Downhole surveys were carried out by Spektra personnel using Flexit Smart equipment and surveys were

generally acquired at 25 metres spaced intervals downhole. Core recovery during the drilling program was measured systematically for all core with the average core recovery from within the resource wireframes being 88%.

Interpretation of the Drilling Results

The resource wireframes represent a single 010° trending mineralized structure that dips at between 80° to 70° towards the west. At 831550N this lode is cut by an interpreted sinistral fault that off-sets the northern part of the lode-structure approximately 25 metres towards the west. Hence there are two main separate resource domains: the southern (100) and the northern (200).

An earlier-phase, vertical normal fault, which is interpreted to intersect the lodes at a very oblique angle, truncates the lodes at depth. This is most apparent toward the northern portion of the southern 100 lode. A continuation of the lode at depth on the down-throw side of the fault is postulated. The southern 100 lode is up to 14 metres in true width, whereas the northern 200 lode attains a maximum thickness of 6 metres. Two minor hanging-wall lodes, 300 and 400 are developed at the southern extremity of the drilling area.

Sampling Method and Approach

Core Sampling Procedures

Sampling procedures for the half core samples involved marking the sample boundary on the core then cutting or breaking the core at that boundary. A diamond saw was then used to cut the core lengthways along the sample interval. One half of the core was sent for analysis, with the remaining half retained in the core tray.

The following procedures as developed and documented by SGL were followed:

- sampling is half-core and is generally made at one metre intervals;
- sampling commences at significant geological boundaries that are considered to represent a distinct change in grade. Such boundaries could be structural, lithological or alteration zone contacts. The sample lengths either side of this boundary should not be less than 0.5 metres and no more than 2 metres and be adjusted to return to even 1 metre sampling intervals as soon as is geologically sound; and
- where barren zones have been clearly identified, at the discretion of the senior geologist, half core is sampled over 5 metres on both sides of the ore zone at 1m intervals.

Once intervals for sampling are recognized these intervals are noted on the drill log. An aluminum tag (or a core marker) showing the sample number and depth from and to, is then fixed in the core tray at the start of the interval. Before the core is cut, it is turned to ensure that the veins are cut at the optimum angle. If there is more than one vein set and these are at different orientations then the core is turned to allow cutting of the main auriferous veins at the optimum angle. If the core is relatively soft, friable or likely to shatter it is wrapped in masking tape to ensure that the sample does not disintegrate under the core saw. The core is then cut down the orientation line.

Core Recovery

Rock type, texture, veining, weathering, alteration and structure were recorded on paper logs then later transferred to Excel spreadsheets. Core recovery and RQD data was recorded for all diamond holes and was entered into an Excel spreadsheet. Core recoveries within the mineralized intersections are generally 90-100%. Such core recoveries are unlikely to have material impact on the accuracy and reliability of the assay results.

Drill Sample Composites

Examination of the assay database revealed sample intervals of varying lengths but with a dominant sample length of 1 metre representing over 90% of all samples within the lode wireframes. As the deposit is characterised by a narrow lode geometry, with quartz veins defining gold mineralisation, 1metre was chosen as the appropriate interval for compositing. Composites were generated downhole from drillhole collars, honouring drillhole-wireframe intersections.

Adequacy of Sampling Method and Approach

The sampling and logging procedures adopted by SGL are of a high standard and are considered to be more than adequate from which to derive a reliable resource grade.

Sample Preparation, Analyses and Security

Sample Dispatch

Drill samples were submitted to the Ghanaian laboratory of Societe Generale de Surveillance SA ("SGS") as loose pieces of half core contained in numbered plastic bags. Aluminium tags with sample identification details were put inside the plastic bags before the latter were stapled shut. The following procedures as developed and documented by SGL were followed:

- all samples for one hole were consolidated at site. The sample numbers were placed under one submission form only;
- weights recorded for individual samples which are then are put into manageable loads of large polyweave sacks;
- SGL personnel transported the sample batch to DHL couriers in Lagos for delivery to the SGS laboratory in Ghana;
- DHL packages the polyweave sacks and sends them by air to Accra, Ghana;
- SGL sent copies of waybill and sample submission to SGS's office in Accra; and
- after clearance by the Ghanaian customs, SGS's office in Accra forwarded the samples to SGS's Tarkwa laboratory.

Sample Security

Prior to dispatch the diamond core is stored at SGL's exploration office in Ilesha. The office and sampling facilities are located within a single, walled compound which has a gated entrance manned continuously by a security guard. Samples are packed onto an independently owned and operated vehicle by the SGL technicians under the supervision of SGL's geologists. The samples are driven by SGL personnel directly to DHL in Lagos.

Gold Analyses

All sample preparation and analyses were undertaken by SGS's laboratory in Tarkwa, Ghana which meets the ISO9001:2000 requirements. The internal laboratory quality control procedures involve the analysis of 691 (12%) duplicates (AuR) of which 128 received a second check (AuS). A total of 6,191 gold (Au) and silver (Ag) analyses were reported. Only Au was used in the resource estimation. A plot of gold grade (>1.0g/t) versus silver and the base metal suite did not reveal any correlation between these elements content and hence neither silver nor Cu, Pb, Zn were modeled.

Density Measurements

Bulk density determinations were taken by SGL for 1,071 individual full-core samples. Core from every hole was selected, with the determinations carried out on site using the immersion method, with weight in air and weight in water used to determine the displacement and then density. An average density of 2.67 t/m³ was obtained from all samples and this average was used in the resource model as a basis for determining tonnages. There was no significant variance in bulk density between the lodes and host rock.

Data Verification

SGL routinely collects core recovery and sample weight information during drillhole sample collection and logging. The recovery data is recorded into field logs that are retained at site, then the data is manually entered into a Microsoft Excel spreadsheet.

Quality control procedures have been in place for the duration of the drilling program. The Quality Assurance Quality Control ("QAQC") programs in place include the following:

- a total of 158 standards submitted on a routine basis in the sample stream;
- a total of 183 blanks submitted on a routine basis in the sample stream; and
- inter-laboratory checks of pulps.

For controlling the quality of performance of the SGS Laboratory in Tarkwa, Ghana, standard samples were added to each batch of samples. Standards were inserted into the sample stream at typically 30 metre intervals.

The standard used was a certified standard prepared by Geostats Pty Ltd of Western Australia. The assayed values were generally close to the nominal values with the exception being a large negative bias at low grade and a slight high bias at medium grade.

The quality of the sample preparation process was controlled by adding blank samples to batches of samples. The blanks were prepared by SGL from samples taken from a construction quarry located near Ibadan between Ilesha and Lagos. The rocks comprised mainly granites and gneissic granites and were assayed beforehand to confirm that they were free of any gold or base metal mineralisation. Blanks were inserted into the sample stream at between 4 and 20m intervals. Of the 183 blanks a total of 134 were at or below detection, while 43 ranged between 0.01 and 0.09ppm Au (detection limit 0.01ppmAu). Five blanks reported greater than the detection limit ranging from 0.15 to 0.93ppmAu.

The inter-laboratory checks were carried out at Genalysis Laboratories located in Tarkwa, Ghana. SGL provided data for 31 check assays. This limited amount of checks indicates no systematic bias in the SGS assays.

Density QAQC

SGL collected and carried out measurements systematically for the duration of the program and hence there is a substantial density database from which to obtain a representative resource bulk density. Rock type was also recorded at the time of the measurement. Data on duplicate density determinations were not provided.

Database Validation

The analytical database was provided by SGL in Excel spreadsheet format. During the importation of these tables into Gemcom, the software's built-in validation tools were used to detect any errors.

Minor errors were detected and then corrected on the advice of SGL, including, azimuth and/dip errors and collar location and elevation. To check the integrity of the electronic drilling database, a series of holes were selected for validation against original records. The holes were selected to cover the extent of the deposit. For the drill holes reviewed, all data was considered valid.

Quality Control Measures

Results of the analysis of the internal laboratory repeats show a high correlation between the repeats with no bias evident. This indicates good precision for the analysis of gold.

Results of the analysis of the certified reference material and blanks show that the laboratories are generally producing accurate assays with no evidence of significant and systemic contamination. A number of isolated

contamination issues were evident but were not considered to be serious enough, to have any material effect on the resource estimation.

Statement on the Adequacy of Sample Preparation, Security and Analytical Procedures

On the basis of the various data and from direct observations, Mr Alfred Gillman the author of the Segilola Technical Report concluded that SGL has adopted a thorough QAQC sampling procedure that ensures assay and density data quality. The chain of custody, as currently set up, does not allow for any unwarranted handling and contamination of the samples. Any potential errors in the bulk density determination procedure that may arise from rock porosity were considered to be minimal due to the high crystallinity of the rock and hence would not materially affect the tonnage calculation. However, independent laboratory density check-determinations are recommended in any future work.

Mr Alfred Gillman considered that the sample preparation and analytical procedures adopted comply with the required industry standards and that the data received from the laboratory provides a reliable and accurate basis for the resource estimation.

Adjacent Properties

There has not been any mineral exploration or mining activity on any of the adjacent tenements.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testwork has been carried out prior to the date of the Segilola Technical Report.

Mineral Resource and Mineral Reserve Estimates

The resource estimate is based on a Gemcom drillhole database and 3D geological wireframes of the lode domains (100, 200, 300 and 400). The estimate is constrained by wireframes that form hard boundaries between the respective composite assay data files. Of the 121 drillholes available, 30 did not intersect the lode and hence were not used in the interpolation. To maintain geological continuity, hole SGD054 was included despite recording "no data" in the lode position.

The work undertaken included the following:

- upload and validation of new drillhole data;
- compositing of Au assay intervals;
- statistical analysis of Au composites, including top-cut determinations;
- geostatistical analysis;
- interpolation by inverse distance squared of Au composites;
- validation of the resultant block model; and
- classification and reporting of results.

Gemcom version 6.1 mining software was provided by SGL and was used for constructing the 3D block model and subsequent grade estimates.

A mineral resource classification scheme consistent with CIM guidelines (2004) was applied. The reporting of mineral resources at the Segilola Gold Project implies a judgement by the author that the deposit has reasonable prospects for economic extraction, in so far as technical assumptions are concerned.

Wireframe Construction

The Segilola Gold Project deposit was interpreted using 44 east-west oriented cross sections. The database validation, wireframe development and resource estimate were carried out using GEMS version 6.1 software provided by SGL. The resource wireframe is defined by a nominal lower grade cut-off of 0.5g/tAu. However, in several places a slightly lower cut-off was allowed to maintain geological continuity. Generally, there is a sharp transition between background or below detection levels to >0.5g/tAu. Due to the varying hole inclinations, the allowed amount of internal dilution was set nominally at 2.5m true width or less.

The following techniques were employed while interpreting the mineralisation:

- each cross section or plan was displayed on screen with a clipping window equal to a half distance from the adjacent sections of levels;
- all interpreted polylines (strings) were snapped to the corresponding drillhole intervals;
- internal waste within the mineralised envelopes was included in the interpreted envelopes;
- the interpretation was extended perpendicular to the corresponding first and last interpreted cross section to the distance equal to a half distance between the adjacent exploration lines;
- if a mineralised envelope did not extend to the adjacent drillhole section, it was projected half way to the next section and terminated. The general direction and dip of the envelopes was maintained; and
- if mineralised lode was at the topographic surface, it was extended above the surface and then later clipped.

A surface digital terrain model ("dtm") was generated from the surveyed drill collars combined with the topographic survey data supplied by SGL.

Geology and Resource Geometry

The resource wireframes represent a single 010° trending mineralized structure that dips at between 80° to 70° towards the west. At 831550N this lode is cut by an interpreted sinistral fault that off-sets the northern part of the lode-structure approximately 25m towards the west. Hence there are two main separate resource domains: the southern (100) and the northern (200).

An earlier-phase, vertical normal fault, which is interpreted to intersect the lodes at a very oblique angle, truncates the lodes at depth. This is most apparent toward the northern portion of the southern 100 lode. A continuation of the lode at depth on the down-throw side of the fault is postulated. The southern 100 lode is up to 14 metres in true width, whereas the northern 200 lode attains a maximum thickness of 6 metres. Two minor hanging-wall lodes, 300 and 400 are developed at the southern extremity of the drilling area.

Compositing & Statistics

Examination of the assay database revealed sample intervals of varying lengths but with a dominant sample length of 1 metre representing over 90% of all samples within the lode wireframes. As the deposit is characterised by a narrow lode geometry with quartz veins defining gold mineralisation, 1m was chosen as the appropriate interval for compositing. Composites were generated downhole from drillhole collars, honouring drillhole-wireframe intersections.

Statistics were run within the drillhole database for all constrained uncut composite data and are presented in Table 1. Other mineral indicators, were not used as data was extracted from within wireframes. A plot of gold grade (>1.0g/t) versus silver and the base metal suite did not reveal any correlation between these elements content and hence neither silver nor Cu, Pb, Zn were modeled.

Parameter	100	200	300	400
Number	707	193	54	9
Minimum	0.01	0.01	0.03	0.52
Maximum	56	90	13	135
Mean	4.27	7.97	1.73	49.08
Median	1.57	2.75	0.75	15.08
Std Dev	7.04	12.63	2.52	59.39
Variance	49.5	159	6.37	3527
Coeff Var	1.64	1.58	1.45	1.2

Table 1: Univariate Statistics

Top Cut Selection

From visual inspection during the resource interpretation there is a persistent distribution of high-grade assay throughout the resource which could obviate the need for any top cutting. However, an overall top-cut of 50 g/t Au was applied to 100 and 200 domain composites to restrict the influence of extreme grade values during interpolation. The same top cut was applied to the 300 lode but classified as all inferred. A top cut of 20g/tAu was applied to the 400 lode which was also classified as all inferred.

Block Model and Grade Interpolation

A 3D block model was generated software with origin, extents and attributes defined below in Table 2. An associated percentage model was also generated. The solid wireframes were used to limit the blocks available for grade interpolation, with block centroid locations used to define the blocks and sub-blocks for interpolation.

Model Parameters	Y	X	Z
Minimum Coordinates	830600	701600	0
Maximum Coordinates	832200	702200	350
Model Extent	1600m	600m	350m
Parent Block Size	10m	5m	10m
Attribute	**Type**	**Description**	
Au	calc	Inverse distance Au grade	
Density	assigned	2.67	
Rock Code	assigned	Rock Code	
Pass	calc	Interpolation pass no	

Table 2: Block Model Parameters

Each vein wireframe was treated as a separate hard boundary, restricting the Au grade interpolation to drillhole data located within each wireframe.

Two interpolation passes were conducted for each wireframe. Search ellipse parameters (Table 3) were guided by using double the average section spacing used in the initial pass of the interpolation so that the equivalent of a maximum three sections of composites were available but limited by a maximum of 12 for informing the blocks. For the second interpolation pass, search ellipses were increased to ensure that all blocks unfilled by the first pass were interpolated by the second pass and grades estimated from the first interpolation pass were left unchanged.

Parameter	Range 1	Range 2
Search Anisotropy	RotationZYZ	RotationZYZ
Rotation about 'Z'	180	180
Rotation about 'Y'	70	70
Rotation about 'Z'	120	120
Anisotropy X	50	180
Anisotropy Y	65	200
Anisotropy Z	20	30

Table 3: Interpolation Search Ellipse Parameters

Model Validation

The Segilola Gold Project block model was validated by several methods, including the following:

- on-screen visual validation via vertical sections and plan views, showing block grades against input composites,
- global statistical comparisons of average input composites and tonnage-weighted block grades, and
- local grade/northing relationship plots.

A global grade validation was conducted by comparing input average top-cut ungrouped composite grades with mean block grades by vein wireframe, with results tabulated in Table 4.

Lode	No. Of Composites	Ungrouped Composite Mean Au	Model Mean Au	% Difference
100	707	4.27	4.14	-3
200	193	7.31	6.37	-12.9
300	54	1.73	1.6	-7.5
400	9	49.08	11.06	-77.5

Table 4: Global Statistical Validation of Interpolated Au Grades

Both input average composite data and tonnage-weighted mean model grade data were averaged within 40 metres northing slices for each lode wireframe, and plotted together with the number of composites to assess the reliability of the block model. Model and composite grade/northing relationships were compiled for the lode wireframes.

Comparisons of model grades with composite grades for all lodes illustrate a relatively good overall reconciliation with model grades reproducing the fluctuations in composite grades with respect to northing. Deviation of modeled grades from composite grades occurs between sections 831020N and 831180N where the grades from adjacent and deeper high-grade areas influence several sections on which the corresponding lower grade composites are located at higher RL's. The results from the validation showed that the resource model generally upheld the underlying composite data with no obvious bias.

To test the overall robustness of the resource estimate an ordinary kriged estimate was completed. The results showed a good overall correlation between the inverse distance squared and ordinary kriged methods with the typical over-smoothing and slight decrease in grade in the kriged estimate. Data from Lode 400 is excluded so as not to mask detail in the other lodes.

Analytical Volume

The precise volume of the resource wireframes are presented in Table 5 for comparison with the volumes/tonnage reported from the volumetrics reporting. The variance between the analytical volume/tonnage and the reported volume/tonnage of 0.015%, which is due to errors inherent in the needling process of the volumetrics reporting function, is considered to be inconsequential.

LODE	Analytical Volume	Tonnes
100	1,339,835	3,577,358
200	213,508	570,067
300	111,651	298,109
400	9,344	24,948

Table 5: Resource Wireframe Analytical Volume

Resource Classification

The resource classification strategy utilized is based primarily on the search ellipse parameters and also on the number of samples available to inform each block. The specific requirements concerning the minimum number of samples used for grade interpolation for each block were applied, and are shown in Table 6.

Parameter	Pass 1	Pass 2
Search direction X	50	180
Search direction Y	85	200
Search direction Z	20	30
Minimum No. Samples	2	2
Maximum No. Samples	12	12

Table 6: Resource Classification Parameters

The portion of the resource classified as indicated is defined by a substantial number of drill holes, in most areas at a spacing of 20 metres to 30 metres. The model is considered to meet the requirements of confident interpretation of the geological framework and to reasonably assume the continuity of mineralisation within the Segilola Gold Project deposit. Therefore the classification meets the requirements of NI 43-101 for an indicated Mineral Resource.

The inferred portion of the resource largely represents the poorly drilled, down-dip and down-plunge extent of the deposit. It is defined by broadly spaced drilling, however the geological interpretation of that drilling is consistent with the better defined portion of the deposit, and hence the inferred classification is appropriate. Lodes 300 and 400 were manually assigned as all inferred.

Resource Statement

The classified Mineral Resource for the deposit is based on the estimated grades in the block model spatially constrained by geological and statistical parameters. The summarised Resource Report for all mineralised zones combined is given in Table 7 at a gold cut off grade of 0.5 g/t Au and subdivided into resource categories.

A lower reporting cut off grade of 0.5g/tAu is considered to be reasonable taking into account economic mining cut off grades applied to similar open pit operations with on-site treatment facilities and haulage distances of less than 1km.

Indicated		
Tonnes	**Grade (g/tAu)**	**Ounces (Au)**
3,620,386	4.5	521,814

Inferred		
Tonnes	**Grade (g/tAu)**	**Ounces (Au)**
747,590	4.0	96,445

Table 7: Segilola Classified Mineral Resource Estimate (0.5g/tAu cut off)

The constraining resource geometry is defined by a nominal grade cut off of 0.5g/tAu. The effect of reporting the resource above a 0.5g/tAu cu off is to exclude the internal dilution which, in Mr Gillman's opinion, would most likely be mined as part of the overall resource.

The mineral resource categories are reported separately. A mineral reserve was not stated as this was not applicable to the Segilola Technical Report. The extent to which this mineral resource may be materially affected by mining, metallurgical, infrastructure and other related factors will be dealt with in the Feasibility Study that is currently being prepared by Ratel. Observations by the author of the Segilola Technical Report indicate the following:

- Mining: there is an external dilution skin of low grade (approximately 0.1g/tAu) material;
- Metallurgical: there are unlikely to be any significant gold recovery issues due to the general lack of sulphides; and
- Infrastructure: there is sealed-road access close to the site.

Odessa has not undertaken an economic analysis on the resource as the Segilola Technical Report is a mineral resource estimate and not a statement of reserves. Reporting of metal equivalents are not relevant to that report.

The resource has not been depleted for the shallow historic trench excavations. This tonnage is estimated to be less than 5,000 tonnes. To the best of Ratel's knowledge there are no known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other issues that may affect the estimate of the mineral resource.

Interpretation and Conclusions

The Segilola Technical Report concludes that the systematic diamond drilling completed since 2007 is sufficient to support a geostatistically derived estimation of a Mineral Resource for the project. A total of 119 drillholes representing 11,989 metres, intersect the resource on a nominal grid of either 25 metres by 50 metres or 25 metres by 25 metres. The resource has a steep west-dipping tabular geometry and strikes at 010º. The drill spacing is sufficient to define the continuity of geology and mineralisation with a high level of confidence. The quality assurance and quality control data show that the drillhole gold assays and density measurements are accurate with high precision. The level of confidence in the Mineral Resource estimate for the Segilola resource is consistent with the definition of either an indicated or inferred Mineral Resource according to both the JORC 2004 and CIM codes.

SGL has adopted a thorough QAQC sampling procedure that ensures assay and density data quality. The chain of custody as currently set up, minimises any unwarranted handling and contamination of the samples.

Any potential errors in the bulk density determination procedure that may arise from rock porosity are considered to be minimal due to the high crystallinity of the rock and hence would not materially affect the tonnage calculation. The sample preparation and analytical procedures comply with the required industry standards and the data received from the laboratory provides a reliable and accurate basis for the resource estimation. The resource geometry is well defined by a systematic section-based diamond drilling that provides the sample density from which to derive a classified resource estimate. The raw grades are highly constrained within 3D modeled wireframes and there has been minimal application of geostatistical interpolation methods. By adopting an inverse distance squared methodology the modeled grades are more closely correlated with the assay data.

Recommendations

The CGA group has advised Mr Gillman that the Feasibility Study is currently being undertaken to progress the Segilola Gold Project towards the development of an operating mine. Mr Gillman has reviewed the key items and costings for the preparation of the Feasibility Study and considers the program to be sufficient. There has been an allocation for additional diamond drilling to obtain both the necessary geotechnical information and to provide samples for metallurgical testwork. Mr Gillman recommends the following:

- implementation of the Feasibility Study;
- additional exploration with drill-testing of the soil geochemical anomaly located to the north of the know resource; and
- additional drilling at depth to upgrade the inferred resource to indicated category

Excluding any contingency, the total Feasibility Study is expected to cost approximately Cdn.$1,179,000 (of which $194,799 has been paid by CGA).

Item	Estimated Cost (Cdn.$)
Environmental Assessment	81,000
Detailed Topographical Survey	73,000
Metallurgical Testwork	73,000
Plant Design	283,000
Tailings Dam Storage Study	69,000
Geotechnical Study	70,000
Hydrology	58,000
Exploration Drilling & Pitting	296,000
Soil Geochemical Survey	27,000
Further Resource Studies	13,000
Mine Design	44,000
Security Assessment	16,000
Reporting	76,000
Total Feasibility Study	**1,179,000**

MKUSHI COPPER PROJECT

CGA has been actively involved in the exploration of copper in Zambia through its wholly owned Zambian subsidiary SML (which is a subsidiary of Ratel). Ratel, as a wholly owned subsidiary of CGA, falls within the chain of ownership for the Mkushi Copper Project. CGA is undertaking a re-organisation, subject to CGA Shareholder approval, which will result in the spin out of Ratel from CGA, subject to the successful completion of the Offering. At the date of this prospectus and the reissued Mkushi Technical Report prepared for Ratel in March 2010, Ratel remains a wholly owned subsidiary of CGA.

CGA commissioned Snowden Mining Industry Consultants ("Snowden") to complete an estimate of the Mineral Resources for the Munshiwemba prospect included within the Mkushi Copper Project area and provide an independent technical report for the Mkushi Copper Project. Mr. Matthew Nimmo of Snowden originally prepared this report for CGA on 26 August 2008. The original report outlines the Mineral Resource estimate for the Munshiwemba prospect was completed on the 30 May 2008 and reported to the market on 18 July 2008. The estimate was conducted in accordance with the Australian Code for the Reporting of Mineral Resource and Mineral Reserves (the JORC Code 2004) and complies with the NI43-101.

The information in this section is based on the Mkushi Technical Report prepared on behalf of CGA in August 2008 and reissued to Ratel in March 2010. Snowden has reissued the report in the name of Ratel for the purposes of this prospectus. Ratel advises that the technical information contained with the technical report prepared by Mr Nimmo remains current, as no activity has occurred at the Mkushi Copper Project which would impact on the information within the technical report. Reference should be made to the full text of the Mkushi Technical Report which is available for review on SEDAR located at www.sedar.com.

Property Description and Location

The Mkushi Copper Project is located within the Central Province of Zambia at approximately latitude 13º 57' S and longitude 29º 08' E (Figure 4). The property is approximately 186 kilometres north-northeast of Lusaka, 123 kilometres south-southeast of Ndola, and approximately 45 kilometres southwest from the town of Mkushi. The Munshiwemba deposit is the principal exploration target on the property.

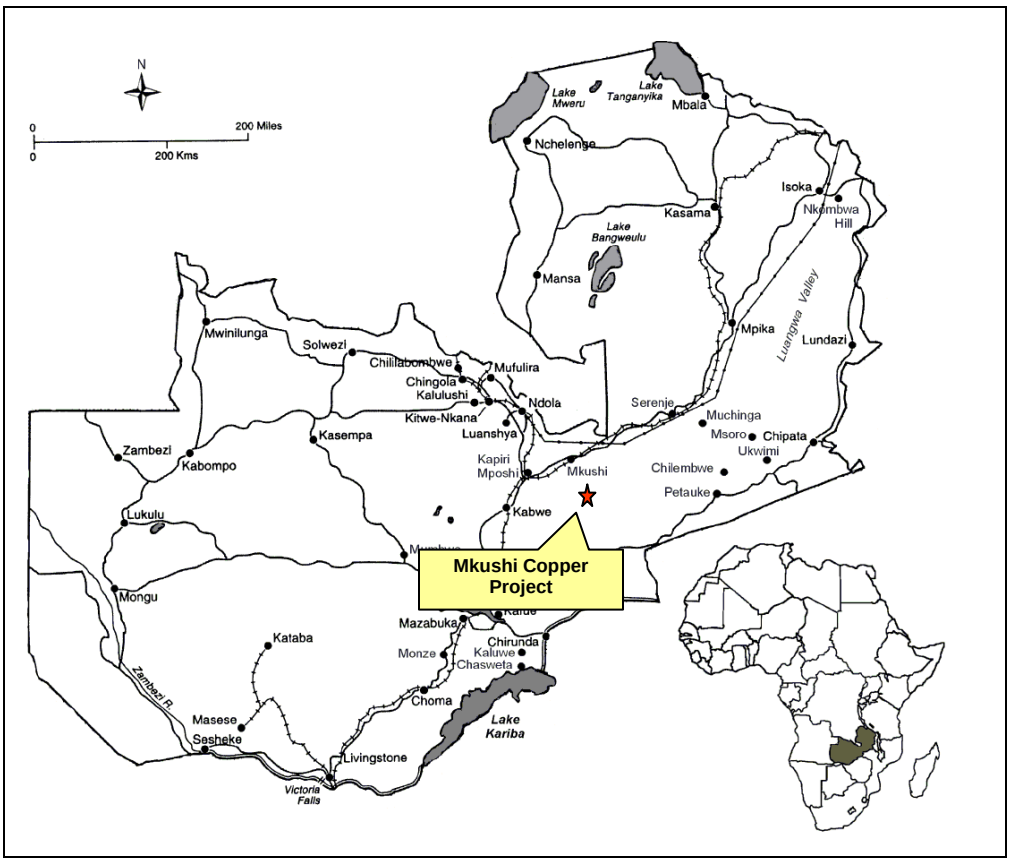


Figure 4: Map of Zambia Showing Location of the Mkushi Copper Project

Claims, Title and Tenure

Under The Mines and Minerals Development Act 2008 of Zambia (the "Zambian Act"), the rights to explore or produce minerals from a property are granted through mining rights granted under the Zambian Act. These rights include the grant of a prospecting licence and a large scale mining licence.

The Mkushi Copper Project consists of Prospecting Licences PL114 and PL290. The Prospecting Licence PL114 spans 7 kilometres by 11.5 kilometres, covers 7,605 hectares and is wholly contained within the larger Prospecting Licence PL290.

Prospecting Licence PL114 was first granted by the Republic of Zambia under Section 14 of the Mines and Minerals Zambian Act, 1995. The licence was issued to Katanga Resources Limited ("Katanga"), a wholly owned affiliate of African Eagle Resources plc ("AFE") on 2 October 2002 for a period of two years which was subsequently renewed for two years from 3 March 2005 for two years and further renewed from 4 November 2007 for a period of one year. During the draft feasibility study preparation in 2008, the tenure was secured by applying for and having granted a Large Scale Mining Licence covering 75% of the old prospecting licence, PL114. The Large Scale Mining Licence, LML67, was approved by MOMMD on 31 July 2008 for a period of twenty five years.

LML67 was transferred into the name of joint venture company MCJVL on 9 September 2009.

Ownership and Joint Venture Agreement

On the 29 May 2007 CGA entered into the Mkushi JV with AFE to evaluate and develop the Mkushi Copper Project. Pursuant to the Mkushi JV, the joint venture company, MCJVL, was incorporated with SML holding a 51% interest subject to completion of a feasibility study and Katanga holding the remaining 49% interest. An application to transfer PL114 to MCJVL was made to the Mines Development Department, Republic of Zambia, on 12 October 2006 and was officially endorsed on the 22 January 2007.

Under the Mkushi JV, CGA through SML was responsible for carrying out and sole-funding exploration and other activities within an area designated as the "Mkushi Core Area" that cover the prospects: Munshiwemba, Coloquo, Botita, and Mtuga, to delineate a mining reserve and complete a feasibility study by 31 October 2008. SML completed a draft feasibility study in October 2008 which was accepted by its joint venture partner Katanga, as fulfilling its obligations under the Mkushi JV subject to all continued expenditure within the Mkushi Core Area by SML being counted as feasibility expenditure for which SML must provide verification and take responsibility for, until the feasibility study is finalized and a decision to mine is made. AFE through Katanga was responsible for undertaking exploration outside the core area ("Mkushi Exploration Area") but within the licences. Subject to these respective obligations all other expenditures for the Mkushi Copper Project are pro-rated according to the equity held by each of SML and AFE at the time and to the extent agreed upon at the time.

Ratel, currently a wholly owned subsidiary of CGA, is now the holding company for SML.

Permits and Approvals

For all exploration activities on a Prospecting Licence, including PL114, the owners are obligated to submit an environmental project brief ("EPB") under the Environmental Impact Assessment regulations (Statutory Instrument number 28 of 1997) to the Environmental Council of Zambia. SML submitted the EPB on 6 March 2007 with subsequent approval being given on 12 April 2007 which is subject to SML compliance with the following conditions:

1) implementing the project as stated in the EPB;

2) implementing all proposed mitigation measures stated in the EPB;

3) implementing the project within three years from the date of approval. Failure to implement the project within this period shall render the decision letter invalid and SML will be required to resubmit the EPB;

4) after exploration activities on a particular site, ensuring that the land in that area is rehabilitated to almost its baseline condition;

5) obtaining permits from the Environmental Council of Zambia and comply in full with the following regulations throughout the project cycle:

    a. Waste Management Regulations (SI number 71 of 1993);

b. Water Pollution Regulations (SI number 72 of 1993);

c. Air Pollution Control Regulations (SI number 141 of 1996); and

d. Hazardous Waste Regulations (SI number 125 of 2001);

6) noise levels throughout the project cycle shall be maintained within acceptable levels as stipulated by the government;

7) no drilling activities shall be carried out during the night to avoid noise pollution to the nearby communities; and

8) exploration activities shall be undertaking in such a way as not to cause soil erosion which can lead to sedimentation of surface water bodies.

Subsequent to these conditions laid out in April 2007, an approval letter dated 28 May 2007 was issued that allowed SML to conduct diamond drilling at night. RC drilling is still restricted to day light hours only.

Permits are currently in place to allow SML to continue exploration drilling.

To allow the Munshiwemba prospect to progress towards a mining operation an Environmental Impact Statement (EIS) was required along with a submission for a Mining Licence. The EIS was completed at the end of 2007 and submitted to the Republic of Zambia for approval in January 2008. The government approved the Mining Licence on the 26 June 2008. All other permits and approvals required for a mining operation are now being sought.

Environmental Aspects

Land use is mainly tribal farmland with agricultural crops such as sunflowers, sorghum and maize and some pastoral grazing. Due to human population pressures there are no endangered animals and plants. Protected national and local forests exist within the Central Province of Zambia but do not cover the Mkushi Copper Project. Numerous village burial sites exist within the property, which are found close to villages. These burial sites are often poorly marked, making their exact location and extent difficult to ascertain.

Encumbrances, Royalties and Taxes

All licences that constitute the Mkushi Copper Project are subject to a Republic of Zambia minerals royalty tax and corporate tax. These taxes were recently increased under a new tax regime implemented on the 1 April 2008. The minerals royalty tax increased from 0.6 % to 3 % while the corporate tax has increased from 25 % to 30 %. The Nigerian government has introduced a variable profit tax which is charged on profits to capture any windfall gains that may arise in the mining sector with the first 8% of profit being taxed at 30% and the remaining 92% profit being taxed at 45%.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access

The Mkushi Copper Project can be accessed by driving north-northeast for approximately 230 kilometres along the Great North Road from Lusaka, the capital of Zambia, via the towns of Kabwe and Kapiri Mposhi. Alternatively the property can be reached by driving south-southeast for approximately 180 kilometres from Kitwe or 140 kilometres from Ndola in the Copperbelt Province. Direct access to the Mkushi Copper Project is via a graded unsealed road that turns off to the south from the highway to Tanzania, 30 kilometres east of Kapiri Mposhi near the village of Mpulo. The unsealed road winds through local farms for approximately 30 kilometres and then continues on a circuit to rejoin the highway to Tanzania further to the east.

A network of tracks suitable for four-wheel drive vehicles covers the area giving access to most parts of the Mkushi Copper Project. The Lunsemfwa River acts as a barrier inhibiting movement across the southern portions of the Mkushi Copper Project during seasonal flooding.

Climate

Climate data from the Kabwe Meteorological Station located 80 kilometres southwest of the Mkushi Copper Project shows that the annual mean temperature is 20.2°C with monthly average temperatures ranging from 9ºC in June to 32ºC in October. Annual total mean rainfall is 877 millimetres with a low in June and peaking in December. Rainfall mainly occurs in heavy thunderstorms producing precipitation events of 20 to 40 millimetres. Annual mean evaporation is 2,103 millimetres and annual mean wind speed is 5.2 knots.

Topography, Elevation and Vegetation

The Mkushi Copper Project lies in flat plateau country at an altitude of around 1,100 m above sea level ("ASL"), which is dissected by shallow valleys. The topographic relief on the Mkushi Copper Project is subtle, with a difference of about 70 metres between maximum and minimum elevations. Most of the area is covered by Miombo woodland with an open and light crown of semi-evergreen to deciduous trees between 15 to 21 metres in height. Most of the woodland vegetation is degraded by subsistence farming and is interspersed with dambos and grassy plains. On higher areas, especially rock outcrops, the vegetation is largely shrubby with a high incidence of Chipya woodland species. Riparian vegetation is still found in the area, especially along the Mkushi and Lunsemfwa Rivers. Dambos occur within the Mkushi Copper Project along the Lunsemfwa River and its tributaries. These areas are seasonally or permanently wet grassy valleys, well drained on the upper slopes and poorly to very poorly drain in low-lying areas.

The south-flowing Lunsemfwa River passes through the centre of the Mkushi Copper Project. The junction with its tributary, the Munshiwemba River, lies about 1.2 kilometres west of the Munshiwemba open pit. The Mita Hills Dam is on the Lunsemfwa River about 33 kilometres to the south. During the wet season the dam waters typically extend back to the junction with the Munshiwemba River. The Lunsemfwa hydro power station is at the dam.

Hydrogeology

Granites, aplites and gneisses typically have little primary permeability with the fresh rocks essentially dry due to very low porosity of the rocks. However, where weathering, veining or fracturing have compromised the primary rock texture there can be sufficient secondary porosity and permeability to host some groundwater. Six domestic water supply wells have been attempted in the area with none yielding any significant water. Some of the exploration drillholes drilled on the property penetrated zones of water that appear to be related to steeply dipping fracture zones.

The hydrogeology of the Mkushi Copper Project is characterised by a relatively thin veneer of soil and local alluvium overlying low permeability rocks with some steep fracture zones, which can host secondary aquifers. The perched aquifers in the soil zone appear to be minor and local in extent, typically having water levels of 3 to 8 metres below surface. In the immediate area of the Munshiwemba open pit, the perched water has been drained by dewatering of the open pit. Groundwater is interpreted to flow from the Munshiwemba River towards the pit area following the natural hydraulic gradient.

Local Resources and Infrastructure

Limited human resources are available from the nearby townships of Kapiri Mposhi, 50 kilometres to the west and Mkushi 45 kilometres to the northeast. The town is also the Zambian terminus for the Tanzara Railway built with Chinese-aid shortly after independence to transport copper to Dar-es-Salaam. Mkushi is a service centre to the Mkushi commercial farming area.

The Mkushi commercial farming zone covers an area of about 70 kilometres by 30 kilometres and is situated south and parallel to the highway to Tanzania connecting Lusaka and Indola (centre of the Zambian copperbelt). The zone is dedicated to larger farms managed mainly by ex-patriots producing cash crops particularly maize with some tobacco and wheat, as well as cattle. Some market garden produce such as tomatoes, bananas and potatoes are also sold into Lusaka. The north-western portion of the Mkushi Copper Project is covered by the farming zone with the south-western corner of the farming zone situated immediately to the north of the Munshiwemba open pit. The remaining area in the Mkushi Copper Project is covered by intermittent subsistence farming.

The villages and towns in the immediate vicinity of the Mkushi Copper Project could potentially provide a large proportion of the workforce for any future mining operation.

The ZESCO 330 kw power line from Kabwe to Serenge passes within 200 metres of the Munshiwemba open pit and is used to power the Mkushi commercial farming zone. The Lunsemfwa Hydro Power Company, part-owned by the South African Eskom Enterprises, owns and operates the Hydro power station at the Mita Hills dam, which supplies power to the Kabwe area and is an alternative supplier of electrical power.

There is currently no fixed telephone or satellite communications at the Mkushi Copper Project. However, it falls within the Celtel mobile telephone coverage where reception is moderate.

Considerable infrastructure from the 1970s mining operation remains on site. This includes the remains of the process plant, built for a relatively small throughput and a number of buildings. The buildings and associated infrastructure were bought by Mkushi Holdings Ltd, following the sale of the property by Zambia Consolidated Copper Mines ("ZCCM"). Some of this infrastructure is being leased and utilised for the current exploration activities. The former staff living quarters from the mining operations have now been incorporated into the Mkushi Copper Mine Village. This village lies to the East of the planned open pit.

History

Ownership and Exploration History

Exploration of the region southwest of the Mkushi Township that included the Mkushi Copper Project is first thought to have occurred in the years following the conclusion of World War I. During the period 1922 to 1923 prospectors employed by the Rhodesia-Congo Border Concession Company ("RCBC") were successful in discovering the majority of the currently known prospects within the region.

In 1922, the Mtuga prospect was the first copper deposit to be discovered in the region by the prospectors. Following this, the remaining known deposits were discovered in quick succession with the Munshiwemba and Coloquo prospects identified in 1923 and the Katunga, Fitula and Munda prospects discovered in 1923 to 1924. Falcon Mines, a London-based company, acquired the Mtuga prospect in 1926.

A.B. Broughton Edge, a pioneer in the use of electrical geophysics, conducted an equipotential (or applied potential) survey over the region in 1925 to 1926. Anomalies were detected over the Munshiwemba, Munda and Coloquo prospects that focused exploration drilling carried out during this period. Over 25 diamond drillholes targeting the Munshiwemba prospect and 5 targeting the Coloquo prospect were drilled during 1925 to 1926 for a total of 3,700 metres.

RCBC concluded, after exploration throughout the region during the 1920's that the mineral resources and reserves were too small. Subsequently they abandoned exploration in early 1927 but retained title as the "Lunsemfwa Special Grant" until 1949. In 1930, the RCBC merged with interests of Anglo American to form the Rhokana Corporation. In 1950, Falcon Mines pegged much of the region that was explored previously by RCBC. Following this in 1953, the Rio Tinto group conducted geophysics (self-potential) and geochemical surveys and recommended that no further work be carried out in the area.

Magundi Copper Mines and Minerals Limited ("Mugundi") under a tribute agreement with Falcon Mines continued with development of the prospects during 1955 through to 1960. In 1960, Magundi went into liquidation and control of the area returned to Falcon Mines.

In 1966, L.G. Nicol Interests, a private firm later to become Mkushi Copper Mines Limited, obtained an option from Falcon Mines over their claims and from Anglo American Corporation (Zambia) over the surrounding areas. During this time exploration, development and rehabilitation activities were carried out in the Munshiwemba area. Induced polarisation geophysics surveys at Munshiwemba identified the additional F and G zones and confirmed the positions of the E, X-Y-Z zones. Extensive drilling targeting the anomalies over the E, F, and G zones identified sufficient potential economic mineralisation to allow for small-scale mining from the zones as well as planning for an open pit operation at Munshiwemba. Financial difficulties brought this phase to a close in 1968.

In 1969 the Geological Survey of Zambia conducted a survey over the region with the results later published in Legg 1976. Mkushi Copper Mines Limited signed a contract with an Italian-based company, Miniera di Fragne-Chialamberto, in 1969 to mine the Munshiwemba prospect by open cut methods.

Exploration within the region had been stagnant for a period of almost 30 years from 1975 through to 2002. Katanga applied for the rights to explore the area in 2002. Katanga conducted geophysical surveys and exploration drilling.

In 2006, AFE entered into a joint venture heads of agreement with CGA which was later formalised in 2007. The agreement allows SML, as a wholly owned subsidiary of CGA to explore within small areas covering the known prospects and Katanga to explore outside these areas. Exploration since 2007 has been focused on defining the remaining mineral resources at the Munshiwemba prospect, mainly targeting copper mineralisation within the H zone.

Geological Setting

Regional Geology

The Mkushi Copper Project lies within the south-western part of the Irumide Orogenic Belt that stretches over a distance of approximately 900 kilometres from central Zambia to the Zambian-Tanzanian border and northern Malawi.

The Irumide Orogenic Belt is an elongate crustal province characterised by Mesoproterozoic tectonism and magmatism that forms part of the Mesoproterozoic Kibaran Orogenic Cycle dated at 1.4 to 1.0 Ga. Its northern border is in contact with the Neoproterozoic Lufilian Belt that contains the Katanga Supergroup, dated at 0.88 to 0.57 Ga and host to the Copperbelt of Zambia and the Democratic Republic of the Congo ("DRC"). Along its northwest border lies largely undeformed Palaeoproterozoic basement lithologies of the Bangweulu Block and is truncated to the northeast by Mesoproterozoic and Neoproterozoic transcurrent shear zones within reactivated parts of the Palaeoproterozoic Ubendian Belt. To the southeast and south the Irumide lithologies were reworked within the Neoproterozoic Lufilian and Zambezi Belts and to the east by the East African Orogen.

The Irumide Belt comprises a Palaeo- to Mesoproterozoic complex of gneisses and granitoids forming the Irumide basement and a supracrustal succession of quartzites and pelites referred to as the Muva Supergroup. The sequence is intruded by deformed and undeformed granitoids considered to be pre-Irumide (1.4 Ga) and syn-, late- to post-Irumide (1.1-0.95 Ga).

The Irumide basement comprises the Mkushi Gneiss in the southwest and the Luwalizi Granite, Mwambwa River and Mulungwizi Gneisses in the northeast. These units have been correlated with the Palaeoproterozoic Bangweulu Block and Ubendian Belt in the past. The basement units are structurally and in places unconformably overlain by a metasedimentary succession of quartzites and metapelites, which in the southwest has been called the Kanona Group, and in the northeast the Manshya River Group.

All units in the Irumide Belt have been strongly affected by compressional tectonics, resulting in northwest-directed thrusting onto the Bangweulu Block basement and extensive crustal shortening. Minor southeast-verging structures form part of locally developed backthrusts within an overall northwest-vergent tectonic regime. At least parts of the Irumide basement were affected by Irumide tectonism, but large-scale thrusting was mainly accommodated along a basal decollement at the basement-cover interface. Extensive shortening is exemplified by tight- to isoclinal folding within the supracrustal sequence, ranging from upright to recumbent. Thrusts developed where shortening could not be accommodated by tight folding, which produced tectonic duplication within the metasedimentary pile, making formation-to-formation correlations across the belt tenuous at best.

Metamorphic parageneses record low to medium pressure and medium- to hightemperature conditions. Metamorphic grades range from greenschist facies in the north-western foreland, to upper amphibolite facies in the southeast, with local granulites. Peak Irumide metamorphism, recorded in metamorphic zircon rim overgrowths, has been dated at 1.02 Ga.

Property Geology

The Mkushi Copper Project is situated near the southern end of the Irumide Belt and covers an inlier of Mkushi Gneiss surrounded by porphyritic granitoids (Figure 5). Gneiss is the dominate lithology in the area and occurs as either: porphyroblastic gneiss, finely banded gneiss, or granitised gneiss. The porphyroblastic gneiss cuts across the Mkushi Copper Project in an east-northeasterly direction and is surrounded by the finely banded gneiss with the granitised gneiss occurring at the northern end of the Mkushi Copper Project. In the south of the Mkushi Copper Project, the porphyroblastic gneiss is intruded by a small granite body referred to as the Mtuga Granite.

A swarm of anastomosing post-metamorphic aplite and pegmatite dykes intrudes the porphyroblastic gneiss along an east-northeasterly trending shear zone. The intrusive dykes are oriented sub-parallel with the gneissic foliation. Parallel to these dykes is a biotite mylonite shear zone termed phyllonite. Drilling indicates that these phyllonites are gradational to dykes of dolerite composition. This association may reflect progressive intrusion and deformation of mafic rocks along shear zones, which post-date the aplite-pegmatite dykes.

Evidence from geological mapping of the exposed rocks in the Munshiwemba open cut indicates that the aplite-pegmatite dykes form a steeply dipping left-hand stepping enechelon pattern. The dykes form a broad funnel shape when viewed in long section tapering with depth. Asymmetry of the funnel geometry may impart a plunge, but this is not consistent. Both the aplite and pegmatite dykes show gradational contacts with the host gneiss reflecting replacement. Joints, clay-filled faults with minor displacement and phyllonite shears cross-cut the aplite-pegmatite dykes.

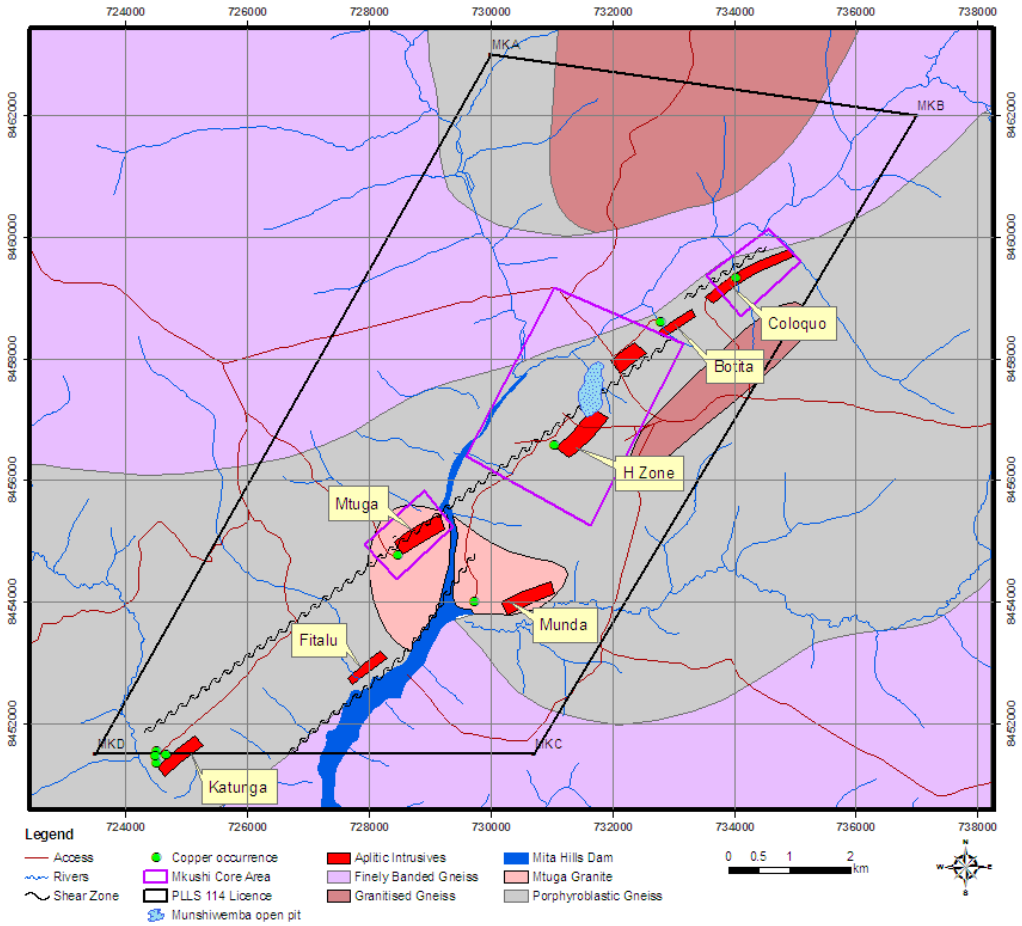


Figure 5: Map of the Property Showing Local Geology, Location of Copper Deposits, Licence PL114 (black solid outline) and "Mkushi Core Area" (solid magenta outline)

Alteration of the rocks has been observed but insufficient work has been conducted to define the extent or consistency of the alteration. Four styles of alteration have been identified: silicic and hematite alteration, potassic alteration, intense argillic alteration, and weak argillic alteration. Intense silicic and hematite alteration is the most

pervasive and is associated with the majority of mineralisation. It is common that earlier phases of mineralisation are overprinted by the alteration.

Potassic alteration occurs as orthoclase replacement of plagioclase feldspar. Sericite and calcite are commonly associated with the orthoclase indicating loss of sodium to sericite and calcium to calcite from the feldspar and enrichment of potassium to form orthoclase. Biotite and chloritised biotite are also indicative of potassic alteration at Mkushi.

Intense argillic alteration is reflected in complete alteration of all feldspars to kaolin, sericite, calcite and quartz (saussiterisation) and biotite altered to chlorite with sericite and hematite. Chlorite is partially altered in turn to a calcite, sericite, quartz, and hematite assemblage. Where biotite is present it can be replaced by a chlorite, rutile, calcite, ankerite, zircon, pyrite, sphene, and chalcopyrite assemblage. The argillic component is reflected in kaolinite veinlets and the ragged nature of orthoclase feldspar, loss of plagioclase feldspar and the widespread replacement of biotite to a chlorite, sericite, and hematite assemblage.

Weak argillic to propylitic alteration is widespread and comprises patchy kaolinite formation at the expense of feldspars, hematite staining on rock fragments, propylitic alteration with formation of epidote with chlorite, calcite, and pyrite (with minor hematite), and quartz assemblage. In addition this style of alteration is associated with pervasive hematite alteration on fractures that is probably related to magnetite or sulphide oxidation.

Deposit Types

Copper mineralisation identified within the Mkushi Copper Project is significantly different in style to the copper deposits being mined in the nearby Zambian Copperbelt. The deposits found in the Copperbelt of Zambia are described as being sediment hosted deposits. This style of deposit is characterized by stratabound and strataform disseminations of copper minerals (chalcopyrite, chalcocite, bornite, and native copper) within a sequence of siliciclastic sediments of the Neoproterozoic Katangan Supergroup. In comparison, the copper deposits occurring within the Mkushi Copper Project are hosted by granite and gneiss and occur as discreet pods of disseminated copper minerals (chalcopyrite), which are structurally controlled and show close affinity with intrusive dykes of aplite and pegmatite composition.

Continued exploration activities within the Mkushi Copper Project are aimed at identifying new occurrences of granite and gneiss hosted structurally controlled copper mineralisation. Exploration drilling within the Mkushi Copper Project is being conducted along strike from the known deposits and within close proximity to primary shear structures that traverse the Property.

Mineralization

Copper Mineralisation has been identified at seven prospects, all of which were discovered early in the exploration history of the Mkushi Copper Project. Two mineralised trends appear to connect the prospects. The first connects the prospects Mtuga, Munshiwemba, Botita, and Coloquo along a shear zone. The second connects the prospects of Katunga, Fitalu and possibly Munda along a parallel secondary shear to the south.

Sulphide (Hypogene) copper mineralisation within the Mkushi Copper Project occurs as a series of disseminated chalcopyrite lenses. The lenses are curvilinear in shape and form left stepping enechelon patterns. Geometry of the lenses is complicated by the disseminated nature of the mineralisation. The lenses have a strike length ranging from 80 m up to 500 m, are between 1 m and 60 m thick, extend between 80 m to 200 m in depth and dip approximately 60º to 70º towards 300º to 350º. The lenses are hosted by altered gneiss and granite of the Irumide Basement complex and show close affinity with intrusive aplite and pegmatite dykes. However, the mineralisation is not confined to or evenly distributed through the dykes, but transgresses all lithologies. The margins of the dykes appear to be the preferred position for sulphide mineralisation. Three styles of hypogene mineralisation have been recognised: disseminated sulphides, sulphides in breccia zones, and sulphides as tension gashes and late-stage veins along hair-line fractures, joints and minor faults. Increased concentrations of sulphides occur along structural intersections. The lenses of mineralisation consist of various proportions of the three recognised styles of mineralisation.

Supergene copper mineralisation has been recognised at all the prospects within the Mkushi Copper Project. This style of mineralisation consists mainly of malachite staining occurring on joints and fractures of near surface and

exposed rock as a result of weathering. Chalcocite and covellite has also been noted, to a lesser extent, within weathered fracture zones. The extent of supergene mineralisation is confined to the top few metres of the subsurface profile within the regolith and rarely along deeper joints and fractures where meteoric water has entered. The supergene mineralisation forms a very minor component of the overall copper mineralisation within the Mkushi Copper Project.

Disseminated chalcopyrite in small fine to medium-grained clusters varies in abundance from trace amounts to approximately 10% by weight. Chalcopyrite is often accompanied by idiomorphic pyrite in which the chalcopyrite partially replaces the pyrite. The concentration of disseminated sulphides is strongly influenced by concentration of dykes, with an obvious decrease in chalcopyrite content away from the dykes. Chalcopyrite can be seen to preferentially replace biotite at aplite-gneiss contacts. The grain size of the chalcopyrite mineralisation appears to be related to the immediate host rock, with coarse grained chalcopyrite in pegmatite dykes and finer grained chalcopyrite in aplite dykes.

Pyrite occurs ubiquitously, typically averaging less than 5%, both as isolated grains within chalcopyrite and as globular aggregates completely surrounded by chalcopyrite. The aggregates may also contain minute blebs of bornite, tetrahedrite-tennantite, molybdenite, hexagonal pyrrhotite, cubanite and sphalerite. In addition, chalcocite, sphalerite, native gold, galena, tetrahedrite-tennantite, acanthite, and molybdenite occur within the aplite dyke matrix.

Gangue minerals commonly associated with the copper mineralisation include quartz, haematite, orthoclase, sericite, chlorite, biotite, tourmaline, calcite and magnetite.

Magnetite is a common component of the mineralisation, although it is often replaced by a pyrite, chalcopyrite and haematite assemblage. In some instances magnetite appears to be associated with chalcopyrite, which may indicate two phases of chalcopyrite formation.

The exact paragenesis of copper mineralisation is unclear however it is interpreted to be epigenetic to the development of the granite and gneiss host rocks and possibly syngenetic with the intrusion of the felsic dykes. The copper mineralisation may be part of the later stages of the intrusion of the Mtuga Granite of post-kinematic Irumide age, (~1.05 Ga), which is itself intruded by aplite and pegmatite dykes. However, there is also the possibility that the hydrothermal mineralisation event is significantly later than the magmatic event, with the felsic dykes providing zones of competency contrast, which focused structural development. It is possible that the mineralisation event may be related to events associated with the Katangan Supergroup (0.88 to 0.57 Ga) host to the nearby Copperbelt.

Munshiwemba Prospect

Copper mineralisation at the Munshiwemba prospect consists of disseminations of chalcopyrite in aplite, pegmatite and porphyry that intrude biotite gneiss of the Mkushi Gneiss and the Mtuga Granite. It occurs within close proximity to and within shear zones cutting through the prospect, particularly through the Mtuga Granite. The mineralisation forms a series of left stepping enechelon lenses that have individually been referred to as the X-Y-Z, E, F, G, H, and L zones. This pattern is considered to have broken down for the central part of the H zone, situated to the southwest of the Munshiwemba open pit, into a set of complex anastomosing and multiply branching bodies of mineralisation (refer to Figure 6 and Figure 7).

A number of different styles of mineralisation have been recognized, which include: breccia veins in aplite; small, irregular sulphide veinlets in aplite and gneiss; irregular sulphide disseminations in aplite and gneiss; banded sulphide disseminations in gneiss; and tension gashes. The most common style is the irregular sulphide disseminations. The banded sulphide disseminations occur near the margins of the aplite dykes within gneiss.

Geological observations of rocks in the Munshiwemba open pit highlight the pattern of left stepping en echelon lenses which typically trend at about 055º. Although there is a tendency to for the strike of the lenses to swing to a maximum of about 075º with increased distance from the biotite phyllonites with a typical trend of about 050º. The lenses seem to have a moderate to steep dip toward the northwest. In the southern end of the pit the lenses, collectively referred to as the G-zone, trend parallel to the axis of the pit at 020º.

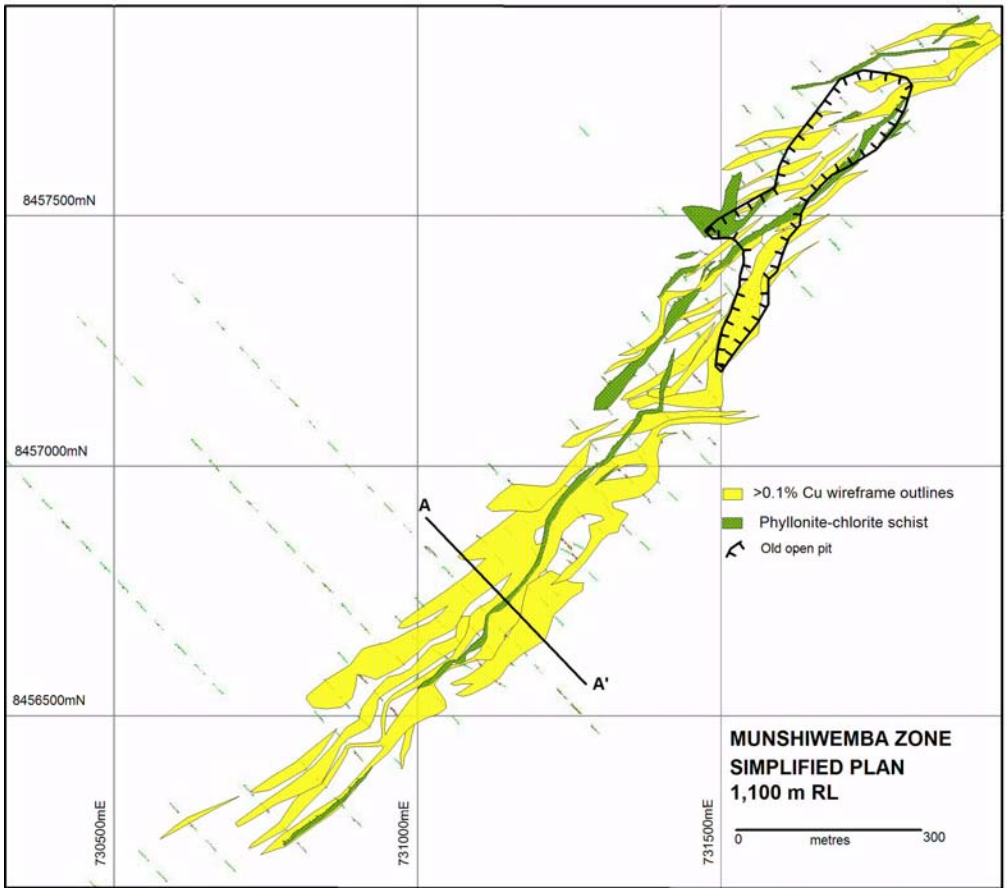


Figure 6: Plan View of Copper Mineralisation at the Munshiwemba Prospect

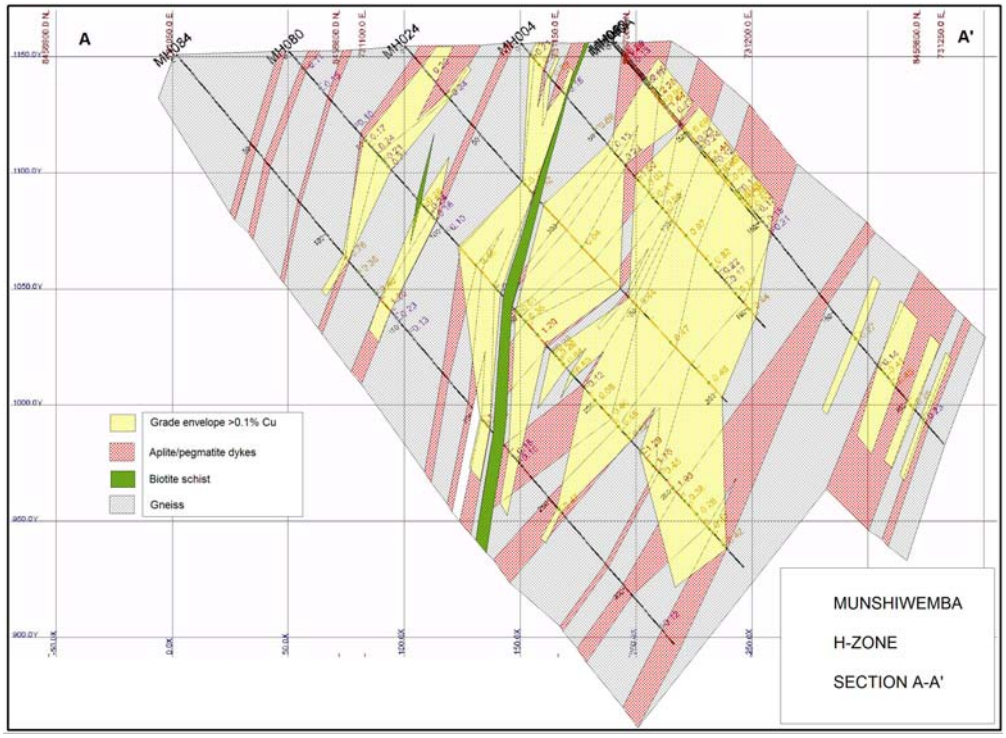


Figure 7: Cross-section View of Copper Mineralisation at the Munshiwemba Prospect

Coloquo Prospect

Three left-stepping enechelon lenses of copper mineralisation have been identified to date at the Coloquo prospect. Mineralisation extends over a strike length of approximately 500 m and trends at 054º. The most southern lens is about 85 m long and trends 070º. The central lens consists of two sub-parallel lenses that trend 060º over a strike length of 150 m. The northern lens has a strike length of approximately 130 m and trends at 058º northeast. The Coloquo prospect lenses are typically 10 m to 15 m wide and dip steeply toward the south. Mineralisation has been tested to a maximum depth of some 100 m vertically below surface.

Mineralisation is associated with felsic intrusive rocks that include: aplite, porphyry, leucogranite and pegmatite, which intrude biotite gneiss. The mineralisation is primarily restricted to the intrusive rocks however sulphide disseminations and veinlets have been indentified within the gneiss. Chalcopyrite is the dominant sulphide, although pyrite seems more common than at Munshiwemba. The main style of mineralisation is disseminated sulphides and sulphide veinlets. Minor banded zones are observed where sulphides have replaced biotite in gneiss that exhibit relict banding. The sulphide breccias observed at the Munshiwemba prospect are not present at Coloquo.

Porphyroblastic gneiss, which occurs extensively at the Munshiwemba prospect, has only been recognised locally. Schistose biotite phonolite zones also occur, as at Munshiwemba. These appear to be relatively sparse and have little continuity.

Abundant tourmaline occurs as inclusions and segregations in the aplites, along with common spotting of biotite. The tourmaline appears to be antipathetic to the chalcopyrite. Epidote alteration is also commonly observed.

Oxidised zones seem to be more intensely and deeply developed than at the Munshiwemba prospect. This has not however been investigated in any detail in previous studies.

Munda Prospect

Copper mineralisation at the Munda prospect occurs as irregular lensoid bodies of actinolite-bearing granite and aplite intruding the Mtuga Granite and focused along narrow shear zones within the granite.

Mtuga Prospect

Copper mineralisation at the Mtuga prospect is hosted by granite within a northeast to southwest striking shear zone that dips approximately 70º to the northwest. Width of the mineralized shear ranges from 1.5 m to 4.5 m. Pegmatite and aplite intrusive dykes occur within the shear zone along with sheared dolerite dyke and biotite-chlorite schist that extend the full length of the underground workings on the southeastern side of the prospect. Oblique faults cross-cut the shear resulting in minor structural offset. Alteration has been observed and includes the alteration minerals sericite, chlorite, minor calcite, actinolite and tourmaline.

Geological mapping of the 140 foot level suggests two lenses of copper mineralisation in a left-stepping en echelon pattern. The northeastern lens is about 120 m long while the southwestern lens is about 80 m long, which is made up of two sub-lenses. The mapping suggests a dip of 55º to the northwest.

Exploration

Initial exploration activities managed by Katanga on the Mkushi Copper Project were undertaken during the period 2002 to 2006. Following the signing of a Heads of Agreement between CGA and AFE for the Mkushi Copper Project in 2006, exploration activities on the Mkushi Copper Project have been conducted by both Katanga and SML.

SML focused its exploration activities toward drilling the Munshiwemba prospect to enable economic evaluation of the prospect to feasibility study level. Katanga meanwhile focused on exploring the areas away from known mineralisation using Reverse Circulation ("RC") drilling.

In 2007, SML dewatered the Munshiwemba open pit to allow access for the purpose of conducting a close spaced drilling program.

Spatial Coordinate System and Exploration Grids

SML and Katanga apply the UTM Arc 1950 Zambia Zone 35S Clarke 1880 Ellipsoid coordinate system for registering all geographic locations for data collected within the Mkushi Copper Project. Local grids for RC and diamond drilling are orientated parallel to each of the dominant mineralisation trends, however the locations are recorded in the UTM coordinate system.

Geological Mapping

The existing Munshiwemba open pit was dewatered in 2007 to allow access to the pit. Geological mapping of the exposed pit walls was conducted by SML geologists. The mapping focused on obtaining data relevant to the prospect's lithology, structure, and mineralisation.

Drilling

Exploration drilling within the Mkushi Copper Project has and is being conducted by SML and Katanga. Katanga has undertaken reconnaissance drilling in areas away from the known prospects with the aim of discovering new prospects. The Katanga drilling is predominantly RC with minor diamond drilling. SML has undertaken delineation drilling of the Munshiwemba prospect and exploratory drilling of the Coloquo and Mtuga prospects. The SML drilling is predominantly diamond with minor RC. The RC drilling is mainly used to pre-collar the diamond drillholes.

Geophysics

An assessment of the historic geophysical data covering the Mkushi Copper Project was conducted by CGA in April 2008. The geophysical data that was assessed during CGA's study included:

- regional and detailed aeromagnetics and radiometric geophusical surveys flown on 200 m spaced east-west lines and captured by the Rio Tinto group;
- gradient array Induced Polarisation ("IP") and resistivity on 100 m and 50 m line spacing; and
- Dipole-Dipole IP and resistivity on three lines across the Munshiwemba prospect.

Results of the assessment indicate that:

- aeromagnetics is useful in delineating the mineralised structures and offsetting cross-structures;
- radiometrics and gradient array resistivity anomalies coincide with the known prospects; and
- Dipole-dipole resistivity anomalies coincide with Munshiwemba prospect mineralisation intersected in drilling and indicate additional untested exploration targets at the Munshiwemba prospect. The dipole-dipole resistivity anomalies suggest a moderate to steep northerly dip to the mineralisation with progressive flattening of the dips toward the north.

No geophysical surveys have been undertaken by CGA.

Topography

The surface topography was surveyed by Datum Survey Consultants, which also surveyed the drillhole collar locations. Survey traverses outside the Munshiwemba open pit limits were not straight due to access restrictions but were approximately 50 metres spaced with more detail surrounding topographic irregularities. The topography of the Munshiwemba open pit was defined by survey of the toe and crest of each bench within safety limits. The likely horizontal (easting and northing) accuracy of the coordinates of the pit survey is considered to be approximately ± 2 metres.

Results of Exploration

Exploration drilling across the Munshiwemba prospect was at a sufficient drillhole spacing to allow for an estimate of the Mineral Resource suitable for economic evaluation at a feasibility study level.

Drilling

The seven prospects within the Mkushi Copper Project have been sampled by both inclined RC and diamond drillholes. The orientation of the drilling was designed to intersect mineralisation, which is interpreted to dip at a high angle to the northwest, as close to perpendicular as possible.

Majority of the drilling within the Property has targeted the Munshiwemba prospect. The drilling into the Mushiwemba prospect is on a nominal 50 metres by 50 metres drill pattern aligned along the average trend of the mineralisation at 050º with an average inclination of 50º toward the southeast. The average depth of drilling is approximately 145 metres below surface.

Diamond drilling is the primary method for defining the mineralisation at known prospects. RC is used for reconnaissance exploration in areas away from known mineralisation and for pre-collaring the diamond drilling.

Three contract drilling companies have been used by Katanga and SML. These are: Getwell Drilling for both RC and diamond drilling; Ox Drilling for diamond drilling only; and Capital Drilling for both RC and diamond drilling. SML currently use Getwell drilling for all Diamond drilling of the Munshiwemba prospect.

Drillhole database

Digital drillhole data is stored in a single Microsoft Excel spreadsheet that is maintained and stored on a computer at the Mkushi Copper Project field camp. Each month the data file is digitally copied and renamed to include the date of the current month as a mechanism to backup the data. Weekly digital copies are sent to the SML office in Lusaka for safe storage. The database contains worksheets for collars, survey, lithology logging, assays, diamond core recovery, diamond geotechnical logging, diamond structural logging, magnetic susceptibility, diamond density measurements and RC sample recovery weights.

CGA provided Snowden when it undertook its technical report with a full Gemcom project directory containing a Microsoft Access database from which the assay, lithology, density, collar, and survey data were extracted. This database was derived from the Microsoft Excel drillhole database by CGA. The database captures information from drillholes for a number of drilling campaigns that were completed by Katanga and SML during the period 2005 through to early 2008.

The drillhole database covers the region bounded by the following coordinates: 728350 m to 733900 m Easting and 8453900 m to 8459300 m Northing. The drilling forms four clusters; two small clusters which represent the Mtuga and Munda deposits situated in the south of the Mkushi Copper Project and one small cluster to represent the Coloquo deposit to the north, and the main cluster centred on the Munshiwemba open pit. The Mkushi Copper Project contains a total of 315 drillholes consisting of both RC and diamond drilling that have been systematically logged geologically and sampled for copper assaying.

Sample length varies from 0.2 metres to 7 metres with RC samples being either 1 metres or 3 metres in length and diamond samples varying in length. Within the copper mineralisation a pre-determined sample length of 1 metre was used. Outside mineralised areas a sample length of 3 metres was used.

Data security

The original field log books containing: geology logs, RC recovery data, density measurements, geotechnical logging, and structural logging are kept on site. No copies of these log books are made or stored at a separate location. This data is manually converted into digital format and stored in Microsoft Excel spreadsheets. As mentioned in the preceding section, each month a copy of the spreadsheets is retained, backed up onto a portable hard-drive and periodically sent off-site.

All of the geological data is collected manually and entered into field journals. The data is then transcribed manually from the journals into the digital database. The original journals are stored on a bookshelf at the Mkushi Copper Project field camp. There is no procedure in place for copying the original journals, retaining the copies on site and sending the original journals for off-site for safe keeping.

Drillhole Mark-Out

Drillhole collar locations are initially marked out using a hand held Global Positioning System ("GPS") unit. An azimuth line is delineated using a compass and tape marker prior to the drill rig arriving at the collar location to eliminate the potential for magnetic interference induced from the drill rig. Once the drill rig is positioned over the collar location, the azimuth is checked and the inclination is set using a clinometre ruler with level bubble.

Drillhole Collar Survey

On completion of each drillhole, a registered contract land surveyor from Datum Survey Consultants of Lusaka locate the drillhole collar using a Trimble RTK 5700 model DGPS. The system utilises a base receiver set up on a control point with a separate rover receiver used for the survey of drillhole collar. The data from both instruments is post processed in Lusaka using Trimble Geomatics software.

Two control points with iron pegs set in concrete have been established on the Property. Validation checks of the control points are routinely undertaken along with some earlier surveyed holes. Approximately one in ten existing drillholes have been resurveyed with the same instrument as a check on a prior field surveys. Results indicate accuracy of the collar locations is within ±0.3 m for Easting, Northing and RL.

All drillhole collar coordinates are recorded in UTM Arc 1950 Zambia Zone 35S Clarke 1880 Ellipsoid.

Drillhole Down-Hole Surveys

All three contract drilling companies used for drilling on the Mkushi Copper Project provided Reflex digital down-hole cameras for recording drillhole azimuth and inclination.

Surveys are ideally undertaken at 30 metre to 50 metre intervals. Due to variations in equipment some methods employed by the drilling companies have varied. Getwell Drilling use a multishot Reflex instrument capable of recording five surveys in a single run for diamond holes. As a result, a maximum of five surveys is recorded per hole and the RC pre-collared and cased sections of the hole were not surveyed. Ox Drilling use a single shot Reflex instrument and survey holes at 30 metre to 50 metre intervals. Capital Drilling use a single shot Reflex instrument to survey diamond drillholes at 30 metre intervals. The drill casing is removed from the hole to allow surveying of the RC pre-collar. Capital was also contracted for RC sterilization drilling of proposed infrastructure sites and close spaced vertical RC drilling in the Munshiwemba open pit. These holes were not surveyed.

Mafic schist and dolerite have high magnetic susceptibility and are thus prone to interfere with survey instruments reliant on the magnetic field. These rock units are easily recognisable in the drillhole samples. Accordingly, down-hole surveys are not conducted near these rock units to avoid magnetic interference.

Reflex South Africa, a contract survey company, was employed from 2005 through to September 2007 to survey a large number of RC pre-collars that were not originally surveyed.

Assessment of Drilling

Wherever possible, drilling has been undertaken as close to normal to the plane of the principal mineralised orientation as possible and the estimate of Mineral Resources is adequately supported by the drilling orientation with respect to the mineralised strike and down-hole versus true intersection width.

The Snowden Technical Report stated that the use of Microsoft Excel spreadsheets is not the recommend method for data storage as there is a risk that some columns within the spreadsheet may be independently sorted resulting in an invalid dataset. Importantly, there is no provision in Microsoft Excel spreadsheets to validate the data or maintain the integrity of the data and Snowden recommended, that the data be imported into a suitable relational database that is managed by a suitably trained database administrator.

Sampling Method and Approach

Programs for sampling copper mineralisation contained on the Mkushi Copper Project have been restricted to sampling of RC and diamond drilling. No soil, rock chip, or stream sediment sampling has been undertaken. All of the drillhole sampling was completed by the drilling contractor under the supervision of Katanga and SML geologists.

Diamond Drillhole Sampling and Logging Procedures

Diamond drillhole core is measured, cleaned and placed into aluminum trays at the drill rig by the drilling crew. A down-hole spear is lowered down the hole after every second 6 m drill run to enable orientation of the core for measuring structural features. At the end of each shift the core trays are collected by the drilling company driver or geologist and delivered to the core shed located at the exploration office. Full core trays are covered with an empty core tray to prevent spillage in transit. The trays are either stacked or laid out on tables or on the ground in sequence.

Hard, competent core is carefully removed from the core tray and aligned in a "V" channel for marking a line for mechanical cutting. Arrows are drawn, pointing down the hole, on one side of the core. This indicates which piece of half core is to be retained for future reference. Down-hole intervals of 1 m increments are marked onto the core starting from the top of the drillhole using a permanent marker. Core blocks are only used for correcting metre measurements after intervals of core loss or badly broken core to prevent incremental errors in the placement of the metre marks. The blocks are used as a reference to cross check for potential significant errors and likely mistakes. If major discrepancies in the core blocks are found then these are re-positioned under the direct supervision of the site geologist and or driller. Core is then returned to the core tray for logging.

Core recovery is recorded for each drilling run between positioned core blocks using the metre depths recorded on the core blocks. The data is entered into a field journal by an experienced core shed technician and then transcribed into a Microsoft Excel spreadsheet database where recovery and rock quality designation ("RQD") percentages are calculated.

Density measurements are conducted on a 10 cm to 20 cm piece of core at intervals of approximately 5 m. Only fresh, non absorbent, core is selected since there is currently no process in place to handle oxidised core. A purpose built density measuring device is used to determine the density of each selected piece of core. The data is collected and recorded in a field ledger by an experienced technician under the supervision of a geologist. Data is then transcribed into a Microsoft Excel spreadsheet where the density is calculated.

Successful orientation spear marks are transferred to the drill core in the "V" channel by drawing, in red crayon, an orientation line running down the drill core. Orientation marks are checked with adjoining marks to ensure reliable structural measurements. Structural data is recorded into field journals and then entered into a Microsoft Excel spreadsheet.

The entire length of the drill core is photographed using a digital camera prior to being cut and sampled. Photographs are taken with two core trays per photo. Individual core trays are placed in an angled wooden frame and the core is photographed from ground level with minimal image distortion. The drillhole identifier, tray number and depths are written onto a black board that is position facing the camera. The drill core is photographed both wet and dry.

Geological logging of the drill core is conducted prior to cutting and sampling by SML and Katanga geologists. The data is captured on paper log sheets and then transferred to a Microsoft Excel spreadsheet.

All diamond drill core with visible copper mineralisation is sampled at 0.5 m to 1.5 m intervals determined by the supervising geologist. No samples are taken over less than a 0.5 m interval. A minimum 5 m sampling buffer is extended either side of the mineralised interval where the interval is wide and likely to contain high grade mineralisation in fresh rock. Internal waste intervals are sampled at the geologist's discretion. For very narrow mineralised intervals that are likely to contain low grade mineralisation the sampling buffer is optional and at the discretion of the geologist. Where possible, sample intervals should be to geological intervals or in the case of poor recovery intervals relate to core blocks. Sample intervals are entered into the sample ledger with standards, duplicates and blanks included and also marked on the drill core for cutting.

RC Drillhole Sampling and Logging Procedures

On collaring the drillhole, the first 2 metres to 6 metres is drilled by open-hole method to allow emplacement of a PVC casing. These first few metres are sampled by collecting material in trays from around the collar. Once the drillhole is established, the RC cuttings are directed to a cyclone where they are collected by a pre-labeled bulk bag. When each bulk bag is filled with drill cuttings, a labeled aluminum tag is inserted into the bag. Drill cuttings are collected in 1 metre intervals. Dry samples are collected in plastic bulk bags while wet samples are collected in polyweave bulk bags.

A small sample is taken from the 1 metre bulk bag and sieved by a technician. Portions of sieved cuttings are kept as a reference in a labeled plastic chip tray. The remainder of the sieved material is placed on a plastic sheet for logging by the geologist. If no chips are recovered, especially in the weathered zone, a portion of the un-sieved material is placed in the chip tray first and then any recovered sieved material placed on top.

Geological logging of the RC chips is performed by a SML and Katanga geologist on a metre by metre basis. The same codes as used for diamond core logging are used. The data is recorded onto RC paper logs.

Bulk bags for dry samples are weighed by a technician with the data recorded in a sample register. Wet samples are laid out on large plastic sheets to dry prior to being weighed and split. The sample weights give an indication of sample recovery.

Dry samples are split at the drill rig repeatedly using a single deck riffle splitter with samples collected in two aluminum trays to achieve a sample that weighs approximately 3 kg to 5 kg. This sample is then split in half to produce two identical samples with a weight of between 1.5 kg to 2.5 kg. Both samples are then placed into labeled plastic bags and laid out in sequence. One sample is retained for future reference and to be used as a field duplicate as required. The other sample is sent to the laboratory for analyses. The remaining sample kept in the bulk bag is stored until assay results are returned and validated. At which time the sample may then be discarded if no longer required. The splitter is cleaned between every sample. Both SML and Katanga have used the same splitting procedure.

Once the geologist has completed logging the RC chips the sample and compositing intervals are determined by the geologist based on visual observations of copper mineralisation. SML and Katanga submit all mineralised RC samples at 1 metre intervals for analysis. A buffer of between 3 metre to 6 metre at the top and bottom of the perceived mineralised intercept is also sampled. The remaining non-mineralised intervals are sampled through compositing to 3 metre intervals by blending and splitting the 1 metre samples.

Statement on the Adequacy of Sampling Method and Approach

The procedure for sampling RC drilling observed by Snowden is considered to be less than optimal. This is due to the way in which the sample is split into sub-samples for assaying.

Sample Preparation, Analyses, and Security

Sample Dispatch

A sample submission sheet is prepared on computer at the Mkushi Copper Project camp. The submission sheet details: submission number, sample numbers, total samples, number of polyweave bags, laboratory sample preparation technique, priority, analytical technique, and circulation details. In the case of samples being exported out of Zambia an export permit is procured from the Zambian Geological Survey and the MOMMD. A copy of the sample submission sheet is packaged with the samples and a separate copy with the driver along with the export permit. Copies of the submission sheet are also filed at CGA's Lusaka office. The samples are transported by an independent truck operator.

Sample Security

Drillhole diamond core and RC bulk bags are stored at the exploration base camp set up in existing infrastructure of the former Munshiwemba open pit mine. The base camp is partially fenced with security guards continuously on duty at the entrance to the area. Samples are packed onto an independently owned and operated vehicle by SML

technicians under the supervision of SML geologists. Samples being shipped to the ALS-Chemex laboratory located in Johannesburg go via Lusaka where the Government of the Republic of Zambia take an independent sample for analysis and approve the exporting of the samples.

Copper Analyses

All sample preparation and analyses were undertaken by three independent laboratories: Alfred H Knight International laboratory located in Kitwe, Zambia; ALS-Chemex laboratory located in Johannesburg, South Africa; and Genalysis laboratory located in Perth, Australia.

A H Knight Laboratories

The laboratory of Alfred H Knight International located in Kitwe was used by Katanga to analyse RC samples for copper during 2005 to 2006. SML also used this laboratory for diamond core samples up until February of 2007. The laboratory is listed by the South African National Accreditation System (SANAS) as complying with the general requirements of ISO/IEC 17205:2005, which meets ISO9001:2000 requirements.

Samples are prepared and analysed using the A H Knight laboratories AG21 method. This method uses atomic absorption spectrometry ("AAS") to analyse for copper. The analyses procedure involves: sample decomposition using a mix of nitric, hydrofluoric and perchloric acid; dissolution of the residue in hydrochloric acid; followed by analysis for copper using AAS.

The internal laboratory quality control procedures involve the analysis of 10 % blind replicates and two or three internal standards with each submitted sample batch of 40 to 200 samples.

ALS-ChemexLaboratory

The ALS-Chemex laboratory in Johannesburg was used by Katanga to analyse diamond core samples.

These samples were analysed using AAS following aqua regia digestion and hydrochloric ("HCl") leach with complexing agents. Any samples with copper assays greater than 1 % Cu were sent to the ALS Canada Mineral Division. The Canadian facility is certified by the Standards Council of Canada as conforming to the requirements of ISO/IEC 17025, and is also ISO 9001:2000 accredited.

A suite of 37 components were analysed using Inductively Coupled Plasma-Atomic Emission Spectroscopy (ICP-AES), after decomposition using nitric aqua regia digestion.

Genalysis Laboratory Services

The laboratory of Genalysis Laboratory Services Pty Ltd in Perth Western Australia was used by SML for RC samples from 2006 through to early 2007 and for RC and diamond sample analysis from 2007. Genalysis Laboratory Services Pty Ltd have been accredited by National Association of Testing Authorities Australia as operating in accordance with ISO/IEC 17025 (2005), including the management requirements of ISO9001:2000.

Samples were prepared in the Genalysis sample preparation facility in Johannesburg with the sample pulps flown to the Perth laboratory. Residues are stored in Johannesburg. RC samples are analysed by flame AAS for copper (laboratory code C/AAS) after high temperature perchloric oxidative attack with a hydrochloric final leach. Samples reporting copper assays greater than 0.2 % Cu are automatically re-analysed using a multi-acid attack of hydrofluoric, nitric, perchloric and hydrochloric acid, followed by AAS for copper (laboratory code AX/AAS). Diamond drill core is analysed using a multi-acid attack of hydrofluoric, nitric, perchloric and hydrochloric acid, followed by AAS for copper (laboratory code AX/AAS).

Density Measurements

Katanga and SML routinely collect density measurements from diamond drill core at approximate 5 m intervals. The method used by CGA to measure density on diamond drillhole core involved Archimedes principal of weighting the sample in air and in water and calculating the density from the weights. Measurements are taken using a purpose built machine that is in excellent working condition. Prior to beginning a day's session the machine

is calibrated with 500 g and 1000 g weights. A 10 cm to 20 cm piece of air dried core is placed on the scale and the weight in air is recorded. This core is then place into the cradle sitting in the water trough below the scales and the weight in water is recorded. The core is then removed and excess water is removed from the core by physical drying and then it is place on the scale and the moist weight in air is recorded. All weight measurements are recorded manually into field log books, which are stored on site.

Measurements are uniformly distributed spatially across the entire Munshiwemba deposit. This allows for density to be estimated directly into the geological model rather than having to use a global default or calculated figure from estimated assays.

Quality Assurance and Quality Control (QAQC) Measures

SML and Katanga routinely collect quality assurance data for the purpose of monitoring the copper assay accuracy and precision and to determine if any cross contaminations is occurring at the laboratory. The QAQC process involves: blindly submitting certified reference material and blanks along with the samples as well as submitting field duplicates. Additionally, the laboratories also perform internal repeat analysis.

Accuracy is a measure of how close an analytical result is to the actual value. Accuracy is measured by analysing certified standard reference material, material for which the actual value of the variable of interest (copper) is reliably known within a quantified narrow range of error. Standards included in the sample stream, prior to submission to the laboratory, make the expected value blind to the laboratory ("external standards"), even though the laboratory will inevitably know that the sample is a standard of some sort. By comparing the results of a laboratory's analysis of a standard to its certified value, the accuracy of the assay results of the laboratory is measured.

Precision is a measure of the repeatability of analytical results. The precision of sampling and analytical results can be measured by analysing the same sample multiple times using the same method. The variance between the measured results is a measure of their precision. Precision is affected by mineralogical factors such as grain size and distribution and inconsistencies in the sample preparation and analysis.

Cross-contamination of copper from one sample to the next can occur through ineffective cleaning of sample preparation machinery, spillage while weighing and moving samples, or through residual copper in analysis equipment during the assaying process. The degree of contamination in a laboratory can be measured through the insertion of blank samples into sample batches. Blank samples contain only trace copper mineralisation and should assay at or below the laboratory detection limit. If a blank sample has an analytical result significantly above the detection limit, contamination may be the cause.

Sampling QAQC

SML and Katanga routinely collect drilling recovery and sample condition (dry, moist, or wet) data during drillhole sample collection and logging. RC drillhole bulk samples have their weights measured at the drill rig while the diamond core recovery data is recorded during core mark-up and logging. The recovery data is recorded into field logs that are retained at site then the data is manually entered into a Microsoft Excel spreadsheet.

Copper Assay QAQC

Four certified reference material ("CRM") obtained by CGA from Geostats Pty Ltd in Perth, Western Australia are being used by SML as standards for the Mkushi Copper Project. The standards are used to monitor the accuracy of the laboratories copper analyses. Standards and blanks are randomly inserted into the batch of samples sent to the laboratory at a ratio of 1 in every 25 to 30 samples.

An in-house blank ("BLANK") was prepared by Katanga possibly from non-mineralised RC drill chips. This blank was replaced by the certified reference material GBM397-9 at the end of 2006 when this standard became available. Field duplicates are inserted by SML at a rate of approximately 1 in every 50 samples. During 2005 to 2006 Katanga did not submit duplicates for diamond core. SML have subsequently submitted field duplicates from Katanga core.

Additionally, each of the laboratories used for analyses of RC and diamond samples employ their own internal quality control measures. These include internal assay repeats.

Density QAQC

SML and Katanga do not routinely collect QAQC data for the density measurements. However, a total of 1,145 repeat measurements were taken on selected diamond drill core. Comparison of the original and repeat density measurements for the 1,145 duplicate data show a very good precision.

Statement on the Adequacy of Sample Preparation, Security and Analytical Procedures

The Company considers that it has a rigorous QAQC sampling protocol in place that is suitable to ensure assay and density data quality. It considers that the chain of custody, as currently set up, is of industry standard and Snowden's review of the available QAQC data confirms the views held by the Company.

The procedure for measuring the density of diamond core is considered to be appropriate.

Data Verification

Verification by SML

The drillhole database is validated by SML staff at Lusaka as new data is transferred into the master database. Data validation includes checking for invalid rock codes, sample interval errors and anomalous down hole surveys.

SML use Gemcom mining software for three-dimensional assessment of the drilling results, which includes geological interpretation. As part of the process for importing the drillhole data into Gemcom a number of validation checks are performed, which include checking for overlapping sample intervals and duplicate intervals.

Results of the analysis of the certified reference material show that the laboratories are producing relatively accurate assays with no evidence of significant and systemic contamination. A number of isolated contamination issues were however evident for the A H Knight laboratory. While analysis of the duplicate and repeat assay data reveal that the copper analyses show very good precision with a correlation coefficient of greater than 0.99.

Results of the analysis of the internal laboratory and inter-laboratory repeats show a high correlation between the repeats with no bias evident. This indicates good precision for the analysis of copper for all laboratories. Results of the inter-laboratory repeats show that there is not significant bias between assay laboratories. Additionally, different analytical techniques were used for the inter-laboratory repeats suggesting that there is no bias in the analytical technique used.

Field duplicates submitted by SML and Katanga for RC and diamond samples show acceptable correlation.

The average recorded RC sample recovery for all samples in the drillhole database is 85 % with a standard deviation of 24 % while for diamond core it is 96 % with a standard deviation of 29 %.

Diamond core recovery is calculated from the measured core recovery from each drill run and expressed as a percentage. Core recoveries averaging 97.6% with core loss generally experienced in the thin oxide zone from surface down to 10 metres.

RC sample recovery is determined by weighing the bulk bag for each 1 m sample with a 100 % recovery equating to a weight of 30 kilograms to 40 kilograms. Variations in recovery have been noted particularly at rod changes and with moist and wet samples. In general RC sample recovery decreases with increasing depth. No correlation between sample recovery and copper assay is evident in the drillhole data.

Two RC holes (drillholes MH040 and MH30A) have been twinned with two diamond holes (MH083 and MH086) for the purpose of comparing the drilling methods. The collar locations of the twin diamond drillholes are less than 2 m from the original RC holes. The small number of twin drillholes is considered by Snowden to be insufficient to be able to draw any firm conclusions from comparing the data. However, comparison of the assay results between the twinned RC and diamond drillholes shows that there is relatively poor agreement between the two methods. The two RC drillholes show wider zones of copper mineralisation and slightly higher grade than the two diamond drillholes. This may indicate potential smearing of mineralisation in RC sampling.

SML have collected duplicate density measurements of selected diamond drill core. Results indicate that the repeat density measurements correlate well with the original measurements. Additionally, SML has submitted samples to Genalysis for independent density determination using the Archimedes method, however results are pending.

SML recently completed drilling seven diamond drillholes. These drillholes were not included in the geological interpretation used in this resource estimate. Four of these were for the purpose of geotechnical investigation and to collect metallurgical samples. Assays were only available for one of the geotechnical drillholes.

Information from the drillholes was compared with the existing geological interpretation using logged percent chalcopyrite as a basis for indicating zones of copper mineralisation. In general the zones of logged chalcopyrite correspond well with the geological interpretation supporting the conceptual model used for the interpretation.

Approximately every tenth hole in the database has been resurveyed with the same instrument as had been used previously. Results indicate accuracy within ±0.3 m for Northing, Easting and RL.

Due to the large number of RC pre-collars that were not surveyed a contract survey company (Reflex South Africa) was employed to survey 61 holes drilled between 2005 and September 2007. A multishot Reflex instrument was used to survey the drillhole down-hole orientation at 6 m intervals. A number of the selected drillholes already had down-hole surveys, which provided calibration for the instrument. Results suggest that the RC drillholes have minimal down-hole deviation and that the instrument is within one degree in azimuth and inclination.

Verification by Snowden

The Munshiwemba, Coloquo, Mtuga, and Munda prospects were visited by the qualified person.

At Munshiweemba and particularly H-zone, the site of historic open-cut mining, there is extensive evidence of copper mineralisation. Infrastructure for the historic Munshiwemba open pit still exists: the office buildings are occupied by SML and Katanga exploration personnel; the steel skeleton of the process plant and adjoining sheds a still erect – only missing wall sheeting (the ball mill also remains as well as some rubber matting on the conveyor belts); and some old, rusting mine equipment no longer in use. An inspection of the open pit was conducted and revealed clearly visible evidence of copper mineralisation in the form of malachite staining on fractures in addition to zones of disseminated chalcopyrite mineralisation hosted by granitic gneiss. Away from the open pit, to the southwest, there are a number of open vertical shafts.

At Coloquo a small excavation with a centrally located vertical shaft was clearly visible. Near the shaft and along its exposed walls is evidence of copper mineralisation in the form of malachite staining.

At Mtuga, historic underground mining had taken place and there are a number of ruins at the location along with a number of open vertical shafts. Extensive malachite staining is evident on the concrete of the ruins and along the walls to the shafts.

At Munda, Katanga was actively drilling. No surface expression of copper mineralisation was observed.

A random selection of three diamond drillholes was laid out in the core shed. This core was inspected with reference to the geological logging and drillhole sample assays. The core exhibited copper mineralisation in the form of disseminated chalcopyrite with predominately granitic, highly altered, gneiss. The geological logs correctly identified the presence of chalcopyrite and the drillhole assays are indicative of the abundance of chalcopyrite present in the core. Given this, Snowden did not consider it necessary to collect independent samples to verify the presence of copper mineralisation.

Data contained in the drillhole database stored at the Mkushi Copper Project field camp has been independently verified by Snowden. The process included comparison of values in the database against the original values recorded in the field journals and against the original laboratory certificates. Copper assay values were verified for 10 drillholes and 90 density measurements checked. No errors were detected.

Snowden selected a line of drillholes at random that sampled mineralisation at the Munshiwemba prospect and walked the line to check the location of the drillhole collars. Drillholes MH082, MH069, MH061 and MH062 were

located and their concrete plugs were found to be intact except for MH062. The location of these drillholes corresponded with the locations specified in the drillhole database.

In addition, a random selection of other drillholes within the Munshiwemba, Coloquo and Mutuga deposits were also selected and measurements of the drillhole collar Easting and Northing coordinates were taken using a hand held GPS (Garmin GPSMAP 76CSx). All collars were demonstrated to be in the correct locations as recorded in the drillhole database.

A scatter plot of density verse the Z-coordinate of the sample shows that there is a slight trend whereby density gradually increases slightly with increasing depth below surface. There are two possible explanations for this observed trend:

- Density is expected to increase with depth with decreasing degrees of weathering. However, the vertical profile exhibits a narrow 5 m to 10 m thick regolith above un-weathered rock.

- Calibration of the measuring device may decay over the course of the day, which may induce a drift in the measurements.

Wet RC samples are recorded in the drillhole database to appear at between 40 m to 60 m below surface, with a minority of samples recorded as being wet near surface. A total of 2,037 samples have been recorded as being wet, of these only 157 samples have a copper grade greater than or equal to 0.3% Cu and 105 have a grade greater than or equal to 0.5 % Cu. No significant bias was detected in the copper grades for the wet RC samples.

Elevations of the drillhole collar coordinates were compared with the digital topography for the Munshiwemba prospect and no major discrepancies were noted. No digital topography exists for the other prospects and so no comparison was conducted for the other prospects.

Statements Regarding Verification

QAQC results generally indicate that the copper assays show a high level of precision and accuracy. However, analysis of the standards assayed by the A H Knight and Genalysis laboratories reveal that the A H Knight assays appear to be slightly biased low.

Results of the paired data for density measurements show that that density has very high precision.

The location of the drillholes and the orientation of the drillholes are well controlled and within acceptable limits. The drillhole database contains valid data however Snowden considers that the integrity of the data may be compromised by being stored in a Microsoft Excel spreadsheet rather than a relational database.

The quality of the drillhole data is considered to be adequate for grade estimation purposes and will support the estimation and classification of a Mineral Resource.

Adjacent Properties

MCJVL has recently acquired the rights, through granting of the Prospecting Licence PL290 to explore the ground surrounding PL114. There are currently no other adjacent properties that are considered material to the Mkushi Copper project.

Mineral Processing and Metallurgical Testing

During 2007 CGA commissioned limited metallurgical testwork of representative diamond drill core from the Munshiwemba prospect. Ammtec Ltd conducted the testwork at their Balcatta facility in Western Australia.

Samples for metallurgical testwork were taken from selected diamond drill core (HQ) by splitting the half core remaining after the assay sample was taken. The metallurgical sample therefore, represents a quarter of the original drill core. In total 192.8 kg was obtained from 12 diamond drill holes uniformly spaced across the strike extent of the mineralisation and representing three separate depth zones. Copper grades for the samples range from 0.77 % Cu to 2.04 % Cu with an average grade of 1.50 % Cu. The average copper grade of the samples is higher than the

estimated average copper grade of the Munshiwemba prospect using a 0.3 % Cu cut-off grade. Accordingly the results of the metallurgical testwork may not truly reflect the mineral processing characteristics of the material that is likely to be mined.

The metallurgical testwork program included: sample preparation; determination of bond ball work index, abrasion index, and head assays; grind establishment (106 µm, 150 µm, and 200 µm); cleaner flotation tests (6 products); and detailed concentrate analysis.

Six composite samples were prepared from the 192.8 kg of drill core samples for analysis. The head grade of the six samples ranged from 1.28 % Cu to 2.40 % Cu.

Results of the testwork indicate the material to have an unconfined compressive strength in the range of 50 to 103 mPa and a Bond work index in the range 14.6 to 15.9 kWh/t. Flotation testwork conducted at a P80 grind size of 106 µm, 150 µm, and 200 µm indicated recoveries of 96 % with a concentrate grade of 26 % to 29 % Cu with low impurities. Copper concentrate grade was shown to improve with the finer primary grind size as a result of improved liberation of the copper species and subsequent reduction in silica content.

Mineral Resource and Mineral Reserve Estimates

Drilling at the Coloquo and Munshiwemba prospects undertaken by Katanga and SML has outlined copper mineralisation sufficiently to support the estimation of Mineral Resources for the prospects. The Mineral Resource estimated for Munshiwemba and Coloquo prospects is listed in Table.

Prospect	Cut-off Cu (%)	Tonnes (Mt)		Total Copper (Cu %)
		Indicated Mineral Resource	Inferred Mineral Resource	
Munshiwemba	**0.1**	**26.9**		**0.64**
	0.2	**23.2**		**0.71**
	0.3	**18.5**		**0.83**
	0.4	**14.9**		**0.95**
	0.5	**12.0**		**1.07**
	0.6	**9.8**		**1.18**
	0.7	**8.1**		**1.30**
	0.8	**6.7**		**1.41**
	0.9	**5.6**		**1.52**
	1.0	**4.7**		**1.63**
Coloquo	**0.3**	**0.23**		**1.00**

Table 8: Mkushi Copper Project Mineral Resource Tabulation (Fresh Material Only) at a Series of Total Copper Cut-off Grades

No pit optimisation has yet been completed on the Mineral Resource estimates. The Mineral Resource estimates consist of copper mineralisation that has the potential to be extracted using both open pit and underground methods. Potential exists to expand the current Mineral Resources for the Coloquo and Munshiwemba prospect with depth and along strike.

Munshiwemba Prospect

Software

Datamine Studio software was used to generate the geological model and perform the grade estimation. Snowden's Supervisor software was utilised for statistical and variographic analysis of the drillhole composite sample data.

Geological Model

CGA supplied Snowden with an interpretation of the copper mineralisation in digital format as a set of explicit solids wireframes. The copper mineralisation interpretation was generated using a nominal lower copper cut-off grade of 0.1% Cu. CGA also supplied Digital Terrain Model ("DTM") surfaces of the base of oxidation, base of partial oxidation, and topography.

The geological wireframe interpretation was constructed from perimeters created on drillhole sections that were snapped to drillhole sample end-points. The correlation between sections was influenced by the conceptual geological model and based on geological observations taken from the Munshiwemba pit mapping. Lithology and grade trends were also used to control the interpretation. The wireframes were briefly reviewed prior to being used for modelling and are consistent with the conceptual geological model and the drillhole data.

The boundary conditions between geological domains have been assumed to be sharp.

The geological wireframe models were used to develop a geological model consisting of a set of rectangular parent cells with dimensions of 5 m by 15 m by 10 m. The parent cells were allowed to subdivide to a minimum dimension of 2.5 m by 5 m by 1 m to accurately reflect the wireframe volumes. The model origin is located at 730000 m East, 8455950 m North, and 850 m RL with an extent of 2,450 m by 2,050 m by 350 m. Attributes defining the mineralized and waste domains and oxide domains were added to the model. This model formed the framework for local grade estimates from which the global estimate of the Mineral Resource was summarised.

Data Preparation and Compositing

The Mineral Resource estimate was based on 252 drillholes representing 28,266.83 metres. No historic drilling prior to 2005 is included in the drillhole database. The drillholes comprise of RC and diamond core drilling with majority being diamond drill core. Drilling was conducted on a nominal 50 m by 50 m grid oriented toward 050º, which is roughly parallel with the overall mineralisation trend. All drill holes are angled toward 140º at approximately 50 º dip. A total of 24,331 copper assays and 5,968 density measurements support the copper and density estimates in the model. Of the total number of samples, there were 7,335 copper assays and 1,145 density measurements lie within the 0.1 % Cu envelopes. These samples were used directly for grade estimation.

Prior to statistical and variography analysis the drillhole data was composited to an approximately uniform length of one metre constrained by the relevant mineralisation domain. A one metre composite length was selected since the mean and mode of the sample length is 1 m. The strategy for composting the drillhole samples was to retain all samples. The residual samples that are less than 0.5 m were combined with adjacent samples within the same drillhole so that the composite length was as close as possible to the desired composite interval. Any missing samples are ignored for the purpose of compositing.

Statistical and Variographic Data Analysis

Statistical analysis was performed on the original and composite drillhole sample data for copper and density. The analysis was conducted for the purpose of characterising the nature of the mineralisation, to determine if outliers exist and need to be trimmed, and to confirm the appropriate method for grade estimation.

Univariate summary statistics for copper show that the statistical distribution is continuous from minimum to maximum value, is strongly positive skewed, and is approximately lognormal. The log-probability plot shows that there is a very slight indication of a change in population characteristics at approximately 0.1% Cu and starts to break down at grades above 6% Cu. The high coefficient of variation for Cu reflects the strongly skewed nature of the distribution and a requirement for top-cuts to be applied to limit the effect of outlier samples. Analysis of the statistics for the mineralisation domain shows that the distribution is not greatly effected by data truncation due to applying a nominal 0.1% Cu lower cut-off grade for defining the domain boundary. The reduction in the copper mean grade from 0.71% Cu (original samples) to 0.57% Cu (1 m composite samples) is interpreted to be due to dilution of mineralised samples with lengths less than 0.5 m into 1 m composites.

Univariate summary statistics for density show that the statistical distribution is continuous from minimum to maximum value, is positive skewed, and is not lognormal. The histogram shows two modal peaks at densities of ~2.65 t/m^3 and ~3.0 t/m^3. Although, the very low coefficient of variation for density indicates that there is no

requirement for top-cuts to be applied to limit the effect of outlier samples. The histogram indicates outlier values above 3.5 t/m^3 that need to be addressed. To check if density could be derived from the copper assays a plot of density verse copper grade was generated. This plot reveals that there is generally a good linear correlation between the variables.

Data Top-cuts

Based on the statistical analysis of the composite data for copper and density, top-cuts are required to reduce the influence of outlier samples in grade estimation. Top-cuts applied to the drillhole composite data prior to being used in grade estimation are presented in Table 9.

Data	Top-cut
Copper (%)	8.48
Density (t/m^3)	3.50

Table 9: Top-cut Values Applied to Drillhole Sample Data

Variography

To measure the spatial continuity of copper and density a traditional approach to variography analysis was performed. This was done using Snowden's supervisor software on the drillhole composite sample data. The traditional approach does not account for curvilinear features in the calculation of the experimental semivariograms and relies on a manual fit of semivariogram models to the experimental semivariograms. Only the samples within the mineralisation domain defined by the 0.1 % Cu envelopes was investigated.

The analysis was performed using normal scores semivariograms and involved generating a set of semivariograms arrayed in a fan of 20º increments. The semivariogram fans were produced in the horizontal, across-strike (vertical), and dip-plane directions. The horizontal semivariogram wheels were used to define the strike direction and the across-strike semivariogram wheels to define the dip-direction of the continuity of mineralisation. The dip-plane semivariogram wheel was used to determine if a plunging component to the continuity of mineralisation exists in the data. Experimental semivariograms were then calculated with the variances standardised to a total sill of 1 unit. Semivariogram models were interpreted from the experimental semivariograms with a maximum of two structures. Relative nugget was modeled from the down-hole experimental semivariograms and added to the semivariogram models.

The direction of the continuity of copper was determined to be oriented 19º toward 033º within a plane dipping 70º toward 310º. The analysis of the experimental semivariogram wheels revealed a slight plunge toward 033º.

For simplicity and due to the complex distribution of lithology, the direction of the continuity of density was based on the direction for copper. This is supported from analysis of the semivariogram fans for density. Interestingly, the continuity of density exhibits a plunge component similar to copper. Since density shows a reasonable correlation with copper it was expected that the spatial continuity of density would reflect that of copper. This appears to be the case except for slightly lower ranges and slightly higher sills.

Optimisation of Estimation Parametres

Kriging Neighbourhood Analysis ("KNA") is useful in determining the optimum estimation and model parametres to avoid exaggerating conditional bias in estimated grade values. It is common to optimise: the parent cell dimensions; the number of cell discretisation points; the minimum and maximum number of samples to inform each cell; and the length of the sample search radii.

Two metrics are used to quantify the quality of the grade estimate. They are slope of regression ("R") and kriging efficiency ("KE").

Kriging efficiency compares the kriging variance against the cell variance. If the kriging variance is small, then the set of parametres and data configuration used to estimate grades is likely to produce an accurate estimate of grade.

The converse also holds – if the kriging variance is large then there is a lower probability that the block estimate will be an accurate reflection of the local block grade.

Slope of regression describes the expected regression slope between the actual and the estimated cell grades. If the slope of regression is close to one, then a one-to-one relationship is expected between the estimated grades (based on the parametres and the data configuration) and the actual mined grades. If the slope of regression is small, then the predicted grades do not accurately reflect the actual local cell grades and over smoothing of cell grades will be an issue.

KNA was performed for the purpose of determine the optimum cell dimension to use for modelling. The analysis used a constant cell discretisation, the search ellipse strategy and semivariogram models specified for grade estimation. This software used to perform the analysis does not implement dynamic anisotropy. Therefore the results were considered to not be truly indicative of the estimation methodology used for this resource estimate. However, results show that the quality of the grade estimate measured using the slope of regression and kriging efficiency metrics is insensitive to cell dimension. The quality of the estimate decreases with increasing cell dimensions.

The KNA analysis indicates that a cell dimension of 5 metres by 15 metres by 10 metres is appropriate to use in grade estimation. It also suggests that the quality of the grade estimates is dependant on other factors such as applying domain constraints.

Estimation Parameters

Grade estimation is performed into the parent cells rather than the individual sub-cells. To approximate the support of the parent cell, each parent cell was discretised into a grid of 2 by 5 by 3 points for a total of 30 points per parent cell.

For selecting the sample neighbourhood to inform each cell in the model an expanding three pass search ellipse strategy was used. If the search pass failed to obtain a sufficient number of samples to inform a cell then the ellipse radii were expanded by a multiplying factor. The search ellipse was orientated according to the local estimated true dip and dip-direction of the mineralisation included in the model. Restrictions were also placed on the samples selected within the ellipse by limiting the minimum and maximum number of samples that are selected.

Due to the sparseness of the density measurements compared with the copper assays the search ellipse radii were increased and the minimum number of samples reduced. This was to ensure that there were sufficient samples to inform each cell in the model and avoid cells having no estimated density value. The semivariogram is locally orientated using estimates of the true dip and dip-direction of the continuity of mineralisation. The global orientation of the semivariograms is only used when the model does not have an estimate for the true dip and dip-direction.

Grade Estimation

Values for copper and density were estimated using block ordinary kriging with Datamine Studio's dynamic anisotropy method for local search and semivariogram orientations. Boundary conditions between mineralised and non-mineralised zones were assumed to be hard. Only the un-oxidized material (hypogene mineralisation) within the interpreted 0.1% Cu mineralisation envelopes was estimated. Non-mineralised waste material was not estimated.

Dynamic anisotropy is a technique recently added to the Datamine Studio version 3 mining software to allow improved local estimation of grades in the presence of curvilinear structures. The method is performed in two steps. The first step is to estimate the true dip and dip-direction of the mineralisation into the model using either a point set generated from wireframes or strings in section or plan view. The second step involves estimating the grades using kriging with the direction of the search ellipse and semivariogram for each cell obtained from the model rather than a global look-up table. This technique is an approximation to the more rigorous and complex spatial transformation method known as unfolding. The technique works reasonably well where the curvilinear features exhibit smooth transitions in curvature and have been consistently drilled across the length of the feature. The technique does not work as well in areas were there are very rapid transitions in orientation with sparse sampling.

Given the curvilinear nature of the interpreted orientations of the copper mineralisation, it was considered that kriging with dynamic anisotropy would produce better local estimates and better reproduce continuity of mineralisation than a standard form of kriging.

To implement dynamic anisotropy the true dip and dip-directions were derived from the interpreted closed wireframes of the copper mineralisation. This was achieved by first generating a set of points at the centre of each wireframe triangle with the true dip and dip-direction taken from the orientation that wireframe triangle. This point set was then used to estimate the true dip and dip-direction into the model using an inverse distance estimation method.

Model Validation

The grade estimates in the model were thoroughly validated against the input drillhole composite assays. Detailed visual inspection was undertaken in multiple section views (cross section, long section, and plan view) and in three-dimensions using Datamine Studio software. The visual inspections showed that grade estimation reproduced both the continuity of the mineralisation as well as grade. Mean estimated grades in the model were compared with the mean composite grades of the input drillhole data and were found to be in close agreement.

Calculated density values derived from the estimated copper values were used to check the validity of the estimated density values. Overall, the estimated density values compared well with the calculated density values and no outliers were found in the estimated density values.

Sectional validation graphs were created for copper and density to assess the reproduction of local means and to validate the grade trends in the model. These graphs compare the average of the estimated grades to the average of the input grades within model slices. Results confirm that there is good local reproduction of the input grades and that the trends represented in the drillhole samples are also represented in the cell model.

Mineral Resource Statement

The global Mineral Resource estimate has been assigned an indicated classification according to the 2004 edition of the JORC Code and CIM Code. The classification is based on consideration of the continuity of geology and mineralisation and on the quality, quantity and distribution of the drillhole sampling.

Tabulation of the global Mineral Resource estimate for fresh material only, at a series of cut-off grades, is presented in Table 10. The base case Mineral Resource for Munshiwemba is estimated at 18.5 Mt grading 0.83 % Cu using a copper cut-off grade of 0.3 % Cu.

Cut-off Cu (%)	Tonnes (Mt)	Total Copper (Cu %)
Indicated Mineral Resource		
0.1	**26.9**	**0.64**
0.2	**23.2**	**0.71**
0.3	**18.5**	**0.83**
0.4	**14.9**	**0.95**
0.5	**12.0**	**1.07**
0.6	**9.8**	**1.18**
0.7	**8.1**	**1.30**
0.8	**6.7**	**1.41**
0.9	**5.6**	**1.52**
1.0	**4.7**	**1.63**

Table10: Mkushi Copper Project May 2008 Mineral Resource Tabulation at a Series of Total Copper Cut-off Grades (Fresh Material Only)

Coloquo Prospect

AFE commissioned Snowden in 2006 to generate a Mineral Resource estimate for the Munshiwemba and Coloquo prospects based on drilling completed by Katanga to June 2006 that included 38 drillholes for a total of 6,580 m. The 2006 estimate for the Munshiwemba prospect has now been superseded by the May 2008 estimate completed by Snowden.

Block ordinary kriging was used to estimate copper using 3 m composite drillhole samples into a model with cell dimensions of 20 m by 10 m by 5 m and elongated toward 040º. A search ellipsoid with a radius of 30 m across strike and 100 m along strike and vertically was used to select samples for estimation of grade for each cell in the model.

The study included investigations into various exploration and sampling procedures and sample assay quality control and quality assurance (QAQC). With an assumed SG of 2.65 the Mineral Resource was estimated using a cut-off grade of 0.3 % Cu at 0.23 Mt grading 1.0 % Cu. An inferred category was assigned to the estimate in accordance with JORC Code 2004 due to the uncertainties with the drillhole data as at 13 September 2006.

Other Prospects

Recent drilling by SML into the Mtuga prospect has identified remnant copper mineralisation that had not been mined during the periods 1924 to 1926 and 1955 to 1960. There is insufficient data and information however to be able to prepare a Mineral Resource for this prospects at this time.

Insufficient drilling also exists at this stage for the Botito, Fitalu, Katunga and Munda prospects to adequately prepare Mineral Resources for these prospects.

Other Relevant Data and Information

The application for a Mining Licence is required to be accompanied by an EIA. The EIA is to comply with the Environmental Impact Assessment regulations. The licence and the EIA require a programme of mining operations to be outlined along with an environmental plan.

An EIA was prepared to support the application for a Mining Licence to cover a portion of the Prospecting Licence PL114. The EIA incorporated the preliminary assessment of the Munshiwemba prospect completed by CGA and was submitted to the Environmental Council of Zambia in January 2008

The major potential environmental and social impacts of the project are:

- Natural vegetation will be completely removed from an area of approximately 289,378 m^2, following the construction of the open pit, ore stockpiles and an extension to the existing tailings storage facility. A further 30,624 m^2 of woodland will be affected by the construction of the plant site, roads and other installations. The impact is local and not likely to affect the ecology of the region. The impacts on flora and fauna will be reduced by progressive revegetation and rehabilitation of affected areas.

- Impacts on surface water quality could arise from contamination by spillage, accidental release from the plant area or tailings storage facility, or from mine drainage water entering the Lunsemfwa River. Controlling direct runoff from operational areas into local watercourses will reduce the impact of the mine on surface water. MCJVL plans to install oil traps in the plant site drainage system and construct perimetre drains and sedimentation ponds at all facilities to minimise the impact of contaminated runoff on the receiving environment.

- Seepage through the base of overburden waste dumps or the tailings storage facility could impact groundwater quality. Geochemical characterisation studies carried out on the existing old tailing dam and sulphidic waste rock indicates both to be non-acid-forming ("NAF") materials. On this basis, the risk of acid rock drainage ("ARD") occurring is considered to be low. This will be monitored on an ongoing basis.

- Supernatant discharge from the tailings storage facility could impact the Lunsemfwa River. However, metallurgical testwork performed on copper tailings slurry indicates that the plant effluent will comply with Zambian Standards, and where appropriate, World Bank Guidelines limits for effluent discharge.

- Construction work for the mine operations will have a permanent environmental impact. However, the loss of aquatic flora and fauna and riverine forest will be limited and the aquatic ecosystem of the upstream and downstream sections of the Lunsemfwa River will not be adversely impacted.

- The project investment will introduce beneficial multiplier effects in the local and regional economy. The project will promote the business of local suppliers and contractors providing goods and services to the mine. A direct favourable economic impact of the project in Chief Chikupili's Chiefdom and the entire Mkushi District will be the additional employment earnings generated in the local economy.

- From a socio-cultural perspective, the project is likely to attract people from the surrounding areas and beyond seeking employment. This will put the local population in direct competition with outsiders, a concern already expressed at the project EIA public consultation meeting held at Mkushi Copper High School on 14 September 2007. Depending on ability and the availability of jobs, MCJVL is committed to employing local residents in preference to outsiders. The construction of social infrastructure such as a health clinic, school and recreational facilities will be an important positive impact for the welfare of the local communities of the old Mkushi mine area.

- A social baseline assessment identified that Mkushi Mine Basic School and a teacher's house will need to be relocated. MCJVL has liaised with the Ministry of Education for an alternative site and plans for new learning infrastructure. Housing units and other structures owned by Mkushi Holding Limited ("MHL") situated on the proposed sites for mining infrastructure will be demolished and financial settlement reached between MCJVL and MHL. An Environmental Management Plan and Social Management Plan to manage these and other less significant impacts have been developed and are described in this report. The approach is based on MCJVL's corporate environmental policy, World Bank guidelines and industry best practices.

- MCJVL will implement an Environmental Monitoring Plan prior to project construction that will focus on surface water quality, groundwater quality, air emissions and soil contamination. The plan will monitor environmental performance and compliance with Zambian environmental regulations and other relevant guidelines and limits.

MCJVL will implement internationally accepted occupational health and safety standards and procedures throughout its operations to create a safe workplace thereby protecting its employees from accidents and sickness. MCJVL will also implement education programmes and support initiatives to stop the spread of HIV/AIDS and malaria.

The Mine Reclamation Plan will focus on the reclamation of open pit, waste rock dump, tailings storage facility, milling and processing facilities. The main objectives of the plan will be to return the land to conditions capable of supporting the former land use or alternative sustainable land uses. It will also prevent any significant adverse effects on adjacent water resources in the area. Mine reclamation activities will be progressive, leaving minimal works outstanding at mine closure except for plant site decommissioning.

MCJVL have allocated US$1,500,000 for decommissioning and closure throughout the project. This will cover any cost increases and contingencies not yet identified.

Interpretation and Conclusions

The Property represents a mid to advanced stage copper project situated in the Central Province of Zambia that has been explored by geological mapping and RC and diamond drilling programmes. Structurally controlled copper mineralisation hosted by gneiss and granite has been discovered through historic exploration and delineated by recent drilling. Copper mineralisation has been identified at seven prospects namely: Munshiwemba, Coloquo, Botita, Fitalu, Katunga, Munda, and Mtuga. The prospect with the greatest potential to be exploited by open pit mining methods and the focus of the majority of exploration to date is the Munshiwemba prospect.

Drilling during the 2006 and 2007 has confirmed the presence of copper mineralisation and extended the zone of mineralisation in the Munshiwemba prospect. The quantity and quality of the drilling data for the Munshiwemba prospect is sufficient to support the preparation and classification of a Mineral Resource estimate. Several issues have, however, been noted with regards to data quality and data integrity, which need to be resolved as the project progresses. These issues are considered unlikely to materially affect the global estimate of grades.

An indicated Mineral Resource has been prepared by Snowden and was based on suitable quality information from 252 drillholes representing 28,266.83 m on the Property. The May 2008 Mineral Resource estimate for the

Munshiwemba prospect was reported at a series of cut-off grades with the base case reported at a 0.3 % Cu cut-off grade containing 18.5 Mt grading 0.83 % Cu classified as indicated. This cut-off grade is based on the assumption that the deposit could be mined by open pit mining methods and that copper would be economically recoverable.

An internal preliminary assessment by CGA undertaken in 2007 and prior to Snowden's estimate has led CGA to conclude that the grade of the mineralisation in the Munshiwemba prospect is potentially economic. Subsequent to this conclusion and after reviewing the 2007 estimate, a draft feasibility study is being completed to determine the economic viability of a mining and processing operation on the Munshiwemba prospect.

Snowden recommended that for RC drilling intersecting copper mineralisation, the sampling process should be improved to minimise sample loss. Ideally this would involve sample splitting to occur on the drill rig using a rig mounted multi-tiered riffle splitter or cone splitter. If mounting on the drill rig is not an option then loss of sample would need to be managed and monitored and a study conducted to determine if loss of sample is producing a sample bias. In addition, Snowden recommends that additional twin drilling of RC drillholes that have intersected copper mineralisation with diamond drilling be conducted to determine if a bias exists in the RC drilling technique for the Mkushi Copper Project.

Snowden recommends that MJVCL conduct 'realtime' QAQC assessments of all field and laboratory control sample data during future drilling programmes as an ongoing monitor of accuracy, contamination and precision. This will facilitate timely intervention and remediation of any identified problems. All field and laboratory QAQC data should be stored in a dedicated QAQC database with all relevant information required to assess accuracy, contamination and precision. Standard, blank and precision control charts should be plotted, updated and reviewed on a batch-by-batch basis. Anomalous data should be flagged and discussed with the analytical laboratory as soon as discovered.

Snowden recommended that a representative piece of drill core be chosen and used as a standard that is measured for density at the beginning and end of each session. These readings will help determine if there is drift in measurements occurring, which will then allow remedial action to be taken.

Snowden recommends that all drillhole data that is currently stored in Microsoft Excel spreadsheets be imported into a structured relational database. Microsoft Excel spreadsheets are not the recommended method for storage of this type and amount of data. Snowden highlights the risk that some columns may be independently sorted which would result in an invalid dataset. Also, there is no provision in Microsoft Excel spreadsheets to validate the data or maintain the data integrity.

For future estimation of Mineral Resources, if the Datamine Studio's dynamic anisotropy method is to be used then Snowden recommends that the geological interpretation incorporate the construction of a wireframe model that has no end caps or generate a wireframe surfaces along the centre lines of the mineralisation. This is so that estimation of the direction vectors, true dip and true dip direction, used in the dynamic anisotropy method occur without any artifacts.

Recent Activities

Subsequent to the date of the Mkushi Technical Report, a draft feasibility study into developing a mining operation on the Munshiwemba prospect was completed in October 2008. This draft feasibility study was based on the Mineral Resource estimate for the Munshiwemba prospect produced by Snowden and reported in the Mkushi Technical Report. The overall conclusion by the joint venture partners was, given the copper price and the then global financial and market conditions and the uncertain tax regime, a decision to commit to development should be deferred.

As a result, several areas were targeted as potential to improve the project's outcome. The ore resource is a valid outcome from the study and can be used to review the alternative mining possibilities considered. Metallurgical test work was carried out to establish the design criteria for process and plant design. The results of the programme indicated a potential recovery in excess of 96% of copper using conventional copper sulphide flotation technology. The ore as tested does not have any significant levels of other deleterious minerals and thus would not likely experience any smelter penalties. The test work so far has shown that the process can generate a concentrate of 30% copper and has indicated that there is a potential for economic extraction of the copper mineralization at the Mkushi Copper Project.

Some permits are currently outstanding and it is advisable that these are pursued to conclusion and permits obtained.

An application for the extension of the surrounding prospecting licence, PL 290, for a further two year period was approved on 28 April 2009. The mining licence has been approved and needs to be maintained in good order. The water permit has been applied for and outcome is awaited. This application has the backing of the Lunsemfwa Hydro Power Company Ltd., the largest user of the water from the river system. Also an Environmental Impact Assessment and Resettlement Action Plan were submitted to the Environmental Council of Zambia for approval, which was obtained on 9 April 2009 and completed the process for the full mining licence to become effective.

Design and cost estimation studies have been carried out for the process plant area. The process will be a crushing, grinding and flotation circuit providing a saleable concentrate containing 30% Cu.

A memorandum of understanding ("MOU") was entered into with Lunsemfwa Hydro Power Company Ltd ("LHPC") for the supply of power to the project should a development take place. Work has been completed to establish the environmental baseline study, as an addendum to the main study, in order for the construction permit approval for a power line from the LHPC generation system some 65km south of the project site. The majority of the power line will be constructed within an approved easement along the Mita Hills dam. It is intended to draw the required make-up water from the Lunsemfwa River which feeds into the Mita Hills Dam and backing for the concept has already been gained from LHPC who have priority call on this water supply, for power generation. The EIA for the area encapsulated by an easement within which the powerline is to be constructed, has been approved. All other infrastructure design work and layouts were completed and the overall site layout has been approved, including the relocation of the local school currently located south of the old plant but within the required area for mining purposes. The school relocation has been approved by both the appropriate government departments and the local education authority.

Optimisation of the resources model, mine design and scheduling was completed by Lower Quartile Solutions Ltd, a Perth based mining consultant. Since the initial pit designs and scheduling were completed additional reviews were undertaken looking at various other options. These strategic reviews are currently ongoing.

Ratel is presently reviewing the options for the project including the possibility of utilising a modular processing facility that could greatly reduce the capital cost.

USE OF PROCEEDS

The estimated net proceeds to be received by us from the Offering are expected to be approximately Cdn.$12.9 million, after deducting the Agent's Fee, being Cdn.$700,000, and the estimated expenses of the Offering, being Cdn.$400,000, assuming the Maximum Offering is fully subscribed or Cdn.$7.2 million, after deducting the Agent's Fee of Cdn.$400,000, and the estimated expenses of the Offering, being Cdn.$400,000, assuming a Minimum Offering. The net proceeds of the Offering will be used primarily for exploration and development activities, including costs in connection with the Feasibility Study, on the Company's Segilola Gold Project, as well as the Mkushi Copper Project, general and administrative expenses and for working capital purposes. We intend to use the net proceeds as follows for the following 18 months with any further expenditure being subject to the results of the Feasibility Study on the Segilola Gold Project:

Ratel Corporate	**Minimum Offering (Cdn.)**	**Maximum Offering (Cdn.)**
General and administrative expenses	$1,439,727	$1,439,727
Segilola Gold Project		
Site and office costs for Lagos, Abuja and Ilesha	$1,617,171	$1,617,171
Feasibility Study	$984,201	$984,201
Mkushi Copper Project		
Site and office costs	$542,813	$542,813

Optimisation Drilling	$502,968	$502,968
Working capital	$2,113,120	$7,813,120
TOTAL USE OF NET PROCEEDS	**$7,200,000**	**$12,900,000**

CGA has agreed to provide additional funding as required to Ratel to enable the company and its controlled entities to operate and meet their respective obligations for a period of the earliest of 31 May 2011 or up to the date of the closing of the Offering. Ratel has agreed to repay CGA for the funds provided from 31 March 2010 until the date of the closing of the Offering. The numbers in the table above include the amounts already funded by CGA. As at the expected closing of the Offering on or about 6 August, 2010, CGA estimates to have funded, and will be repaid from the net proceeds of the Offering, the amounts set forth in the table below. These amounts include a total of Cdn $701,543 already funded as of 29 June 2010, relating to Cdn$76,956 for Mkushi site and office costs, Cdn$597,937 in relation to Feasibility Study costs and Cdn$26,650 site and office expenditure at the Segilola Gold Project. Optimisation drilling has not begun at the Mkushi Copper Project as at 29 June 2010, however we expect to pay a mobilisation fee to begin drilling in July 2010. There are also nil refunds allocated against the Ratel corporate and administrative expenses as whilst Ratel remains a 100% subsidiary of CGA, its corporate and administrative costs remain funded by CGA.

Ratel Corporate	**CGA Advance Amount**
General and administrative expenses	$0
Segilola Gold Project	
Site and office costs for Lagos, Abuja and Ilesha	$126,650
Feasibility Study	$829,302
Mkushi Copper Project	
Site and office costs	$111,956
Optimisation Drilling	$100,000
Working capital	$0
TOTAL	**$**1,167,908

While we intend to spend these net proceeds as stated above, there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary or advisable.

We currently expect the foregoing allocation of net proceeds to allow us to complete the various programs and costs described in “Prospectus Summary”, “Segilola Gold Project” and “Mkushi Gold Project”.

The current budgeted use of proceeds for the next 18 months will allow a working capital surplus of Cdn$2.113M to Cdn.$7.813M. The use of proceeds noted above allows for the completion of the Feasibility Study at the Segilola Gold Project, and additional exploration activities at the Mkushi Copper Project. The additional exploration activities for the Mkushi Copper Project require a short diamond drilling program to follow up on previously discovered intersections of mineralisation outside of the present resource areas and are planned to occur during the first six months of the 2010-11 financial year, estimated to cost approximately Cdn$0.503M. The Feasibility Study at the Segilola Gold Project is expected to be completed in the first quarter of the 2010-11 financial year, within the remaining Cdn$0.984M budget specified above. The preliminary information to date from the Feasibility Study at the Segilola Gold Project is positive and it is anticipated at this stage that the project will progress to further development following the final results of the Feasibility Study. It is anticipated that this further development will include commencing design and construction of the mine for the Segilola Gold Project, subject to an anticipated positive Feasibility Study. The Feasibility Study results are not yet conclusive enough to prepare an accurate estimate of the cost of development of the project into a producing mine. In the event that the Segilola Gold Project reaches development, it is anticipated that this would require further funding which may take the form of equity, debt or a combination of both. However, in the event that the results of the Feasibility Study do not warrant further

development, the surplus working capital funds will be used towards indentifying and/or acquiring new resource opportunities which will seek to enhance shareholder value in Ratel.

The primary objective of Ratel's investment policies and decisions is to enhance shareholder value in the Company through the development of current assets and the identification, acquisition and development of new resource opportunities. The Company manages liquidity risk through maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds, including those derived from the proceeds of the Offering, in highly liquid short term cash deposits. The funds are deposited in bank accounts maintained at an Australian financial institution which carries a Standard and Poors credit rating of $A1^+$ (short term) and AA (long term). Maintaining surplus working capital in highly liquid short term deposits allows the Company to meet its primary objectives by being able to fund new development and acquisition opportunities at short notice.

Investment risk through acquisition and development of resource opportunities is managed by the CEO and the board of directors. New investment decisions and any changes to budget that are considered material to Ratel are reviewed and approved by the board of directors. Our current properties range across different stages of project development and commodities, including the Segilola Gold Project in Nigeria, where we are preparing a Feasibility Study, and the Mkushi Copper Project in Zambia, which is the subject of an ongoing exploration program. This diversification reduces our exposure to political and regulatory risk in any one jurisdiction and fluctuations in commodity prices. Management of any risk that may arise from acquiring new resource opportunities is reviewed against any known shareholder profiles to seek to ensure the investment is advantageous to investor interests and shareholder value, and the capacity of the management team to administer such opportunities. Investment performance is monitored through its performance against budgets and forecasts, share price performance and comparisons against companies with similar asset, liability and risk profiles to Ratel.

The cash on hand prior to filing of this prospectus is approximately Cdn.$17,500. CGA has agreed to provide additional funding as required to Ratel to enable it and its controlled entities to operate and meet their respective obligations for a period ending the earlier of 31 May 2011 or the date of Ratel successfully completing the proposed Offering.

The Company's business strategy contemplates developing its current assets and making judicious acquisitions where considered prudent. While we intend to spend the funds available to us as stated above, there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary or advisable. See "Use of Proceeds" and "Risk Factors".

Business Objectives and Milestones

Segilola Gold Project Development

In order to achieve our business objectives, we will continue to evaluate the optimal manner in which to exploit the reported resources from July 2010 to December 2010. We have determined the optimum pit shell, completed a detailed mine design and a life of mine production schedule based on the current resource, which will likely deliver the project parameters.required under the Segilola JV. The project economics under this scenario are currently being computed as all other technical inputs into the Feasibility Study, for the purposes of delivery of the Feasability Study as defined in the Segilola JV are complete. Throughout this process, we will continue to evaluate and negotiate the appropriate tax regime with tax advisors and government authorities and consider opportunities where available, to further optimise any development plan for the project.

Approval of the submitted EIA Plan and approval for the enlargement of ML41 are also expected to be completed in the 6 months ended 31 December 2010.

As ML 41 is current no approval to mine is required, however the Company is presently investigating the ancillary permits required to operate a mining operation in Nigeria including permits for blasting agents and use of cyanide including its importation, transport and storage.

Costs associated with the completion of the above come from the budgeted amount of Cdn.$984,201 allocated for the Feasibility Study.

Mkushi Copper Project Exploration/Development

To continue to optimise the Mkushi Copper Project it is intended to carry out a short diamond drilling program to follow up on previously discovered intersections of mineralisation outside of the present resources areas. The intent is to locate areas that could add to the reported resources in terms of tonnes and or grade to enable the annual production rate to be increased or monthly copper output, at the present forecast rate, to be increased.

The above programme and associated analysis are currently planned to be completed by the end of 2010 and costs should be in the order of Cdn.$500,000.

SELECTED HISTORICAL AND PRO FORMA FINANCIAL INFORMATION

The following sets out our selected consolidated financial information for the year ended 30 June 2009 and for the nine months ended 31 March 2010 for Zambian Mining and CGX. The financial year end for each of Zambian Mining and CGX is 30 June. This information has been derived from the consolidated financial statements included elsewhere in the prospectus. All of our financial statements have been prepared in US dollars and in accordance with IFRS. The following information should be read in conjunction with those financial statements and the related notes thereto, along with the "Management Discussion & Analysis" included in this prospectus.

Zambian Mining

	Nine Months Ended 31 March 2010	Year Ended 30 June 2009
	US$	US$
	(unaudited)	(audited)
Revenue	2,888	531
Exploration and evaluation expenditure	(322,124)	(2,098,883)
Foreign exchange gains/(losses)	(8,640)	85,010
Administrative expenses	(8,607)	(20,415)
Cash and cash equivalents	5,084	29,989
Total assets	272,156	285,786
Total current liabilities	(11,209,378)	(10,886,525)
Total non-current liabilities	nil	nil
Issued capital	2	2
Accumulated losses	(10,937,224)	(10,600,741)
Total shareholders deficit	(10,937,222)	(10,600,739)

CGX

	Nine Months Ended 31 March 2010	Year Ended 30 June 2009
	US$	US$
	(unaudited)	(audited)
Revenue	998	234
Exploration and evaluation expenditure	(1,941,888)	(3,107,421)
Foreign exchange losses	(32,135)	(112,069)
Administrative expenses	(35,692)	(44,485)
Cash and cash equivalents	69,114	44,385

Total assets	172,484	154,751
Total current liabilities	(7,877,822)	(5,851,372)
Total non-current liabilities	nil	nil
Issued capital	2	2
Accumulated losses	(7,705,340)	(5,696,623)
Total shareholders deficit	(7,705,338)	(5,696,621)

The following sets out Ratel's selected consolidated financial information for the period from inception on 27 January 2010 to 31 March 2010. Our financial year end is June 30. This information has been derived from our consolidated financial statements included elsewhere in this Prospectus. All of our financial statements have been prepared in US dollars in accordance with IFRS. You should read the following information in conjunction with those financial statements and the related notes thereto, along with the "Management Discussion and Analysis" provided herein.

Ratel Mining Limited

	For the period from 27 January 2010 to 31 March 2010 US$ (audited)
Revenue	-
Exploration and evaluation expenditure	-
Foreign exchange losses	-
Administrative expenses	-
Cash and cash equivalents	16,595
Total assets	16,595
Total current liabilities	-
Total non-current liabilities	-
Issued capital	16,595
Accumulated losses	-
Total shareholders equity	16,595

The following sets out certain selected consolidated financial information for the period from 27 January 2010 to 31 March 2010 on a pro forma basis giving effect to our acquisition of Zambian Mining Limited and CGX Limited, which hold the Segilola Gold Project and the Mkushi Copper Project, and the net proceeds from the minimum and maximum offering. The statement of comprehensive income has been prepared as if the acquisition occurred at the beginning of the period and the statement of financial performance has been prepared as if the transaction occurred at the date of the statement of financial position. This selected financial information has been derived from our unaudited pro forma financial statements included elsewhere in this prospectus. You should read the following information in connection with those statements and the related notes thereto, along with the "Management Discussion and Analysis" provided herein.

Ratel Mining Limited – Pro Forma

	For the period from 27 January 2010 to 31 March 2010 US$ (unaudited) Minimum offering	**For the period from 27 January 2010 to 31 March 2010 US$ (unaudited) Maximum offering**
Revenue	622	622
Exploration and evaluation expenditure	(633,278)	(633,278)
Foreign exchange losses	(5,896)	(5,896)
Administrative expenses	(6,107)	(6,107)
Cash and cash equivalents	7,128,789	12,700,539

Total assets	7,499,231	13,070,981
Total current liabilities	(96,678)	(96,678)
Total non-current liabilities	-	-
Issued Capital	7,054,595	12,626,345
Reserves	(18,642,568)	(18,642,568)
Retained earnings	18,990,526	18,990,526
Total shareholders equity	7,402,553	12,974,303

DIVIDEND RECORD AND POLICY

Ratel has not declared or paid any dividends since incorporation. Presently, our anticipated capital requirements are such that we intend to follow a policy of retaining earnings in order to finance further business development. The declaration of dividends on our Common Shares is within the discretion of our Board of Directors and will depend upon their assessment of our earnings, capital requirements, operating and financial condition and other factors it considers to be appropriate. There are no restrictions on our ability to pay dividends.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(All figures are in US dollars unless otherwise indicated and the effective date of this Management Discussion and Analysis ("MD&A") is the date of this prospectus.)

Introduction

Management's discussion and analysis provides a review of the performance of Ratel (for the period ended 31 March 2010), CGX Limited (annual and interim) and Zambian Mining Limited's (annual and interim)) operations and compares its performance with those of the preceding year and quarters. This discussion 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 the date of this prospectus and should be read in conjunction with the audited financial statements for CGX Limited and Zambian Mining Limited for the years ended 30 June 2008 and 30 June 2009 and for Ratel for the period ending 31 March 2009 and the related notes thereto and the reviewed interim financial statements for CGX and Zambian Mining for the period ended 31 March 2010, which have been prepared in accordance with IFRS.

Background and Review of Operations

Ratel was incorporated on 27 January 2010 and is domiciled in the British Virgin Islands. CGX and Zambian Mining were both incorporated on 22 August 2006 and are domiciled in the British Virgin Islands. Ratel, CGX and Zambian Mining are currently wholly owned subsidiaries of CGA, a company incorporated and domiciled in Australia. CGA has been listed on the ASX since April 1991, and the TSX since February 2005.

CGX and Zambian Mining were incorporated in 2006 to act as holding companies for the interests in the Segilola Gold Project in Nigeria and the Mkushi Copper Project in Zambia..

A joint venture was entered into with AFE on the Mkushi Copper Project in Zambia where SML acquired a 51% interest in the project, with AFE retaining a 49% interest. SML was responsible for funding a bankable feasibility study, while AFE manages exploration initiatives outside the initial development zones, with funding proportional to the percentage interest held by each party in the project. The joint venture agreement was finalised and executed on 30 May 2007. SML has prepared a detailed feasibility study, but any decision to commit to a development is dependant on an improvement in general economic conditions.

SGL entered into a joint venture with TML, a private company based in Nigeria, to earn a 51% interest in the Segilola Gold Project in Nigeria, considered to be the most advanced gold exploration project in the country. TML is a Nigerian company owned in joint venture by local investors and the Government. A joint venture agreement has been signed and drilling is ongoing at the project, with a maiden resource announced by CGA of an indicated resource of 521,814oz and an inferred resource of 96,445oz at a 0.5g/t Au cutoff during the December 2009 quarter. A Feasibility Study is currently underway at the Segilola Gold Project.

The business of the Company 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, some of the key risk factors faced by CGX, Zambian Mining and Ratel include:

- foreign exchange movements;
- movements in commodity prices (in particular the gold and copper price and costs of production);
- 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 Zambia and Nigeria;
- permitting and local community support; and
- environmental obligations.

Interim MD&A

Selected Quarterly Data
Ratel Gold Limited
(US$ in thousands)

	2010 Year to date Total	Q3 Mar – 10	Q2 Dec – 09	Q1 Sep – 09	2009 Annual Total	Q4 Jun – 09	Q3 Mar – 09	Q2 Dec – 08	Q1 Sep – 08	2008 Annual Total	Q4 Jun – 08
Total revenues	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net profit/(loss)	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total assets	17				N/A					N/A	

Ratel was incorporated on 27 January 2010, hence there is no comparative information for prior periods. The only activities affecting the financial statements undertaken by Ratel since its incorporation has been the issue of share capital, hence there is a nil profit and loss result for Ratel to date.

Selected Quarterly Data
CGX Limited
(US$ in thousands)

	2010 Year to date Total	Q3 Mar – 10	Q2 Dec – 09	Q1 Sep – 09	2009 Annual Total	Q4 Jun – 09	Q3 Mar – 09	Q2 Dec – 08	Q1 Sep – 08	2008 Annual Total	Q4 Jun – 08
Total revenues	1	1	-	-	-	-	-	-	-	-	-
Net profit/(loss)	(2,009)	(587)	(280)	(1,142)	(3,264)	(825)	(958)	(824)	(655)	(1,640)	(730)
Total assets	172				155					211	

Fluctuations in the quarterly net loss or profit amounts over the two year period ended 31 March 2010 are predominantly due to the following factors:

- exploration activities in Nigeria (total movement for year to date 31 March 2010: $1.942M (year to date 31 March 2009:$2.349M)); and

- fluctuations in the exchange rate of the Australian dollar, US dollar and Nigerian Naira (total loss for year to date 31 March 2010: $0.032M (loss year to date 31 March 2009:$0.062M).

Quarterly Results – CGX Limited

Three Months Ended 31 March 2010 Compared to the Three Months Ended 31 December 2009 and the Three Months Ended 31 March 2009.

CGX's result for the three months ended 31 March 2010 was a net loss of $0.587M as compared to the 31 December 2009 result of a net loss of $0.280M and a loss of $0.958M for the three months ended 31 March 2009. The result for the most recent quarter reflects exploration and evaluation expenditure of $0.579M, largely related to the Feasibility Study currently underway for the Segilola Gold Project. The previous quarters result is also predominantly due to expenditure on the Feasibility Study at the Segilola Gold Project, which began in the December 2009 quarter. The result for the quarter ended 31 March 2009, is predominantly due to exploration expenditure at the Segilola Project in relation to a drilling campaign being undertaken during that period.

Revenues and Cost of Sales

As the projects are non-operational, CGX has no revenue sources other than interest earned on its cash balances.

Expenses

Expenses for the March 2010 quarter were $0.588M as compared to $0.279M for the December 2009 quarter and $0.958M for the March 2009 quarter.

Specific Items Contributing to Changes

Exploration costs written off

Mineral property evaluation expense for the current quarter totalled $0.580M as compared to $0.248M for the December 2009 quarter and $0.928M for the March 2009 quarter. Activity for the current and previous quarter has been predominantly focused on the preparation of a bankable Feasibility Study at the Segilola Gold Project, hence expenditure between these two periods is fairly consistent. The expenditure for the March 2009 quarter relates predominantly to a drilling program being undertaken at the Segilola Gold Project during that period.

Nine Months to 31 March Results – CGX Limited

Nine Months ended 31 March 2010 Compared to the Nine Months Ended 31 March 2009

CGX incurred a net loss of $2.009M for the nine months ended 31 March 2010 compared to a net loss of $2.438M for the same period the preceding year.

Revenues and Cost of Sales

As the projects are non-operational, CGX has no revenue sources other than interest earned on its cash balances.

Expenses

Expenses for the nine months to March 2010 were $2.010M as compared with $2.438M for the nine months ending 31 March 2009.

Specific Items Contributing to Changes

Exploration costs written off

Mineral property evaluation expense for the nine months ended 31 March 2010 were $1.942M as compared to $2.349M in the previous nine month period. This represents a decrease of $0.407M or 17% from the previous nine month period. The expenditure for the prior year period relates largely to a drilling campaign undertaken at the Segilola Gold Project in Nigeria, which was finalised in the September 2009 quarter. A Feasibility Study of the project started in the December 2009 quarter, and is currently still underway.

Selected Quarterly Data
Zambian Mining Limited
(US$ in thousands)

	2010 Year to date Total	Q3 Mar – 10	Q2 Dec – 09	Q1 Sep – 09	2009 Annual Total	Q4 Jun – 09	Q3 Mar – 09	Q2 Dec – 08	Q1 Sep – 08	2008 Annual Total	Q4 Jun – 08
Total revenues	3	-	3		1	-	-	-	1	1	1
Net profit/(loss)	(336)	(85)	(108)	(143)	(2,034)	134	(192)	(616)	(1,360)	(6,091)	(1,527)
Total assets	272				286					282	

Fluctuations in the quarterly net loss or profit amounts over the two year period ended 31 March 2010 are predominantly due to the following factors:

- exploration activities in Zambia (total movement for year to date 31 March 2010:$0.322M (year to date 31 March 2009:$2.218M)); and

- fluctuations in the exchange rate of the Australian dollar, US dollar and Zambian Kwacha (total loss for year to date 31 March 2010: $0.008M (gain year to date 31 March 2009:$0.084M)).

Quarterly Results – Zambian Mining Limited

Three Months Ended 31 March 2010 Compared to the Three Months Ended 31 December 2009 and the Three Months Ended 31 March 2009.

Zambian Mining's result for the three months ended 31 March 2010 was a net loss of $0.085M as compared to the 31 December 2009 result of a net loss of $0.108M and a loss of $0.192M for the three months ended 31 March 2009. The result for the most recent quarter reflects exploration and evaluation expenditure of $0.084M as compared to previous quarter of $0.110M and the three months ended 31 March 2009 of $0.166M. Exploration expenditure

relates to the Mkushi Copper Project in Zambia, for which a bankable feasibility study was completed in December 2008, and for which activity has been scaled back significantly, pending an improvement in general economic conditions surrounding the project.

Revenues and Cost of Sales

As the projects are non-operational, Zambian Mining has no revenue sources other than interest earned on its cash balances.

Expenses

Expenses for the March 2010 quarter were $0.085M as compared to $0.110M for the December 2009 quarter and $0.192M for the March 2009 quarter.

Specific Items Contributing to Changes

Exploration costs written off

Mineral property evaluation expense for the current quarter totalled $0.084M as compared to $0.110M for the December 2009 quarter and $0.166M for the March 2009 quarter. As mentioned previously, minimal activity has occurred at the Mkushi Copper Project since the completion of the bankable feasibility study in December 2008.

Nine Months to 31 March Results – Zambian Mining Limited

Nine Months ended 31 March 2010 Compared to the Nine Months Ended 31 March 2009

Zambian Mining incurred a net loss of $0.336M for the nine months ended 31 March 2010 compared to a net loss of $2.168M for the same period the preceding year.

Revenues and Cost of Sales

As the projects are non-operational, Zambian Mining has no revenue sources other than interest earned on its cash balances.

Expenses

Expenses for the nine months to March 2010 were $0.339M as compared with $2.169M for the nine months ending 31 March 2009.

Specific Items Contributing to Changes

Exploration costs written off

Mineral property evaluation expense for the nine months ended 31 March 2010 was $0.322M as compared to $2.218M in the previous nine month period. This represents a decrease of $1.896M or 85% from the previous nine month period. The expenditure for the prior year period relates largely to a bankable feasibility study undertaken at the Mkushi Copper Project in Zambia, which was finalised in December 2008. Further activity at this project has since been scaled back, pending an improvement in general economic conditions, hence the significant decrease in spend for the current period.

Results of Operations

As previously discussed, the Company's two significant projects, the Segilola Gold Project in Nigeria and the Mkushi Copper Project in Zambia, are currently in their exploration and evaluation phase and thus do not produce any operating revenue. The Segilola Gold Project is described in detail from page 21 to page 39 of this prospectus. Recent activities pertaining to the Feasibility Study and its progress are summarised on page 17 of this prospectus. As described, closing of the Offering is dependent on SGL delivering the Feasibility Study (for the purposes of satisfying the minimum project parameters set out in the Segilola JV) to TML and the Feasibility Study will be

subject to the usual requirements of obtaining all necessary licences and permits including TML securing the enlarged mining license area, which is expected on or before 31 December 2010. For clarification, the delivery of the Feasibility Study is not subject to TML securing the enlarged mining license area, but development of the project on the basis set out in the Feasibility Study will be. In the event TML is unable to secure the enlarged mining license area, Ratel will review the proposed development plan and make necessary changes. The project economics may be affected by such changes but Ratel is unable to determine what the effect is at this point in time and there is no certainty that the minimum thoroughput of 500,000 tonnes of ore or an internal rate of return of not less than 25% (the parameters for economic viability in the definition of Feasibility Study) will be obtained. In order to exercise the third option SGL must amongst other things, execute a production sharing agreement, as required by the Segilola JV, by 26 April 2011 and, as at June 2010, we are on track to achieve that deadline.

As at 31 March 2010, total funding for SGL by CGX Limited was in the order of $7.787M. Expenditure on development drilling and feasibility study preparation in excess of SGL's joint venture obligations of US$2,000,000 has been made, though this is subject to review and approval from TML. We envisage further expenditure up until conclusion of the feasibility study to be in the order of Cdn$0.984M.

The most significant risk and uncertainty impacting the Segilola Gold Project development will be fluctuations in the price of gold. Adverse fluctutations in the price of gold may impact the viability of any future development of the project. Uncertainty surrounding the application and implementation of Nigerian taxation laws and the government impost regime of potential royalties, duties and other taxes which may be imposed, may also affect the future net income of the project and the viability of further development.

The Mkushi Copper Project is described in detail from page 39 to page 69 of this prospectus. Recent activities pertaining to the project are summarised on page 18 of this prospectus. At present we continue to review the draft feasibility study in terms of the current copper prices and the most up to date copper forecast pricing to determine the impact of those factors on the project economics. The Company will also undertake additional diamond drilling to follow up some previously identified encouraging intersections of mineralisation which may result in an increase in resource tonnes at an elevated grade. As at 31 March 2010, funding by Zambian Mining Limited for the Mkushi Copper Project was in the order of $11.203M and we envisage additional expenditure in the order of Cdn$0.503M to undertake the optimisation review, which is planned to take place in the first two quarters of the 2010-2011 financial year.

The most significant impact on the Mkushi Copper Project will be an increase in the copper price which will enable the project to be considered for development. At current or decreased copper prices, it is likely we would continue with the deferral of a development decision.

Related Parties

The consolidated entity CGX consists of its subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest
Controlled Entities		
Segilola Gold Limited	Nigeria	100%

Joint Venture

Segilola Gold Limited has been granted a 25% interest in the Segilola Gold Project, plus 13% which has been granted subsequent to 31 March 2010 and a balance of 13% to be granted upon exercise of the third option.

The consolidated entity of Zambian Mining Limited consists of its subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest
Controlled Entities		
Seringa Mining Limited	Zambia	100%
Mkushi Copper Joint Venture Co.	Zambia	51%

Controlling Entity

Until such time as the Offering is completed the ultimate controlling entity in the wholly owned group is CGA Mining Limited.

Other Transactions with Related Parties

During the three months ended 31 March 2010, the Company entered into transactions with related parties in the wholly-owned group:

- loans were advanced on short term inter-company accounts between;
    - CGX and its wholly owned subsidiary Segilola Gold Limited for the purpose of funding the feasibility study on the Segilola Gold Project and the funding of the day to day operating costs of Segilola Gold Limited. The total amount loaned for the 3 month period was $0.632M; and
    - between Zambian Mining Limited and its wholly owned subsidiary Seringa Mining Limited for the purpose of funding the day to day operating costs of Seringa Mining Limited. The total amount loaned for the 3 month period was $0.061M.

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.

Critical Accounting Estimates

The significant accounting policies used by Ratel are disclosed in Note 2 to the financial statements for the interim period ended 31 March 2010, and those used by CGX and Zambian Mining are disclosed in Note 2 to the annual financial statements for the year ended 30 June 2009 and Note 2 to the interim financial statements for the period ended 31 March 2010. Changes in accounting policies, including new and initial adoption of policies used by Ratel are disclosed in note 2(d) to the financial statements for the interim period ended 31 March 2010, and those relating to CGX and Zambian Mining are disclosed in Note 2(c) to the annual financial statements for the year ended 30 June 2009 and Note (c) to the interim financial statements for the period ended 31 March 2010. 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. Given the size and nature of the operations of Ratel, CGX and Zambian Mining, management does not believe that any of the current estimations and assumptions used to determine the currently reported amounts of assets, liabilities, revenues and expenses are based on assumptions on matters that were highly uncertain at the time the accounting estimate was made and that different estimates that could have been used, or changes in the accounting estimate that are likely to occur from period to period, would have a material impact on the Company's financial condition, changes in financial condition or results of operations.

Accounting Policies

The Company's current financial report complies with IFRS.

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.

Internal Controls and Disclosure Controls

The internal controls and disclosure controls for the Company are currently designed and managed through the ultimate parent entity, CGA. CGA'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 relevant 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 quarter ended 31 March, 2010 period, there have been no changes in the Company's polices 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 31 March 2010 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.

Annual MD&A

Selected Annual Data
CGX Limited
(US$ in thousands)

	2009 Annual Total	**2008 Annual Total**	**2007 Annual Total**
Total revenues	-	-	-
Net loss for the period	(3,264)	(1,640)	(793)
Total assets	155	211	122
Total long-term financial liabilities	-	-	-

Selected Annual Data
Zambian Mining Limited
(US$ in thousands)

	2009 Annual Total	**2008 Annual Total**	**2007 Annual Total**
Total revenues	1	1	-
Net loss for the period	(2,034)	(6,091)	(2,475)
Total assets	286	282	453
Total long-term financial liabilities	-	-	-

Selected Quarterly Data
CGX Limited
(US$ in thousands)

	2009 Annual Total	Q4 Jun – 09	Q3 Mar – 09	Q2 Dec – 08	Q1 Sep – 08	2008 Annual Total	Q4 Jun – 08	Q3 Mar – 08	Q2 Dec – 07	Q1 Sep – 07
Total revenues	-	-	-	-	-	-	-	-	-	-
Net profit/(loss)	(3,264)	(825)	(958)	(824)	(655)	(1,640)	(730)	(295)	(310)	(305)

Fluctuations in the quarterly net loss or profit amounts of CGX over the two year period ended 30 June 2009 are predominantly due to the following factors:

- exploration activities in Nigeria (total movement for year ended 30 June 2009: $3.107M (year ended 30 June 2008:$1.575M)); and
- fluctuations in the exchange rate of the Australian dollar, US dollar and Nigerian Naira (total loss for year ended 30 June 2009: $0.112M (loss year ended 30 June 2008:$0.046M)).

Year to Date Results – CGX Limited

Twelve Months ended 30 June 2009 Compared to the Twelve Months Ended 30 June 2008

CGX Limited incurred a net loss of $3.264M for the twelve months ended 30 June 2009 compared to a net loss of $1.640M for the same period the preceding year.

Revenues and Cost of Sales

As the projects are non-operational, CGX Limited has no revenue sources other than interest earned on its cash balances.

Expenses

Expenses for the twelve months to June 2009 were $3.264M as compared with $1.640M for the twelve months ending 30 June 2008.

Specific Items Contributing to Changes

Exploration costs written off

Mineral property evaluation expense for the twelve months ended 30 June 2009 were $3.107M as compared to $1.575M in the previous twelve month period. This represents an increase of $1.532M or 97% from the previous year. The expenditure for the 2008 year relates largely to a drilling campaign undertaken at the Segilola Gold Project in Nigeria, this drilling campaign carried into the 2009 financial year, as well as an additional 10,000m drilling campaign which was completed in the June 2009 quarter. The results from these campaigns are now being used in the compilation of a feasibility study of the project, which was started in the December 2009 quarter, and is currently still underway.

Selected Quarterly Data
Zambian Mining Limited
(US$ in thousands)

	2009 Annual Total	Q4 Jun – 09	Q3 Mar – 09	Q2 Dec – 08	Q1 Sep – 08	2008 Annual Total	Q4 Jun – 08	Q3 Mar – 08	Q2 Dec – 07	Q1 Sep – 07
Total revenues	1	-	-	-	1	1	1	-	-	-
Net profit/(loss)	(2,034)	134	(192)	(616)	(1,360)	(6,091)	(1,527)	(1,336)	(1,072)	(2,156)

Fluctuations in the quarterly net loss or profit amounts of Zambian Mining over the two year period ended 30 June 2009 are predominantly due to the following factors:

- exploration activities in Zambia (total movement for year ended 30 June 2009:$2.099M (year ended 30 June 2008:$5.612M)); and
- fluctuations in the exchange rate of the Australian dollar, US dollar and Zambian Kwacha (total gain for year ended 30 June 2009: $0.085M (loss year ended 30 June 2008:$0.441M)).

Year to Date Results – Zambian Mining Limited

Twelve months ended 30 June 2009 Compared to the Twelve Months Ended 30 June 2008

Zambian Mining incurred a net loss of $2.034M for the twelve months ended 30 June 2009 compared to a net loss of $6.091M for the preceding year.

Revenues and Cost of Sales

As the projects are non-operational, the Company has no revenue sources other than interest earned on its cash balances.

Expenses

Expenses for the year ended June 2009 were $2.034M as compared with $6.093M for the year ended 30 June 2008.

Specific Items Contributing to Changes

Exploration costs written off

Mineral property evaluation expense for the year ended June 2009 was $2.099M as compared to $5.612M in the previous year. This represents a decrease of $3.513M or 63% from the previous year. The expenditure for the prior year period relates largely to a bankable feasibility study undertaken at the Mkushi Copper Project in Zambia, which continued until December 2009. Further activity at this project has since been scaled back, pending an improvement in general economic conditions, hence the significant decrease in spend for the current period.

Foreign exchange fluctuations

The foreign exchange gain for the year ended 30 June 2009 was $0.085M as compared to a loss of $0.441M for the year ended 30 June 2008. Zambian Mining Limited's operations are funded through intercompany loans from its ultimate parent entity CGA, which are made in USD. Foreign exchange gains or losses arise when this funding is converted into local currency (Zambian Kwacha) or Australian dollars to make foreign currency payments. The foreign exchange movement was significantly less during the 2009 as compared to the 2008 year mainly due to significantly less expenditure occurring during the 2009 year, hence reduced exposure to foreign currency conversions and payments.

Related Parties

The consolidated entity CGX consists of its subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest
Controlled Entities		
Segilola Gold Limited	Nigeria	100%

Joint Venture

Segilola Gold Limited has been granted a 25% interest in the Segilola Gold Project, plus 13% which has been granted subsequent to 31 March 2010 and a balance of 13% to be granted upon delivery of, amongst other things, a bankable feasibility study.

The consolidated entity of Zambian Mining consists of its subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest
Controlled Entities		
Seringa Mining Limited	Zambia	100%
Mkushi Copper Joint Venture Co.	Zambia	51%

Controlling Entity

Until such time as the Offering is completed the ultimate controlling entity in the wholly owned group is CGA Mining Limited.

Other Transactions with Related Parties

During the three and twelve months ended 30 June 2009, the Company entered into transactions with related parties in the wholly-owned group:

- loans were advanced on short term inter-company accounts between;
    - CGX and its wholly owned subsidiary Segilola Gold Limited for the purpose of funding the feasibility study on the Segilola Gold Project and the funding of the day to day operating costs of Segilola Gold Limited. The total amount loaned for the 3 month period was $0.798M and the twelve month period was $3.304M; and
    - between Zambian Mining Limited and its wholly owned subsidiary Seringa Mining Limited for the purpose of funding the day to day operating costs of Seringa Mining Limited. The total amount loaned for the 3 month period was $0.084M and for the twelve month period was $2.275M.

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.

Critical Accounting Estimates

The significant accounting policies used by Ratel are disclosed in Note 2 to the financial statements for the interim period ended 31 March 2010, and those used by CGX and Zambian Mining are disclosed in Note 2 to the annual financial statements for the year ended 30 June 2009 and Note 2 to the interim financial statements for the period ended 31 March 2010. Changes in accounting policies, including new and initial adoption of policies used by Ratel are disclosed in note 2(d) to the financial statements for the interim period ended 31 March 2010, and those relating to CGX and Zambian Mining are disclosed in Note 2(c) to the annual financial statements for the year ended 20 June 2009 and Note (c) to the interim financial statements for the period ended 31 March 2010. 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. Given the size and nature of the operations of Ratel, CGX and Zambian Mining, management does not believe that any of the current estimations and assumptions used to determine the currently reported amounts of assets, liabilities, revenues and expenses are based on assumptions on matters that were highly uncertain at the time the accounting estimate was made and that different estimates that could have been used, or changes in the accounting estimate that are likely to occur from period to period, would have a material impact on the Company's financial condition, changes in financial condition or results of operations.

Accounting Policies

The Company's current financial report complies with International Financial Reporting Standards ("IFRS").

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.

Internal Controls and Disclosure Controls

The internal controls and disclosure controls for the Company are currently designed and managed through the ultimate parent entity, CGA. CGA'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 relevant 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 quarter ended 30 June 2009 period, there have been no changes in the Company's polices 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 30 June 2009 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.

Liquidity and Capital Resources

As at 31 March 2010, the Company had cash and cash equivalents comprised of $0.005M cash held by Zambian Mining ($0.030M at 30 June 2009), $0.069M cash held by CGX ($0.044M at 30 June 2009) and $0.017M of cash held by Ratel (nil at 30 June 2009).

The Offering is expected to generate net proceeds of between Cdn$7.200M and Cdn$12.900M (after deduction of the estimated Agent's and legal fees) for Ratel. As demonstrated in the 18 month budget below, the funds will provide Ratel and its subsidiaries with sufficient cash to meet their current planned activities and working capital requirements. The Company's activities are all currently in the exploration phase, hence there are no working capital requirements in regards to maintaining inventories. The Company also does not currently have any derivative financial instruments or external debt.

USE OF NET PROCEEDS

Ratel Corporate	**Minimum Offering (Cdn.)**	**Maximum Offering (Cdn.)**
General and administrative expenses	$1,439,727	$1,439,727
Segilola Gold Project		
Site and office costs for Lagos, Abuja and Ilesha	$1,617,171	$1,617,171
Feasibility Study	$984,201	$984,201
Mkushi Copper Project		
Site and office costs	$542,813	$542,813
Optimisation drilling	$502,968	$502,968
Working capital	$2,113,120	$7,813,120
TOTAL USE OF NET PROCEEDS	**$7,200,000**	**$12,900,000**

CGA has also agreed to provide additional funding as required to Ratel to enable the company and its controlled entities to operate and meet their respective obligations for a period of the earliest of 31 May 2011 or up to the date of the closing of the Offering. Ratel has agreed to repay CGA for the funds provided from 31 March 2010 until the date of the closing of the Offering. As set out in the above table, the net funds from the Offering will be used to fund Ratel's current business objectives which are to complete the Feasibility Study at the Segilola Gold Project and optimise the Mkushi Copper Project. The Feasibility Study (for the purposes of satisfying the minimum project parameters set out in the Segilola JV) is to be delivered to TML before closing of the Offering. The total Ratel expenditure to complete the Feasibility Study is expected to be approximately Cdn$0.984M, with an additional Cdn$0.503M spent on optimisation drilling at the Mkushi Copper Project and $1.046M of expenditure on maintaining the Mkushi Copper Project and general corporate and administrative expenses during that period. A commitment to further development of the Segilola Gold Project will be dependent on the results of the Feasibility Study.

The numbers in the table above include the amounts already funded by CGA and that will be repaid to CGA. As at the expected closing of the Offering on or about 6 August, 2010, CGA estimates to have funded, and will be repaid from the net proceeds of the Offering, the amounts set forth in the table below. These amounts include a total of Cdn $701,543 already funded as of 29 June 2010, relating to Cdn$76,956 for Mkushi site and office costs, Cdn$597,937 in relation to Feasibility Study costs and Cdn$26,650 site and office expenditure at the Segilola Gold Project. Optimisation drilling has not begun at the Mkushi Copper Project as at 29 June 2010, however we expect to pay a mobilisation fee to begin drilling in July 2010. There are also nil refunds allocated against the Ratel corporate and

administrative expenses as whilst Ratel remains a 100% subsidiary of CGA, its corporate and administrative costs remain funded by CGA.

Ratel Corporate	**CGA Advance Amount**
General and administrative expenses	$0
Segilola Gold Project	
Site and office costs for Lagos, Abuja and Ilesha	$126,650
Feasibility Study	$829,302
Mkushi Copper Project	
Site and office costs	$111,956
Optimisation Drilling	$100,000
Working capital	$0
TOTAL	**$**1,167,908

The Company does not currently have any derivative financial instruments or external debt which could affect the Company's liquidity.

CONTRACTUAL OBLIGATIONS	**Payments due by**				
	Total	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Long term debt	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Operating leases	-	-	-	-	-
Purchase obligations			-	-	-
- Zambian Mining	6,324	6,324			
- CGX	90,354	90,354			
Other long term obligations	-	-	-	-	-
Total contractual obligations	96,678	96,678	-	-	-

The table above does not include the estimated $1,167,908 that will be repaid to CGA for funding Ratel's operations from March 31, 2010 until the earliest of 31 May 2011 or up to the date of the closing of the Offering as set out in the Use of Proceeds section.

In addition to funds raised through the Offering, Ratel's listing on the TSX will allow it to potentially access future capital resources through equity funding. The future capital expenditure commitments for the Company for the next 18 months, including expenditures not yet committed, but required to maintain the Company's operations and development activities, are set out in the Use of Proceeds section.

Future Outlook

Subsequent to 31 March 2010, Ratel has acquired 100% ownership of Zambian Mining and CGX. This prospectus details the terms for the Offering, being the first public offer of shares by Ratel. Following the Offering, Ratel will no longer be a subsidiary of CGA. Proceeds of the Offering will be used to further develop the assets held in Nigeria and Zambia. The initial focus will be undertaking the necessary steps to exercise the third option in the Segilola Gold Project to enable SGL to earn its 51% interest and exploring the various options to optimise the Mkushi

Copper Project. The Company will also be focussed on identifying and acquiring where considered judicious, new resource opportunities in the African region. It is anticipated that funding will be sourced either from CGA, until completion of the Offering or from proceeds of the Offering.

DESCRIPTION OF COMMON SHARES

Ratel is authorized to issue an unlimited number of common shares ("Common Shares"). At the date of this prospectus, Ratel has an aggregate of 17,500,000 Common Shares issued and outstanding.

Our Common Shares have no par or nominal value. Holders of Common Shares are entitled to one vote for each share on all matters to be voted on by shareholders at meetings of our shareholders (except matters requiring the vote of a specified class or series voting separately as a class or series). Holders of Common Shares will be entitled to receive such dividends, if, as and when declared by our Board of Directors out of profits, capital or otherwise. All dividends which our Board of Directors may declare shall be declared and paid in equal amounts per share on all Common Shares at the time outstanding. On liquidation, dissolution or winding up of Ratel, the holders of Common Shares will be entitled to receive the property of Ratel remaining after payment of all outstanding debts on a pro rata basis, but subject to the rights, privileges, restrictions and conditions of any other class of shares issued by Ratel. There are no pre-emptive, redemption or conversion rights attaching to the Common Shares. All Common Shares, when issued, are and will be issued as fully paid and non-assessable shares without liability for further calls or to assessment.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP and Miller Thomson LLP, the following is, as of the date of this prospectus, a general summary of the principal Canadian federal income tax considerations generally applicable to an investor who acquires Shares pursuant to the Offering who, for purposes of the *Income Tax Act* (Canada) (the "Tax Act") at all relevant times, is or is deemed to be resident in Canada, will hold the Shares issued under this prospectus as capital property and deals at arm's length with, and is not affiliated with, the Company (a "Holder"). Generally, Shares will be considered to be capital property to a Holder provided that the Holder does not hold such Shares in the course of carrying on a business of buying and selling securities and has not acquired such Shares as an adventure in the nature of trade.

This summary is not applicable to a Holder (i) that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules; (ii) an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iii) that is a "specified financial institution" as defined in the Tax Act; (iv) in relation to which the Company is a "foreign affiliate" as defined in the Tax Act; or (v) that reports its Canadian tax results in a currency other than Canadian currency. **Such Holders should consult their own tax advisors.**

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. It does not address the tax considerations relevant to a Holder that borrows in order to acquire Shares. This summary is not exhaustive of all Canadian federal income tax considerations. There may also be tax considerations for investors under the laws of the British Virgin Islands or the laws of any other jurisdiction in which the investor resides or to which the investor is subject that are not addressed by this summary. Accordingly, prospective purchasers are urged to consult their own tax advisors with respect to their particular circumstances.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and the regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Proposals") and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") publicly available prior to the date hereof. In particular, this summary is based on proposals announced by the Finance Minister (the "Finance Minister") on 4 March 2010 to abandon outstanding proposals with respect to the taxation of investments in "foreign investment entities". No assurance can be given that the Proposals will be enacted in their current form or at all. This summary does not otherwise take into account any changes in law or in the administrative policies or assessing practices of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation.

For the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Shares (including dividends received or deemed to have been received, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in any other currency must generally be converted into Canadian dollars using the relevant exchange rate quoted by the Bank of Canada at noon on the relevant day or such other rate or rates of exchange acceptable to the Minister of National Revenue (Canada).

Dividends on Shares

Any dividends received or deemed to be received on the Shares by a Holder who is an individual (including foreign tax withheld) will be included in the individual's income and will not be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to taxable dividends received from taxable Canadian corporations. Dividends received or deemed to be received on the Shares by a Holder that is a corporation will be included in computing the corporation's income and generally will not be deductible in computing the corporation's taxable income.

British Virgin Islands or other foreign withholding tax, if any, payable by a Holder in respect of dividends received on the Shares may be eligible for a foreign tax credit or deduction under the Tax Act to the extent and under the circumstances prescribed in the Tax Act.

Dispositions of Shares

A Holder who disposes of or is deemed to dispose of Shares (including on a purchase of Shares for cancellation by the Company) will generally realize a capital gain (or a capital loss) to the extent that the Holder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such Shares to the Holder immediately before the disposition.

One-half of any capital gain (the "taxable capital gain") realized by a Holder will be included in the Holder's income for the year of disposition. One-half of any capital loss realized (the "allowable capital loss") generally must be deducted by the Holder against taxable capital gains realized by the Holder for the year of disposition. Any excess of allowable capital losses over taxable capital gains for the year of disposition generally may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years to the extent and in the circumstances prescribed in the Tax Act.

British Virgin Islands or other foreign tax, if any, levied on any gain realized on a disposition of Shares may be eligible for a foreign tax credit under the Tax Act to the extent and under the circumstances prescribed in the Tax Act.

Capital gains realized by a Holder that is an individual or trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act.

Additional Refundable Tax

Corporations that are "Canadian-controlled private corporations", as defined in the Tax Act, may be subject to an additional refundable 6 2/3 percent tax on their "aggregate investment income" which is defined in the Tax Act and would include an amount in respect of taxable capital gains realized in the disposition or deemed disposition of the Shares and dividends on the Shares.

Offshore Investment Fund Property

The Tax Act contains rules which may require a taxpayer to include in income in each taxation year an amount in respect of the holding of an "offshore investment fund property". These rules could apply to a Holder in respect of a Share held by the Holder if, but only if:

> (1) the Share may reasonably be considered to derive its value, directly or indirectly, primarily from portfolio investments in: (i) shares of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii)

rights or options to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing (collectively, "Investment Assets"); and

(2) it may reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the Holder acquiring, holding or having an interest in the Share was to derive a benefit from portfolio investments in Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such assets for any particular year are significantly less than the tax that would have been applicable under Part I of the Tax Act if the income, profits and gains been earned directly by such Holder.

If applicable, these rules would generally require a Holder to include in income for each taxation year in which the Holder holds a Share an imputed amount determined by applying a prescribed rate of interest (on 4 March 2010, the Finance Minister announced a proposal to increase the prescribed rate to the three-month average treasury bill rate plus 2%) to the "designated cost" to the Holder of the Share at the end of each month in the year, less the amount of certain income of the Holder from the Share in the year. Any amount required to be included in computing a Holder's income in respect of a Share under these rules would be added to the adjusted cost base to the Holder of such Share, and be included in computing the Holder's designated cost in respect of the Share.

The application of these rules depends, to a large extent, on the reasons for a Holder acquiring or holding Shares. Holders are urged to consult their own tax advisors regarding the application and consequences of these rules.

Foreign Property Information Reporting

In general, a "specified Canadian entity", as defined in the Tax Act, for a taxation year or fiscal period whose total cost amount of "specified foreign property", as defined in the Tax Act, at any time in the taxation year or fiscal period exceeds Cdn$100,000, is required to file an information return for the taxation year or fiscal period disclosing prescribed information, including the cost amount and any income in the year, in respect of such property. With some exceptions, a taxpayer resident in Canada in the year, other than a corporation or trust exempt from tax under Part I of the Tax Act, will be a specified Canadian entity. The Shares will be specified foreign property to a Holder. On 4 March 2010, the Finance Minister announced proposals to expand existing reporting requirements with respect to specified foreign property to require more detailed information. As of the date hereof, no detailed legislative proposals with respect to such amended reporting requirements have been made public.

This summary does not purport to explain all circumstances in which reporting may be required by any investor. Accordingly, Holders should consult their own tax advisors regarding compliance with these complex reporting rules.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Ratel as at the dates indicated before and after giving effect to the Offering. This table should be read in conjunction with our MD&A and our consolidated financial statements (including the notes thereto) contained in this prospectus.

Description	Outstanding as at 31 March 2010	Outstanding as at 31 March 2010 after giving effect to the acquisition of CGX and Zambian Mining	Outstanding as at 31 March 2010 after giving effect to the Acquisition and the Minimum Offering	Outstanding as at 31 March 2010 after giving effect to the Acquisition and the Maximum Offering
Indebtedness				
Accounts payable	-	(96,678)	(96,678)	(96,678)
Shareholders' equity:				
Common shares Common Shares (authorized-unlimited)	16,595	16,595	7,054,591	12,626,314

Accumulated other comprehensive loss	-	-	-	-
Asset acquisition reserve	-	(18,642,568)	(18,642,568)	(18,642,568)
Deficit/Retained earnings	-	18,990,526	18,990,526	18,990,526
Total shareholders' equity	16,595	364,553	7,564,553	13,264,553
Total capitalization	16,595	364,553	7,564,553	13,264,553

OPTIONS TO PURCHASE COMMON SHARES

Outstanding Options

As at the date of this prospectus there are no stock options outstanding. The following table shows the number of options to purchase our Shares that are anticipated to be outstanding as at the closing of the Offering.

Group	Securities Under Options Granted (#)	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options on the Date of Grant ($/Security)	Expiration Date
Directors and Executive Officers	4,600,000	Cdn.$0.25	Cdn.$0.20	30 June 2012
Employees and consultants	3,900,000	Cdn.$0.25	Cdn.$0.20	30 June 2012

Two executive officers have been allocated Options to purchase Common Shares and four directors have been allocated Options to purchase Common Shares. 2,000,000 Options to purchase Common Shares have been allocated to Consultants and 1,900,000 Options to purchase Common Shares have been allocated to employees. While there is currently no market for the Company's Common Shares, a value equivalent to the Offering Price (Cdn$0.20) has been attributed to the securities underlying the Options on the date of grant.

Stock Option Plan

The key features of our Stock Option Plan, which has been approved by our Board of Directors and shareholder, are as follows:

- The Stock Option Plan will be administered by the Board of Directors and provides for grants of options, at the discretion of the Board, to directors, executive officers, employees and consultant (each an "**Eligible Person**").

- The total number of common shares reserved and available for grant and issuance pursuant to the Stock Option Plan is 10% of the total issued and outstanding common shares. In addition: (i) the number of common shares reserved for issuance to any one person pursuant to options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding common shares; (ii) the number of common shares which may be reserved for issuance pursuant to the Stock Option Plan (together with those common shares which may be issued pursuant to any other of our equity compensation arrangements) to all of our insiders shall not exceed 10% of the shares outstanding on a non-diluted basis at any time; (iii) the number of common shares which may be issued pursuant to the Stock Option Plan (together with those common shares which may be issued pursuant to any other of our equity compensation arrangements) to all of our insiders, within a one year period, shall not exceed 10% of the common shares outstanding on a non-diluted basis from time to time.

- All options outstanding under the Stock Option Plan will have an expiration date specified in the stock option certificate ("Option Agreement"). Exercise of an option will be subject to the following: (i) if an Eligible Person cease to qualify as an Eligible Person under the Stock Option Plan prior to expiry of the term of their respective options, those options will terminate at the end of the period of time permitted for exercise of the option (such period of time to not be in excess of three months, to be determined by the

Board in each instance at the time of the grant of an option) after the option holder ceases to be an Eligible Person and (ii) if such cessation as an Eligible Person is on account of disability or death, the options terminate 12 months after such cessation.

- The vesting schedule for any option outstanding under the Stock Option Plan shall be determined by our Board of Directors acting in its sole discretion, and shall be stated in the Option Agreement to be entered into between each optionee and Ratel.

- The exercise price of all options issued under the Stock Option Plan shall be the volume weighted average price of the common shares for the 5 day trading period ending on the day prior to the grant of the option.

- An option is personal to an optionee and non-assignable, subject to limited exceptions set out in the Stock Option Plan.

The Board of Directors may at any time terminate or amend the Stock Option Plan in certain respects:

- for the purposes of making formal minor or technical modifications to any of the provisions of the Stock Option Plan;

- to correct any ambiguity, defective provisions, error or omissions;

- to change the vesting provisions of an option;

- to change the termination provisions of an option or the Stock Option Plan that does not entail an extension beyond the original expiry date of the option;

- to add or change provisions relating to any form of financial assistance provided by Ratel to participants that would facilitate the purchase of securities under the Stock Option Plan;

- to extend the term of any option previously granted; and

- to reduce the exercise price of any option previously granted.

provided, however, that (i) no amendment of the Stock Option Plan may be made without the consent of the affected participant if such amendment would adversely affect the rights of such participant; and (ii) shareholder approval must be obtained in accordance with the requirements of the TSX for any amendment that results in:

- an increase in the number of common shares issuable under options granted pursuant to the Stock Option Plan;

- a reduction in the exercise price of an option;

- an extension of the term of an option granted under the Stock Option Plan benefiting an insider (within the meaning of the rules of the TSX) of Ratel;

- options becoming transferable or assignable; or

- a change to any of the above.

PRIOR SALES OF SECURITIES

The following table summarizes the sales of securities by Ratel for the 12 month period before the date of this Prospectus.

Date	Price per Security	Number of Securities
27 January 2010	$0.001	14,906,367
31 March 2010	$0.001	2,593,633

ESCROWED SECURITIES

The following is a summary of the common shares held, to our knowledge, in escrow and the percentage of the outstanding common shares represented by such number if the case of both the Minimum Offering and the Maximum Offering. On completion of the Offering, Ratel will be classified as an "established issuer" for the purposes of National Policy 46-201—*Escrow for Initial Public Offerings.*

Name and Municipality of Residence	Number of Escrowed Shares on Completion of the Offering	Percentage of Outstanding Common Shares if Minimum Offering	Percentage of Outstanding Common Shares if Maximum Offering
CGX HOLDINGS PTY LTD. PERTH, WESTERN AUSTRALIA	17,500,000[(1)]	30.43%	20%

[(1)] These common shares are held in escrow (the "Escrowed Shares") pursuant to the terms of an escrow agreement dated June 29, 2010, among the Company and Computershare Trust Company of Canada as escrow agent (the "Escrow Agreement"). Pursuant to the Escrow Agreement, 1/4 of the Escrowed Shares will be released on the date that the common shares of Ratel are listed on the TSX ("Listing Date"), 1/3 of the remaining number of Escrowed Shares will be released six months after the Listing Date, 1/2 of the remaining number of Escrowed Shares will be released twelve months after the Listing Date and then remaining number of Escrowed Shares will be released 18 months after the Listing Date. The execution of the Escrow Agreement and the deposit of the Escrowed Shares is a condition to the closing of the Offering.

PRINCIPAL HOLDERS OF COMMON SHARES

To our knowledge the following persons shall, at the date of this prospectus, beneficially own, directly or indirectly, or exercise control or direction over Common Shares carrying more than 10% of the outstanding voting rights attached to Ratel's shares:

Name	Designation of Class	Type of Ownership	Number of Common Shares owned before this Offering	%	Number of Common Shares owned after giving effect to the Minimum Offering	%	Number of Common Shares owned after giving effect to the Maximum Offering	%
CGX HOLDINGS PTY LTD	Shares	Exercises control or direction	17,500,000[(1)]	100	17,500,000	30.43[(2)]	17,500,000	20[(2)]

[(1)] These common shares are subject to escrow restrictions pursuant to the Escrow Agreement.

[(2)] As of the date of this prospectus, there are no issued and outstanding convertible securities of Ratel.

PROMOTER

CGA is a promoter of Ratel by virtue of taking the initiative in incorporating and organizing the Company.

DIRECTORS AND EXECUTIVE OFFICERS

The names and municipalities of residence of our directors and executive officers, the positions held by them with us and their principal occupations for the past five years are as set forth below. The term of office of each director and each officer expires at the discretion of our Board of Directors.

Directors and Executive Officers Name and Municipality of Residence	Current Office with the Company	Principal Occupation for the Past Five Years
Mr Mark Savage, New Mexico, USA	Chairman & Director	April 2000 to Present: Chairman/Director of CGA Mining Limited; November 1999 to Present, Director/Chairman of Global Petroleum Limited; January 2006 Non Executive Director of Tower Resources Limited; September 2005 to October 2009, Director of BPC Limited and May 2006 to September 2006, Director of Stirling Products Limited
Mr Geoff G. Jones, Western Australia, Australia	Chief Executive Officer	June 1995 to Present, Director of Square Bolt Australia Pty Ltd, General Manager Technical of CGA Mining Limited
Mr Ian Fisher, Western Australia, Australia[(1)]	Independent Director	February 2007 to Present, Executive Director of Erin Resources Pty Ltd; February 2000 to Present, Non Executive Director of Carnegie Corporation Limited and January 2003 to January 2007, Executive Chairman of African Consolidated Resources.
Mr Ron Clarke, Western Australia, Australia[(1)]	Independent Director	March 2004 until August 2006, General Manager, Central Asia Gold Ltd and April 2007 to February 2009, Country Manager of Weatherly International Ltd
Mr Michael Carrick, Western Australia, Australia[(1)]	Director	January 2004 to Present, President and CEO of CGA Mining Limited
Ms Hannah Hudson, Western Australia, Australia	Company Secretary & Chief Financial Officer	August 2007 to Present, Financial Controller and Company Secretary of CGA Mining Limited and April 2004 to August 2007, Auditor with Ernst & Young.

[(1)] Members of the Audit Committee

Mark Savage and Michael Carrick have served as directors of Ratel since its incorporation on 27 January 2010. Ian Fisher and Ronald Clarke were appointed as Independent Directors with effect from 13 May 2010. The term of office is determined by the articles of association, which do not specify a term. The Company intends to adopt a 3 year term for re-approval.

A description of the principal occupation for the past five years and summary of experience of the directors and executive officers of Ratel:

Mr Mark Savage – Chairman and Non Independent Director

Mr Savage is the Chairman of Ratel. Since April 2000, he has also served as Chairman and a Director of CGA Mining Limited a mineral resource issuer listed on the TSX and ASX and the current parent company of Ratel. He also has held directorship positions with oil and gas companies, Global Petroleum Limited since September 1999 which is listed on the TSX and AIM, Tower Resources Limited since January 2006 listed on AIM and from September 2005 to October 2009 with BPC Limited.

Mr Savage was born and educated in the United States of America ("US") where he received a business degree from the University of Colorado and was a senior executive for a number of US banks. He then joined an Australian

based merchant bank and completed the Securities Institute of Australia course. Mr Savage has gained experience in the debt and equity markets as well as in the corporate advisory area.

Mr Savage has not signed a non-competition or a non-disclosure agreement with Ratel and he is neither an employee nor an independent contractor of Ratel.

Mr Geoff G. Jones – Chief Executive Officer

Mr Jones is the CEO of Ratel. He is a Mining Engineer with over 40 years experience in the resources sector in Australia, Africa, South East and Central Asia. During the last decade he has been responsible for the identification, acquisition and development of 8 gold mining projects in Australia, Ghana, Tanzania, Mongolia, Kyrgyzstan and Philippines. Most recently, Mr Jones' principal responsibilities included the development and construction of the Masbate Gold Project in the Philippines, the preparation of feasibility studies, including the Taldy Bulak Project and the identification, review and acquisition of new development opportunities such as the Segilola Gold Project in Nigeria and the Mkushi Copper Project in Zambia.

Mr Jones has not signed a non-competition or a non-disclosure agreement with Ratel and he is an independent contractor of Ratel.

Mr Ian Fisher – Independent Director

Mr Fisher has experience having held directorships with Erin Resources Pty Ltd as an Executive Director since February 2007, Carnegie Corporation Limited as a Non Executive Director since February 2000 and previously with African Consolidated Resources from January 2003 to January 2007. Mr Fisher was born and educated in Africa, where the Company's assets are all based. He is 56 years of age and has worked his whole life in business, often in senior positions, displaying sound financial and business judgment. Mr Fisher has also had many years experience of sitting on the Boards of public companies which has provided him with valuable experience in relation to a wide range of auditing, reporting and disclosure standards and practices. These companies include Erin Resources – a gold exploration public company focused on Nigeria, African Consolidated Resources, a resource company listed on the London Stock Exchange with projects in Africa, and, currently, Carnegie Corporation Limited.

Mr Fisher has not signed a non-competition or a non-disclosure agreement with Ratel and he is neither an employee nor an independent contractor of Ratel.

Mr Ron Clarke – Independent Director

Mr Clarke is an Independent Director of Ratel and a member of the Audit Committee. Mr Clarke is a Certified Practicing Accountant and he has held senior financial and executive positions within the resources sector having previously been Company Secretary of Resolute Limited a mineral resource company listed in the ASX and Managing Director of Resolute (Tanzania) Limited a mineral resource company and more recently, as Country Manager for Weatherly International plc also a mineral resource company, a company listed on AIM with interests in Namibia. He has lived and worked in Africa in Zimbabwe, Tanzania & Namibia, and in Australia, Kyrgyzstan (Central Asia) and New Zealand. Mr Clarke has been responsible for the setting up of mines in Kyrgyzstan and Namibia, ensuring the mines were developed and operated in accordance with the requirements of the legislative parameters pertaining to the mining industry of the relevant country and Government. This required developing strong working relationships with a wide variety of different groups from senior Government officials to community groups located within the vicinity of the mining activities.

Mr Clarke has not signed a non-competition or a non-disclosure agreement with Ratel and he is neither an employee nor an independent contractor of Ratel.

Mr Michael Carrick – Non Independent Director

Mr Carrick is a Director of Ratel and since January 2004, he has also served as CEO and a Director of CGA Mining Limited a mineral resource issuer listed on the TSX and ASX and the parent company of Ratel. Mr Carrick was previously Executive Chairman of AGR Limited, the entity which owned and developed the Boroo Gold Project in Mongolia, and Chief Executive Officer of Resolute Limited ("Resolute"). Mr Carrick has been responsible for the

acquisition, development, and operation of a number of gold projects, both in Australia and internationally with over 20 years experience in the resources sector.

Prior to joining Resolute, Mr Carrick, a Chartered Accountant, was a senior partner of Arthur Andersen. Mr Carrick holds a Bachelor of Accounting Degree and a Bachelor of Commerce Degree and is a member of the Institute of Chartered Accountants, Australia.

Mr Carrick has not signed a non-competition or a non-disclosure agreement with Ratel and he is neither an employee nor an independent contractor of Ratel.

Ms Hannah Hudson – Company Secretary & Chief Financial Officer

Ms Hudson is the Company Secretary and Chief Financial Officer of Ratel. Since August 2007, she has also served as Financial Controller and Company Secretary of CGA Mining Limited a mineral resource issuer listed on the TSX and ASX and the parent company of Ratel. Ms Hudson holds a combined Bachelor of Commerce and a Bachelor of Arts Degree from the University of Western Australia and is a member of the Institute of Chartered Accountants in Australia. She was formerly an Auditor with Ernst & Young.

Ms Hudson has not signed a non-competition or a non-disclosure agreement with Ratel and she is neither an employee nor independent contractor to Ratel.

Security Holdings of Directors and Officers

As of the date of this Prospectus, none of our directors and officers beneficially own, directly or indirectly, or exercise control or direction over any Shares. Mr Michal Carrick, a director of CGA and Ratel, holds directly 55,000 shares in CGA as at the date of this Prospectus. Accordingly, under the Priority Offer Mr Michael Carrick will be entitled to apply for 9,961 Shares in Ratel. It is the intention of Mr Michael Carrick to take up his full entitlement. Mr Mark Savage is not entitled to participate in the Priority Offer. However, it is anticipated that Mr Mark Savage will be offered Shares by the Agent under the Base Offer following closing of the Priority Offer. As the number of Shares forming part of the Base Offer will be subject to the number of Shares subscribed for under the Priority Offer it is not possible to determine the number of Shares to be offered to Mr Mark Savage under the Base Offer. In addition, Mr Mark Savage may be offered Shares as a member of the President's List once the President's List is determined by the Agent and the Company.

In addition, 1,100,000 shares in CGA are held by Mountainside Investments Pty Ltd ("Mountainside"), a non-related entity of which Mr Mark Savage and Mr Michael Carrick are directors and have no beneficial interest in. Accordingly, it is anticipated that Mountainside will be entitled to apply for approximately 199,218 Shares in Ratel. It is the intention of Mountainside to take up its full entitlement under the Priority Offer.

After completion of the Offering, assuming a Maximum Offering, Mr. Michael Carrick will own or exercise control of approximately 0.27% of the then issued and outstanding common shares. After completion of the Offering our directors and officers, as a group, will own or exercise control of approximately 0.27% of the then issued and outstanding common shares, as set out below.

Director or Officer	Common Shares
Mark Savage	Approximately 199,218[(1)]
Geoff Jones	-
Ronald Clarke	-
Ian Fisher	-
Michael Carrick	Approximately 209,179[(2)]
Hannah Hudson	-

[(1)] Mr. Mark Savage will also be offered Shares under the Base Offer but it is currently not possible to determine the number of Shares he will be offered or subscribe for.
[(2)] Includes approximately 199,218 to be held by Mountainside.

President's List

An allocation of 10,000,000 Shares has been made to the President's List which is a list of strategic investors, family members, friends and business associates of Ratel as determined by Ratel and the Agent. This list will not be finalised until closer to the Closing, however members of the Board or Officers of the Company may participate in the Offering under the President's List.

Corporate Governance

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day-to-day management of Ratel. The Board of Directors are committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision-making. The following is an overview of the Company's approach to corporate governance matters.

Board of Directors

The Board of Directors of Ratel, at present, is composed of four directors, two of whom, Ian Fisher and Ron Clarke, are considered to be independent of management. An "independent" director is a director who has no direct or indirect "material relationship" with the company. A material relationship is a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a director's independent judgment. On this basis, Mark Savage and Michael Carrick, are not considered to be independent directors. Although the independent directors do not meet regularly without the non-independent members of the Board of Directors, the independent directors can request at any time a meeting restricted to independent directors for the purpose of discussing matters independently of management. No such formal meetings were called during the most recently completed financial period.

The Board of Directors are responsible for managing the business and affairs of Ratel and, in doing so, must act honestly and in good faith with a view to the best interests of Ratel. The Board of Directors' mandate includes approving long-term goals and objectives for Ratel, ensuring the plans and strategies necessary to achieve those objectives are in place, and supervising senior management who are responsible for the implementation of long-term strategies and day-to-day management of Ratel. The Board of Directors retains a supervisory role and ultimate responsibility for all matters relating to Ratel and its business. The Board of Directors discharges its responsibilities both directly and through its Audit Committee discussed below. The Board of Directors may also appoint ad hoc committees periodically to address issues of a more short-term nature.

The following directors of the Company are also directors of other reporting issuers:

Director	**Name of Other Reporting Issuer**
Mr Mark Savage	CGA Mining Limited (ASX; TSX) Global Petroleum Limited (TSX; AIM) Tower Resources Limited (AIM)
Mr Michael Carrick	CGA Mining Limited (ASX; TSX)
Mr Ian Fisher	Carnegie Corporation Limited (ASX)

Board Mandate

The Board of Directors has overall responsibility for the business and affairs of Ratel. The Board of Directors has adopted a written mandate (the ''**Board Mandate**''), a copy of which is attached to this prospectus as Appendix A. The Board of Directors will review and assess the adequacy of the Board Mandate at least annually or otherwise, as it deems appropriate, and make any necessary changes.

In accordance with the Board Mandate, the Board of Directors:

- will retain responsibility for managing its own affairs including determining its composition and size, the selection of the Chair of the Board of Directors, candidates nominated for election to the Board of Directors, committee and committee chair appointments, committee charters and director compensation.

- may delegate to the Audit Committee and other committees as appropriate, matters that the Board of Directors is responsible for, including the oversight of internal controls systems, but the Board of Directors retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

- may delegate to senior management the authority to enter into transactions, such as financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business, are reviewed by and are subject to the prior approval of the Board of Directors.

- is responsible for the identification of the principal risks of Ratel's business and ensuring the implementation of appropriate systems to effectively monitor and manage those risks with a view to the long-term viability of Ratel and achieving a proper balance between the risks incurred and the potential return to Ratel's shareholders.

- is responsible for ensuring that measures are taken to orient new directors regarding the role of the Board of Directors, its committees and its directors and the nature and operation of Ratel's business. The Board of Directors is also responsible for ensuring that measures are taken to provide continuing education for its directors to ensure that they maintain the skill and knowledge necessary to meet their obligations as directors.

- is responsible for approving the appointment of the officers of Ratel. The Board of Directors does not currently have written position descriptions for the Chair of the Board of Directors and the Chair of each Board of Directors committee and the Chief Executive Officer. However the responsibilities of these positions are those generally accepted to fall within the functions of these positions.

- is responsible for approving and monitoring compliance with all significant policies and procedures by which the Company is operated and approving policies and procedures designed to ensure that the Company operates at all times within applicable laws and regulations. The Board of Directors is responsible for adopting a written code of ethical business conduct for the directors, officers and employees of Ratel and is responsible for establishing procedures to monitor compliance with the code and to encourage and promote a culture of ethical business conduct.

Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board of Directors. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public company.

Position Descriptions

The Board of Directors will be responsible for developing position descriptions for the Chairman, the chair of the Audit Committee and the Chief Executive Officer as the Company matures as a business enterprise.

Orientation and Continuing Education

The Board of Directors is responsible for ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board of Directors and its committee(s) and that they understand the nature and operation of our business. In addition, the Board of Directors is responsible for providing continuing education opportunities designed to maintain or enhance the skills and abilities of our directors and to ensure that their knowledge and understanding of our business remains current.

Ethical Business Conduct

The Board of Directors has adopted a Code of Business Conduct (the "Code") outlining the principles of ethical conduct to which our directors, officers and employees are expected to adhere and establishing mechanisms to report unethical conduct. We are committed to operating in a responsible manner that complies with applicable laws, rules and regulations, and providing full, fair, accurate, timely and understandable disclosure in reports and documents filed with any governing body or publicly disclosed. A copy of the Code is provided to each director, officer and employee on an annual basis and such person is required to sign an acknowledgement form under which they acknowledge they have received and read the Code, and that they agree to adhere to the standards set forth in the Code. A copy of the Code is available on SEDAR at www.sedar.com.

The Code specifically addresses, among other things, conflicts of interest, confidentiality, compliance with laws, the reporting of unethical behaviour and the reporting of accounting irregularities. Any submission received pursuant to the provisions of the Code must be reviewed by the Board of Directors. The Board of Directors will then determine whether an investigation is appropriate. The Board of Directors and/or management will promptly investigate such submission and record the results in writing. All submissions must be treated confidentially to every extent possible, and the Board of Directors and any outside counsel must not reveal the identity of any person who makes the submission and asks that his or her identity remain confidential. The Code specifically provides that any submission may be made without fear of dismissal, disciplinary action, or retaliation of any kind.

Nomination of Directors

The Board of Directors is responsible for approving directors for nomination and election and filling vacancies among the directors. In connection with the nomination or appointment of individuals as directors, the Board of Directors will consider the competencies and skills required by the Board of Directors, the competencies and skills of the existing directors and the appropriate size of the Board of Directors. The Board of Directors does not have a formal process for identifying new candidates for Board of Directors nomination. When required, the Board of Directors intends to collaborate with management to assess the appropriate size of the Board of Directors, to identify the necessary qualifications and skills of the Board of Directors as a whole and of each director individually, to identify potential candidates and to consider their appropriateness for membership on the Board of Directors. The independent directors of the Company will be charged with the responsibility to review the qualifications of candidates for Board of Directors membership and the slate of candidates for directors to be nominated for election by shareholders.

Board Evaluation

The Board of Directors is responsible for assessing the effectiveness of the Board of Directors and its committee(s). The Board of Directors and its committee(s) will be assessed with reference to their respective mandate(s) or charter(s), while individual directors will be assessed with reference to any applicable position descriptions, as well as the competencies and skills that each individual director is expected to bring to the Board of Directors.

Compensation

The independent directors of the Company will be responsible to annually recommend to the Board of Directors the compensation levels of the Company's directors. The Board of Directors is responsible for determining all forms of compensation to be awarded to the Chief Executive Officer and Chief Financial Officer of the Company, as well as to its directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. The independent directors of the Company will annually review the Company's compensation philosophy, policies, plans and guidelines and to recommend any changes to the Board of Directors.

Assessments

The Board of Directors does not formally review the contributions of individual directors; however, it believes that its current size facilitates informal discussion and evaluation of members' contributions within that framework.

Audit Committee

Our Board of Directors has established an Audit Committee. The information below summarizes the functions of the Audit committee in accordance with its charter (the "Charter"). A copy of the Charter is attached hereto as Appendix B.

Our Audit Committee has been structured to comply with the requirements of National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators ("NI 52-110"). Our Board of Directors has determined that the Audit Committee members have the appropriate level of financial understanding and industry specific knowledge to be able to perform the duties of the position and, in particular, are "financially literate" as defined in NI 52-110.

In accordance with its Charter, the Audit Committee shall periodically assess the adequacy of procedures for the public disclosure of financial information and review on behalf of our Board of Directors, and report to our Board of Directors, the results of its review and its recommendations regarding all material matters of a financial reporting and audit nature, including, but not limited to the following main subject areas:

- financial statements, including management's discussion and analysis thereof;
- financial information in any annual information form, management proxy circular, prospectus or other offering document, material change report or business acquisition report;
- reports to shareholders and others;
- annual and interim press releases regarding financial results or containing earnings guidance;
- internal controls;
- audits and reviews of financial statements of Ratel and its subsidiaries; and
- filings to securities regulators containing financial information.

Our Audit Committee shall ensure satisfactory procedures for receipt, retention and treatment of complaints and for the confidential, anonymous submission by employees regarding any accounting, internal accounting controls or auditing matters. Our Board of Directors will be kept informed of the Audit Committee's activities by reports delivered to the Board of Directors.

At least annually, the Audit Committee shall review the qualifications and performance of the lead partners of our external auditors and determine whether it is appropriate to adopt or continue a policy of rotating the lead partner of our external auditors. In addition, the Audit Committee shall review and approve our hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.

The Audit Committee will meet as many times per year as necessary to carry out its responsibilities but no less than once every quarter. Our Audit Committee consists of three directors, of which Ian Fisher and Ronald Clarke are independent directors and Michael Carrick, a non independent director, all of whom are financially literate. Mr Ronald Clarke is the chair of the Audit Committee. For a description of the members' educational background and relevant experience, see "Directors and Executive Officers".

Ratel has relied on section 3.2 of NI 52-110 which provides an exemption that if an issuer has filed a prospectus to qualify the distribution of securities that constitutes its initial public offering the requirement to have every audit committee member independent does not apply for a period of up to one year commencing on the date of the receipt of the prospectus, provided that at least two members of the audit committee are independent.

Fees paid or accrued by Ratel for audit and other services provided by our auditors, Ernst & Young since its inception on 27 January 2010 are as follows:

	Period ended 31 March 2010 (A$)
Audit Fees	5,000
Audit Related Fees	85,000
Tax-Related Fees[(1)]	Nil
Other Fees	Nil
Total:	90,000

Note:
(1) Includes fees for professional services rendered for tax compliance, tax advice, tax planning and other related services.

Corporate Cease Trade Orders or Bankruptcies

None of our directors or executive officers is, or within the ten years prior to the date of this prospectus, has been, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to a cease trade, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while such person was acting in that capacity; or

(b) was subject to a cease trade, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to act in that capacity and which resulted from an event that occurred while such person was acting in that capacity.

Except for that disclosed immediately below, none of our directors or officers, or any shareholder holding a sufficient number of securities to affect materially control of the Company, is, or within the ten years prior to the date of this prospectus, has been, a director or executive officer of any company that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mark Savage was a Director of a listed "shell" company or cash box, named Mustang Group Limited. He resigned from the Board in September 2003. After Mark Savage resigned, Mustang Group Limited bought a business and changed its name to Metabolism Health Limited. Subsequent to his resignation, Metabolism Health Limited issued a prospectus and raised an additional A$2,000,000 from the public. The ASX then admitted Metabolism Health Limited to the stock exchange as a new listing.

In January 2004 an administrator was appointed to Metabolism Health Limited. Mark Savage was not on the Board at the time of the appointment of the administrator. Metabolism Health Limited has since been relisted on the ASX.

Penalties or Sanctions

None of our directors or officers, or any shareholder holding a sufficient number of securities to affect materially control of the Company, has:

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

None of our directors or officers has individually, within the ten years prior to the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or

instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

Conflicts of Interest

To the best of our knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among us and our directors, officers or other members of management as a result of their outside business interests except that certain of our directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies. In particular, Mark Savage and Michael Carrick are both directors of CGA which will have a maximum shareholding of 30.34% in Ratel through CGA's wholly owned subsidiary CGX Holdings, subject to the Minimum Offering and a maximum shareholding of 20% if the Maximum Offering is fully subscribed.

EXECUTIVE COMPENSATION

Compensation of Directors and Executive Officers

Our Directors are currently not paid any compensation by Ratel, but upon completion of the Offering, each of our directors will be paid an annual retainer of A$25,000 per annum ("Annual Retainer") which is paid in equal quarterly instalments in advance. The Chair of the audit committee will also receive, in addition to the Annual Retainer, a A$10,000 payment per annum.

Our Chief Executive Officer is retained pursuant to a consultancy agreement and paid annual salary of A$120,000 (the "Consultancy Agreement") and, subject to successful completion of the Offering, Mr Geoff Jones will be offered equity participation in the Ratel by way of 1,500,000 options in accordance with the Stock Option Plan. Pursuant to the Consultancy Agreement, Mr Geoff Jones will be the Chief Executive Officer of Ratel and expect to provide whatever hours are necessary to carry out his duties and obligations to Ratel. The Company's secretarial, financial (including the services of the Chief Financial Officer), accounting and general management services are provided to Ratel pursuant to a management agreement with CGA ("Management Agreement"), for which Ratel pays a retainer per annum of A$403,000.

Each director and executive officer is entitled to participate in any security-based compensation arrangement or other plan adopted by Ratel from time to time with the approval of our Board of Directors.

The directors are reimbursed for expenses incurred on Ratel's behalf. No additional fees, including meeting fees, are paid to directors or executive officers.

Compensation Discussion and Analysis

The Board of Directors is responsible for maintaining the integrity of executive compensation programs and reviewing and, in certain cases, recommending modifications to the Company's executive base salary and annual incentive compensation programs. The incentive plans will typically be awarded in the form of cash and equity-based compensation arrangements, and are based on the competitive practices of comparable companies and serve to align the interests of the executives with those of the Company's shareholders.

The general objectives of the Company's compensation strategy are to:

(a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long term shareholder value;

(b) align management's interests with the long term interests of shareholders;

(c) provide a compensation package that is commensurate with other comparable companies to enable the Company to attract and retain talent; and

(d) ensure that the total compensation package is designed in a manner that takes into account the Company's present stage of development and its available financial resources.

The Company's executive compensation program is comprised of four components: (i) base salary, (ii) a stock option plan; (iii) discretionary cash bonuses; and (iv) benefits. The Company's compensation packages have been designed to provide a blend of a non-cash stock option component and a reasonable salary and benefits component based on industry comparable companies at similar levels of development. Salaries for the CEO, the CFO and other senior executives of the Company are determined by evaluating the responsibilities inherent in the position held, and the individual's experience, as well as by reference to the competitive marketplace for management talent at other mining companies.

Following the end of each year, the Board of Directors will review the actual performance for the Company and the employee for such year, including the quality and measured progress of the Company's exploration projects, raising of capital, corporate alliances and similar achievements.

Termination of Employment, Changes in Responsibility and Employment Contracts

There are currently no employment contracts between Ratel and its executive officers. The services of the Chief Executive Officer will be provided in accordance with the terms and conditions of the Consultancy Agreement between Ratel and Square Bolt Australia Pty Ltd ("Square Bolt").

The services of Ms Hudson, an employee of CGA, shall be provided in accordance with the terms and conditions of the Management Agreement between CGA and Ratel.

There are no arrangements or agreements made with any of our executive officers pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of Ratel or a change in the executive officer's responsibilities following such a change of control.

Stock Option Grants

Subject to CGA Shareholder approval where applicable and the successful completion of the Offering, 4,600,000 stock options will have been granted to our directors and executive officers as of the Closing Date. See "Options to Purchase Shares".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our directors or executive officers, or associates or affiliates of the foregoing persons is indebted to us or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by us.

PLAN OF DISTRIBUTION

The Company has appointed the Agent to act as its agent to offer for sale to the public, on a commercially reasonable efforts basis, up to 70,000,000 Shares at a price of Cdn.$0.20 per Share, subject to the terms and conditions of the Agency Agreement. The price of the Shares was determined by negotiation between the Agent and Ratel. The President's List Offer of up to 10,000,000 Shares will be offered pursuant to the President's List. The Base Offer of up to 60,000,000 Shares will be subject to the Priority Offer to be extended to certain CGA Shareholders ("Eligible Shareholders") resident in each Province of Canada, except Quebec, and in Australia (the "Eligible Jurisdictions") and, if applicable, Approved Eligible Holders.

The Offering is subject to a minimum of 40,000,000 Shares being sold by the Company within 90 days of the issuance of a receipt for the final prospectus by all securities regulatory authorities having jurisdiction, unless the applicable securities regulatory authorities consent to an extension of the offering period. Funds received from subscriptions will be held by the Agent and, if the minimum subscription is not met during the 90 day period or any extension thereof, the Offering will be discontinued and the Agent will return all amounts received without interest or deduction. The Offering is also subject to the approval of CGA Shareholders at a special meeting to be held on 2 July 2010, or such other date as may be determined. The closing of the Offering is also conditional upon the forgiveness of the amounts outstanding under the Loan Agreements pursuant to the Deeds of Forgiveness. The closing of the Offering is also conditional on SGL delivering the Feasibility Study to TML in accordance with the terms of the Segilola JV.

The obligations of the Agent under the Agency Agreement may be terminated by them at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated in certain stated circumstances and upon the occurrence of certain stated events. In consideration for their services in connection with the Offering, the Company has agreed to pay the Agent a commission of 5% of the gross proceeds of the Offering. The Company has also agreed to reimburse the Agent for its legal fees (up to a maximum of Cdn.$75,000) plus expenses and disbursements (and applicable taxes) incurred in connection with the Offering.

The Agent conditionally offers the Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement and subject to the approval of certain legal matters, on behalf of the Company by Blake, Cassels & Graydon LLP and on behalf of the Agent by Miller Thomson LLP. Subscriptions for Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Offering will be conducted under the book-based system. Accordingly, a subscriber who purchases Shares will receive a customer confirmation from the registered dealer from or through whom Shares are purchased. CDS will record the CDS participants who hold Shares on behalf of owners who have purchased or transferred Shares in accordance with the book-based system. Certificates evidencing Shares will not be issued unless specifically requested. It is expected that the closing of the Offering will be on 6 August 2010 or such other date (not later that 90 days following the receipt for the final prospectus) as Ratel and the Agent may agree,

The Company has agreed not to issue, or enter into an agreement to issue, or announce the issue or intended issue of, any Shares (other than in this Offering) or securities convertible into or exchangeable or exercisable for such Shares at an effective price per Share lower than Offering Price, for a period of 120 days after the date of the closing of this Offering, without the prior written consent of the Agent, such consent not to be unreasonably withheld.

The Company has applied to list the Shares distributed under this prospectus on the TSX. The Listing is subject to the Company fulfilling all of the listing requirements of the TSX on or before 22 September 2010, including the distribution of the Shares to a minimum number of public shareholders and the Company amending its articles of association to the satisfaction of the TSX.

Priority Offer Restrictions

The Priority Offer is only available to CGA Shareholders resident in the Eligible Jurisdictions. The Priority Offer is not, and under no circumstances is to be construed as, an offering of any Shares in any jurisdiction outside of the Eligible Jurisdictions (an "Ineligible Jurisdiction") or a solicitation therein of an offer to buy any securities. The Shares are not qualified under the securities laws of any Ineligible Jurisdiction and the Priority Offer may not be taken up by or on behalf of a CGA Shareholder resident in an Ineligible Jurisdiction.

The Priority Offer is subject to rejection or allotment, in whole or in part, by the Board of Directors of Ratel. CGA Shareholders are being presented with an opportunity to participate in the Base Offer, but they do not have an absolute right or entitlement to acquire Shares and they do not have an enforceable claim to any Shares. The opportunity presented by the Priority Offer cannot be sold or transferred. The Priority Offer is not a security or an option, right, subscription or other interest in or to a security. Further, the Priority Offer is not a rights offering.

Specifically, the Shares offered under the Priority Offer have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws or approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any state securities commission. This prospectus is not being sent, delivered, provided or otherwise circulated to any CGA Shareholder who is in the United States (as defined in Regulation S under the 1933 Act), a "U.S. person" (as defined in Regulation S under the 1933 Act) (a "U.S. Person"), or holding for the account or benefit of any U.S. Person or person in the United States as part of the Priority Offer. The Shares offered under the Priority Offer will not be issued or distributed to any U.S. Person, person in the United States or person acting for the account or benefit of any U.S. Person or person in the United States. Shares issuable under the Base Offer and President's List Offer may be offered and sold in the United States or to a U.S. Person or person acting for the account or benefit of a U.S. Person or person in the United States pursuant to certain exemptions from the registration requirements of the 1933 Act and any applicable state securities laws. See "United States Offering Restrictions for the Base Offer and President's List Offer" below.

United States Offering Restrictions for the Base Offer and President's List Offer

This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Shares in the United States or to, or for the benefit or account of, a U.S. Person or a person in the United States.

The Shares have not been and will not be registered under the 1933 Act or any applicable state securities laws and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. Person or person in the United States unless registered under the 1933 Act and applicable state securities laws or in reliance on an exemption from such registration requirements. The Agent has agreed that, except as permitted under the Agency Agreement, they will not offer within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States, the Shares as part of their distribution. The Agency Agreement provides that Shares may be offered in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States as part of the Base Offer or President's List Offer by the Agents through their U.S. broker-dealer affiliates in certain transactions exempt from the registration requirements of the 1933 Act and in accordance with applicable state securities laws.

Certificates representing any Shares sold in the United States or to, or for the account or benefit of, a U.S. person or person in the United States will bear a legend to the effect that the securities represented thereby are not registered under the 1933 Act and applicable state securities laws and may only be offered, sold, pledged, transferred, or otherwise disposed of, directly or indirectly, pursuant to certain exemptions from the registration requirements of the 1933 Act and in accordance with applicable state securities laws.

In addition, until 40 days after the commencement of the Offering, an offer and sale of the Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act if such offer is made otherwise than in accordance with an available exemption from registration under the 1933 Act.

RISK FACTORS

The operations of the Company are speculative due to the nature of the business, the locations in which we operate and the present stage of growth. In evaluating the securities of the Company, the following factors, amongst others, should be considered.

Commodity Price Volatility

It is anticipated that any revenues derived from mining will primarily be derived from the sale of gold or copper. Consequently, any future earnings are likely to be closely related to the price of these commodities and in the terms of any off-take agreements that are entered into. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for gold and copper, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are all affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity 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.

Resource and Reserve Estimates

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

Minerals Resources that are Not Mineral Reserves do not Have Demonstrated Economic Viability

In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource and reserve estimates may have to be adjusted and mining plans may have to be altered in a way that could adversely affect the Company's operations.

Operating Risks

The Company may be subject to all the risks inherent in the establishment of a new mining operation with respect to the Company's mineral assets that in the future move to, the development phase. No assurances can be given to the level of viability that the Company's operations may achieve.

The industry at times faces tightness and cost escalation for labour and materials which may have an impact on capital projects worldwide. Lower than expected productivity and late delivery of materials and equipment could also have an adverse impact on any future construction and commissioning schedules should any of the Company's mineral assets move to the development phase. No assurance can be given that the intended production schedules will be met or that the estimated operating cash costs and development costs will be accurate. In addition to engineering and operating factors, the profitability of mines will depend on the extent to which expected associated operating and capital costs are achieved.

Projects that proceed to development and operation, then face a commissioning period where amongst other things, mechanical issues, working capital issues or other unforeseeable risks may arise that could delay operations or impact on the cashflow needs of the project.

Operations in countries like Nigeria and Zambia, involve an exposure to security related issues such as rebel activity who may cause physical property or other damage to the assets of the Company or employees and others. The basis for this activity may be personally motivated, by ideology or for commercial gain and the Company may have limited control over or warning (if any) of such actions. Such actions could have an adverse effect on the Company or perceptions.

The operations of the Company, if production commences, may have to be shut down or may otherwise be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, labour disputes, weather conditions, fire, explosions and other accidents at the mine, processing plant or related facilities beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, amongst other things, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently maintains insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all, or that any coverage it obtains will be adequate and available to cover any such claims).

Exploration and Development Risks

Mineral exploration and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuation and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that the exploration and development of the mineral interests owned by Ratel, or any other projects that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Environmental, Health, and Safety Laws and Regulation

Operations of mining companies are subject to extensive environmental, health, and safety regulation relating to the safety and health of employees, the protection of air and water quality, hazardous waste management, and mine reclamation in the various jurisdictions in which they operate. These regulations establish limits and conditions on the ability of a mining company to conduct its operations. The cost of compliance with these regulations can be significant. The regulatory environment could change in ways that would substantially increase its liability or the costs of compliance and that could have material affect on operations or financial position of the Company.

Host Country Economic Conditions can Negatively Affect Project Development

There are risks attaching to exploration and mining operations in a developing country which are not necessarily present in a developed country. These include economic, social or political instability or change, hyperinflation, currency instability and changes of law effecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties as well as government control over mineral properties.

Any future material adverse changes in government policies or legislation that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company.

Payment Obligations

Under the exploration permits and licenses and certain other contractual agreements to which the Company (or its subsidiaries or affiliates) is or may in the future become party to, the Company is or may become subject to payment and other obligations. In particular, the licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the permits and licences. Failure to meet these work commitments may result in the licence being cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Company.

Joint Venture Agreement

Pursuant to the Segilola JV, if SGL fails to exercise the third option (as stipulated by the Segilola JV), which includes delivery of the Feasibility Study to TML by 24 August 2010 or any other date agreed between SGL and TML, or, once the third option has been exercised, if SGL fails (a) to commence commercial production of gold on the Segilola Gold Project within a period of 21 months from exercising the third option or (b) to sustain commercial production of gold from the Segilola Gold Project for a continuous period of 6 months, the Segilola JV will terminate and SGL will automatically forfeit to TML its entire interest in the Segilola Gold Project, subject to certain exceptions, as set out in the Segilola JV. Development of the project on the basis set out in the Feasibility Study is subject to TML securing the enlarged mining license area. In the event TML is unable to secure the enlarged mining license area, Ratel will review the proposed development plan in the Feasibility Study. The project economics may be affected by such changes but Ratel is unable to determine what the effect is at this point in time and there is no certainty that the minimum thoroughput of 500,000 tonnes of ore or an internal rate of return of not less than 25% (the parameters for economic viability in the definition of Feasibility Study) will be obtained. At the current time, Ratel only has a resource estimate on the Segilola Gold Project and no reserves have been established.

Political Risk

Ratel currently holds interests in both gold and copper exploration projects in Nigeria and the Republic of Zambia, each of which may be considered to have high political and sovereign risk. Any material adverse changes in government policies or legislation of Nigeria or the Republic of Zambia or any other country that the Company has economic interest in that affect mineral exploration activities, may affect the viability and profitability of the Company.

Environmental Risks

The Company's projects are subject to regulations regarding environmental matters and the discharge of hazardous wastes and materials. The respective governments and other authorities that administer and enforce environmental laws determine these environmental requirements. The Company conducts its activities in an environmentally responsible manner and in accordance with applicable laws.

Although the Company believes that it is in compliance in all material respects with all the applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact on the environment. Failure to obtain such approvals will prevent the Company from undertaking its

desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Dependence on Key Management Personnel and Executives

The Company will be dependant upon the continued support and involvement of a number of key management personnel. The loss of the services of one or more of such personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities and, hence, its success, will depend in large part on the efforts of these individuals. The Company faces intense competition for qualified personnel and there can be no assurances that the Company will be able to attract and retain personnel.

Share Market Conditions

The market price of shares may fall as well as rise and may be subject to unpredictable influences on the market for equities in general and resource stocks in particular. Neither Ratel nor the directors warrant the future performance of the Company or any return on an investment in the Company.

Title

The tenements or licences in which the Company has or may earn an interest in may be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each tenement or licence is usually at the discretion of the relevant government authority. Certain of the licences are subject to renewal on an ongoing basis, and there is no assurance such renewals will be granted.

If a tenement or licence is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement or licence.

Competition

The Company competes with other companies, including major international mineral exploration and mining companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

Joint Venture Parties

The Company currently has joint venture partners in Nigeria and Zambia and there is a possibility that their interest may not align with the Company's at a time which could result in joint venture disputes, which could have an adverse effect on the value of the Company's interest in the properties. The existence or occurrence of one or more of the following circumstances and events, for example, could have a material adverse impact on Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on future cash flows, earnings, results of operations and financial condition: disagreement with joint venture partners on how to develop and operate mines efficiently; inability of joint venture partners to meet their obligations to the joint venture or third parties or under the joint venture agreements; or litigation arising between joint venture partners regarding joint venture matters.

Concentration of Share Ownership

Majority or significant shareholders may be able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions and such parties may not act in the best interests of the Company.

Access to Financing

When we identify a property that we may seek to acquire or to develop, a substantial capital investment often will be required. Our continued access to capital, through project financing or through credit facilities or other

arrangements with acceptable terms is necessary for the success of our growth strategy. Our attempts to secure the necessary capital may not be successful on favourable terms, or at all. Market conditions and other factors may not permit future project and acquisition financings on terms favourable to us. Our ability to arrange for financing on favourable terms, and the costs of such financing, are dependent on numerous factors, including general economic and capital market conditions, investor confidence, the continued success of current projects, the credit quality of the projects being financed, the political situation in the state in which the project is located and the continued existence of tax laws which are conducive to raising capital. If we are unable to secure capital through credit facilities or other arrangements, we may have to finance our projects using equity financing which will have a dilutive effect on our Shares. Any of these alternatives could have a material adverse effect on our growth prospects and financial condition.

Adverse Claims Against Our Title May Adversely Affect Our Business

Although we have taken reasonable precautions to ensure that legal title to our properties is properly documented, there can be no assurance of title to any of our property interests, or that such title will ultimately be secured. Our property interests may be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

Integration of Any New Acquisitions

Our business strategy is to expand in the future, including through acquisitions. Integrating acquisition targets is often costly and we may not be able to successfully integrate acquired companies with its existing operations without substantial costs, delays or other adverse operational or financial consequences. Integrating our acquired companies involves a number of risks that could materially and adversely affect our business, including:

- the failure of the acquired companies to achieve expected results;
- inability to retain key personnel of acquired companies;
- risks associated with unanticipated events or liabilities; and
- difficulties associated with establishing and maintaining uniform standards, controls, procedures and policies, including accounting and other financial controls and procedures.

Lack of Pre-Existing Public Market

Prior to the closing of the Offering of Shares hereunder, there has been no public market for the Shares. The Offering Price of the Priority Offer, the President's List and the Base Offer and the number of Shares to be issued have been determined by the negotiation among the Company and the Agent. The price paid for each Share may bear no relation to the price which Shares will trade in the public market subsequent to the Offering. The Company cannot predict at what price the Shares will trade and there can be no assurance that an active trading market in the Shares will develop or be sustained.

Market Fluctuation

In recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. The market price of the Shares could similarly be subject to wide fluctuations in response to a number of factors, most of which we cannot control, including:

- changes in securities analysts' recommendations and their estimates of our financial performance;
- the public's reaction to our press releases, announcements and filings with securities regulatory authorities and those if its competitors;
- changes in market valuations of similar companies;

- investor perception of our industry or prospects;
- additions or departures of key personnel;
- commencement of or involvement in litigation;
- changes in environmental and other governmental regulations;
- announcements by us or our competitors of strategic alliances, significant contracts, new technologies, acquisitions, commercial relationships, joint ventures or capital commitments;
- variations in our quarterly results of operations or cash flows or those of other companies;
- revenues and operating results failing to meet the expectations of securities analysts or investors in a particular quarter;
- future issuances and sales of our common shares; and
- changes in general conditions in the domestic and worldwide economies, financial markets or the mining industry.

The impact of any of these risks and other factors beyond our control could cause the market price of our Shares to decline significantly. In particular, the market price of our Shares may be influenced by variations in commodity prices. This may cause Share price to fluctuate with these underlying commodity prices, which are highly volatile.

Dividend Policy

We have not declared or paid any dividends on our common shares. For the foreseeable future, we anticipate that we will retain future earnings and other cash resources for the operation and developments of our business. The payment of any future dividends will depend upon earnings and our financial condition, current and anticipated cash needs and such other factors as our Board of Directors considers appropriate.

Foreign Currency Exchange Rates

We maintain accounts in United States dollars and our operations in Nigeria and Zambia make us subject to foreign currency fluctuations. Foreign currency fluctuations are material to the extent that fluctuations between the U.S. dollar and/or U.S. dollar balances are material. We do not at present, nor do we plan in the future, to engage in foreign currency transactions to hedge exchange rate risks but we do convert Nigerian and Zambian funds to U.S. dollars anticipating U.S. expenditures.

New Issue of Shares

We may issue equity securities to finance our activities in the future. In addition, outstanding options or warrants to purchase our common shares may be exercised, resulting in the issuance of additional common shares. Our issuance of additional equity securities or a perception that such an issuance may occur could have a negative impact on the trading price of our common shares.

Discretion in the Use of Proceeds

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company's results of operations may suffer.

LEGAL PROCEEDINGS

We are not the subject of any material legal proceedings, nor are we or any of our properties a party to or the subject of any such proceedings and no such proceedings are known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below and elsewhere in this prospectus, none of our directors or senior officers or any shareholder holding, on record or beneficially, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, had any material interest, directly or indirectly, in any material transaction with us within the three years preceding the date of this prospectus or in any proposed transaction which has materially affected us or would materially affect us.

AUDITORS

Our auditors are Ernst & Young, 11 Mounts Bay Road, Perth, Western Australia 6000.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for our Common Shares is Computershare Investor Services Inc. at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

Our only material contracts entered into since the beginning of the last financial year ending before the date of this prospectus, and our material contracts entered into before the beginning of the last financial year ending before the date of this prospectus that are still in effect, other than contracts entered into in the ordinary course of business, are as follows:

- The Agency Agreement dated 29 June 2010 between Ratel and Haywood Securities Inc. (see "Plan of Distribution").
- The Escrow Agreement dated 29 June 2010 among Ratel, Computershare Investor Services Inc. and CGX Holdings regarding the Escrowed Shares.
- The Consultancy Agreement dated 1 June 2010 between Ratel and Square Bolt entered into whereby Geoff Jones provides executive services as Chief Executive Officer to Ratel.
- The Management Agreement dated 1 June 2010 between CGA and Ratel entered into whereby CGA provides management services to Ratel.
- The Segilola Joint Venture Agreement between SGL and TML entered into on 25 May 2007 whereby TML granted to SGL the sole and exclusive right to earn up to a 51% interest in the mine tenements held by it subject to the terms and conditions of the Segilola Joint Venture Agreement.
- The Deed of Acknowledgement dated August 2009 between SGL and TML whereby TML acknowledges SGL's acquisition of its 25% earn-in (option 1) to the mining tenements the subject of the Segilola Joint Venture Agreement between both parties.
- The Mkushi Joint Venture Agreement between CGA, SML, AFE and Katanga entered into on 29 May 2007 whereby a joint venture company was incorporated with SML holding a 51% interest subject to the completion of a feasibility study.
- The Share Sale Agreement dated 1 June 2010 for the sale of shares in CGX between CGX Holdings and Ratel.

- The Share Sale Agreement dated 1 June 2010 for the sale of shares in Zambian Mining between Zambian Holdings Pty Ltd and Ratel.

- The Deed of Assumption dated 25 June 2010 between CGA, Ratel, TML and SGL in which Ratel assumes all the obligations of CGA pursuant to the Segilola Joint Venture Agreement ("CGA Obligations") with effect from closing of the Offering and to which TML consents to Ratel assuming the CGA Obligations. The CGA Obligations include the joint venture partners having access to the same management and technical skills that were held by CGA.

- The Deed of Assumption dated 24 May 2010 between CGA, Ratel, AFE, Katanga and SML in which Ratel assumes all the obligations of CGA pursuant to the Mkushi joint venture agreement between CGA, AFE, Katanga and SML with effect from closing of the Offering and to which AFE and Katanga consent to Ratel assuming the CGA obligations. The CGA Obligations and the obligations of SML include feasibility expenditure up until the feasibility study is finalized and a decision to mine is reached and the joint venture partners having access to the same management and technical skills that were held by CGA.

- The Zambian Loan Agreement dated 1 June 2010 between Ratel and Zambian Mining whereby Ratel has agreed to advance Zambian Mining funds to be used for the purpose of supplementing Zambian Mining's general working capital ("Zambian Mining Loan Agreement").

- The Deed of Variation dated 18 June 2010 between Ratel and Zambian Mining whereby the Zambian Loan Agreement was amended.

- The Deed of Novation dated 1 June 2010 between Zambian Mining, Ratel and CGA whereby Zambian Mining agrees to assign its rights and novate its obligations under a loan agreement to Ratel and Ratel agrees to assume all of Zambian Mining's rights and obligations under such agreement.

- The Deed of Foregiveness dated 23 June 2010 whereby CGA agrees to forgive the debt owned by Ratel in connection with the Mkushi Copper Project.

- The CGX Loan Agreement dated 1 June 2010 between Ratel and CGX whereby Ratel has agreed to advance CGX funds to be used for the purpose of supplementing CGX's general working capital ("CGX Loan Agreement").

- The Deed of Variation dated 18 June 2010 between Ratel and CGX whereby the CGX Loan Agreement was amended.

- The Deed of Novation dated 1 June 2010 between CGX, Ratel and CGA whereby CGX agrees to assign its rights and novate its obligations under a loan agreement to Ratel and Ratel agrees to assume all of CGX's rights and obligations under such agreement.

- The Deed of Foregiveness dated 23 June 2010 whereby CGA agrees to forgive the debt owned by Ratel in connection with the Segilola Gold Project.

- The Kankanfrasi Option Agreement dated 27 May 2010 with CAML to acquire a 100% interest in CAML Ghana Limited.

Copies of the above material contracts will be available for inspection at the offices of Blake, Cassels & Graydon LLP, Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3 during regular business hours during the distribution of the Shares and for a period of 30 days thereafter.

EXPERTS

No person or company whose profession or business who is named as having prepared or certified a statement, report, valuation or opinion described or included in the prospectus holds any beneficial interest, direct or indirect, in any of our securities or property or in the securities or properties of any of our associates, or affiliates and no such

person is expected to be elected, appointed or employed as one of our directors, officers or employees or as a director, officer or employee of any of our associates or affiliates and no such person is one of our promoters or the promoter of one of our associates or affiliates. In particular, our current auditors are Ernst & Young. Ernst &Young has informed us that it is independent with respect to Ratel within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Information of an economic, scientific or technical nature regarding the Segilola Project and the Mkushi Copper Project is included in this prospectus based upon the Technical Reports prepared by Odessa and by Snowden respectively. The authors, Mr Alfred Gillman of Odessa and Mr Matthew Nimmo then of Snowden, referenced above are independent of the Company and do not have an interest in the property of the Company.

LEGAL MATTERS

Certain legal matters in connection with this distribution have been passed upon on our behalf by Blake Cassels & Graydon LLP and on behalf of the Agent by Miller Thomson LLP. As of the date hereof, the partners and associates of Blake Cassels & Graydon LLP, as a group, and, Miller Thomson LLP as a group, beneficially own, directly or indirectly, less than 1% of our outstanding common shares.

OTHER MATERIAL FACTS

There are no other material facts about us or our Shares that are not otherwise disclosed herein.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain Provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In each such Province, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's Province for the particulars of these rights or consult with a legal advisor.

GLOSSARY

"$", "US$", "dollars"	means United States dollars;
"1933 Act"	means the United States Securities Act of 1933, as amended;
"A$"	means Australian dollars;
"AAS"	means atomic absorption spectrometry;
"AFE"	means African Eagle Resources plc;
"Agency Agreement"	means the agency agreement dated 29 June 2010 between the Agent and Ratel;
"Agent"	means Haywood Securities Inc.;
"Agent's Fee"	means the cash commission paid to the Agent pursuant to the terms and conditions of the Agency Agreement between Ratel and the Agent;
"allowable capital loss"	means one-half of any capital loss realized;
"Annual Retainer"	means an annual retainer of A$25,000 per annum paid to each of Ratel's directors, upon completion of the Offering;
"Approved Eligible Holder"	means certain CGA Shareholders who are not resident in an Eligible Jurisdiction whereby Ratel determines that such offering to, and subscription by, such person for Shares is lawful and in compliance with all securities and other laws applicable in the jurisdiction where such person is resident;
"ARD"	means acid rock drainage;
"ASL"	means above sea level;
"ASX"	means Australian Securities Exchange;
"Base Offer"	means 60,000,000 Shares that will be offered to the public pursuant to this prospectus, subject to the Priority Offer;
"BLANK"	means in-house blank prepared by Katanga;
"Board"	means the board of directors of the Company;
"Board Mandate"	means a written mandate adopted by the Board of Ratel;
"CAML"	means Central Asia Minerals Limited;
"Cdn.$"	means Canadian dollars;
"CDS"	means CDS Clearing and Depositary Services Inc.;
"CEO"	means Chief Executive Officer of the Company;
"CFO"	means Chief Financial Officer of the Company;

"CGA"	means CGA Mining Limited;
"CGA Obligations"	means the obligations of CGA pursuant to the Segilola JV;
"CGA Shareholders"	means the shareholders of CGA;
"CGX"	means CGX Limited;
"CGX Holdings"	means CGX Holdings Pty Ltd;
"CGX Loan Agreement'	means the Loan Agreement dated 1 June 2010 between Ratel and CGX;
"Charter"	means the charter of the Audit Committee of the Board of Ratel;
"Closing Date"	means 6 August 2010 or such other date (not later than 90 days following the receipt for the final prospectus) as Ratel and the Agent may agree;
"Code"	means a Code of Business Conduct adopted by the Board of Ratel;
"Company"	means Ratel and all of its subsidiaries;
"Consultancy Agreement"	means the consultancy agreement whereby Mr. Geoff Jones will be the Company's CEO;
"COSO Framework"	means the Internal Control – Integrated Framework published by The Committee of Sponsoring Organizations of the Treadway Commission;
"CRA"	means the Canada Revenue Agency;
"CRM"	means the certified reference material obtained by CGA from Geostats Pty Ltd in Perth, Western Australia;
"Deeds of Forgiveness"	mean the deeds of forgiveness between CGA and Ratel regarding the Segilola Gold Project and between CGA and Ratel regarding the Mkushi Copper Project, each dated 23 June 2010, pursuant to which CGA has agreed to forgive the amounts outstanding under the Loan Agreements upon completion of the Offering.
"DRC"	means the Democratic Republic of the Congo;
"dtm" or "DTM"	means a digital terrain model;
"EIA"	means Environmental Impact Assessment;
"EIS"	means Environmental Impact Statement;
"EL 39"	means Exploration License 39 of the Segilola Gold Project;
"Eligible Jurisdictions"	means each Province of Canada, except Quebec, and in Australia;
"Eligible Person"	means a director, executive officer, employee or consultant of the Company for purpose of the Stock Option Plan;
"Eligible Shareholders"	means CGA Shareholders resident in the Eligible Jurisdictions;

"EMP"	means Environmental Management Plan;
"EPB"	means an environmental project brief to be submitted under the Environmental Impact Assessment regulations (Statutory Instrument number 28 of 1997) to the Environmental Council of Zambia;
"Escrow Agreement"	means the escrow agreement dated June 29, 2010, among the Company, CGX Holdings and Computershare Investor Services Inc. as escrow agent;
"Escrowed Shares"	means the Common Shares that will be held in escrow pursuant to the Escrow Agreement;
"external standards"	means the expected value blind to the laboratory;
"Feasibility Study"	means a bankable feasibility study demonstrating the economic viability of the Segilola Gold Project for the purposes of satisfying the minimum project parameters as set out in the Segilola JV, where "economic viability" means the establishment of a project of an annual throughput of not less than 500,000 tonnes of ore resulting in an internal rate of return of not less than 25%, provided, however, that the feasibility study contemplates an enlarged mining license area which TML has not yet secured and in the event TML is unable to secure the enlarged mining license area, Ratel will review the proposed development plan and make necessary changes. The project economics may be affected by such changes but Ratel is unable to determine what the effect is at this point in time and there is no certainty that the minimum thoroughput of 500,000 tonnes of ore or an internal rate of return of not less than 25% (the parameters for economic viability in the definition of Feasibility Study) will be obtained;
"Finance Minister"	means the Finance Minister of the Department of Finance (Canada);
"GPS"	means the Global Positioning System;
"HCl"	means hydrochloric;
"Holder"	means an investor who acquires Shares pursuant to the Offering who, for purposes of the Tax Act at all relevant times, is or is deemed to be resident in Canada, will hold the Shares issued under this prospectus as capital property and deals at arm's length with, and is not affiliated with, the Company
"IFRS"	means International Financial Reporting Standards as issued by the International Accounting Standards Board;
"Ineligible Jurisdiction"	means any jurisdiction outside of the Eligible Jurisdictions;
"Investment Assets"	means a portfolio investment in (i) shares of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii) rights or options to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing;
"IP"	means Induced Polarisation;
"JORC" or "JORC Code 2004"	means the Australian Code for the Reporting of Mineral Resource and Mineral Reserves;

"Kankanfrasi Option"	means the Kankanfrasi Option Agreement between Ratel and CAML dated 27 May 2010;
"Katanga"	means Katanga Resources Limited;
"KE"	means kriging efficiency;
"KNA"	means Kriging Neighbourhood Analysis;
"Loan Agreements"	means the loan agreements between CGA and each of CGX and Zambian Mining, dated 22 August 2006 pursuant to which CGA agreed to provide funds to CGX and Zambian Mining to explore the Segilola Gold Project and the Mkushi Copper Project, respectively;
"LHPC"	means Lunsemfwa Hydro Power Company Ltd;
"Listing"	means the listing of Ratel's Shares under this Prospectus on the TSX;
"Listing Date"	means the date that the common shares of Ratel are listed on the TSX;
"Management Agreement"	means the management agreement between the Company and CGA;
"Maximum Offering"	means 70,000,000 Shares as the maximum number of Shares offered under the Offering;
"MCJVL"	means Mkushi Copper Joint Venture Ltd;
"MD&A"	means the management discussion and analysis of the Company;
"MHL"	means Mkushi Holding Limited;
"Mine Tenements"	means ML41 and EL39;
"Minimum Offering"	means 40,000,000 Shares as the minimum of the number of Shares offering under the Offering;
"Mkushi Copper Project"	means the Mkushi copper project in Zambia;
"Mkushi Core Area"	means area covering the prospects of Munshiwemba, Coloquo, Botita, and Mtuga as defined in the Mkushi JV;
"Mkushi JV"	means the joint venture agreement among CGA, SML, AFE and Katanga in respect of the Mkushi Copper Project;
"Mkushi Technical Report"	means the independent Technical Report Resource Estimate of the Mkushi Copper Project, Zambia dated August 2008 prepared by Mr Matthew Nimmo of Snowden Mining Industry Consultants;
"Mkushi Exploration Area"	means area outside the Mkushi Core Area;
"ML 41"	means Mining Lease 41 of the Segilola Gold Project;
"MOMMD"	means Ministry of Mines and Mineral Development in Zambia;

"MOU"	means a memorandum of understanding;
"Mountainside"	means Mountainside Investments Pty Ltd;
"Mugundi"	means Magundi Copper Mines and Minerals Limited;
"NAF"	means non-acid-forming;
"NI 43-101"	means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;
"NI 52-109"	means National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators;
"NI 52-110"	means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators;
"NMC"	means Nigeria Mining Corporation;
"Odessa"	means Odessa Resources Pty Ltd;
"Offering"	means the distribution of common shares of Ratel as specified in this prospectus;
"Offering Price"	means a price of Cdn.$0.20 per common share;
"Option Agreement"	means stock option certificate for options outstanding under the Stock Option Plan;
"PNL"	means Pineridge Nigeria Limited;
"President's List"	means a list of strategic investors, family members, friends and business associates of Ratel as determined by Ratel and the Agent;
"President's List Offer"	means the 10,000,000 Shares that will be offered pursuant to this prospectus to the President's List;
"Priority Offer"	means an offer whereby existing CGA Shareholders resident in the Eligible Jurisdictions will be given the opportunity to participate in the Base Offer on a pro-rata basis to their shareholdings in CGA based on the total number of CGA shares issued and outstanding as of 11 June 2010, subject to rejection or allotment, in whole or in part, by the Board of Directors of Ratel;
"Proposals"	means the specific proposals to amend the Tax Act and the regulations publicly announced by or on behalf of the Minister of Finance (Canada);
"QAQC"	means quality assurance and quality control;
"R"	means regression;
"RAP"	means Resettlement Action Plan;
"Ratel"	means Ratel Gold Limited;
"RC"	means Reverse Circulation;

"RCBC"	means Rhodesia-Congo Border Concession Company;
"Resolute"	means Resolute Limited;
"RQD"	means rock quality designation;
"SANAS"	means South African National Accreditation System;
"SEC"	means the United States Securities and Exchange Commission;
"SEDAR"	means the system for electronic document analysis and retrieval (SEDAR) at **www.sedar.com**;
"Segilola Gold Project"	means the Segilola gold project of the Company in Nigeria;
"Segilola JV"	means the joint venture agreement between SGL and TML in respect of the Segilola Gold Project;
"Segilola Technical Report"	means the independent Technical Report Resource Estimate of the Segilola Gold Project, Osun State, Nigeria dated 1 May 2010 prepared by Mr Alfred Gillman of Odessa Resources Pty Ltd;
"SGL"	means Segilola Gold Limited;
"SGS"	means the Ghanaian laboratory of Societe Generale de Surveillance SA;
"Shares"	means common shares of Ratel that are to be issued pursuant to the Offering;
"SML"	means Seringa Mining Limited;
"SMP"	means Social Management Plan;
"Snowden"	means Snowden Mining Industry Consultants;
"Spektra"	means Spektra Jeotek Sanayi Ve Ticaret A.S.;
"Square Bolt"	means Square Bolt Australia Pty Ltd;
"Stock Option Plan"	means the Stock Option Plan which has been approved by the Ratel's Board and shareholders;
"Tax Act"	means *Income Tax Act* (Canada);
"taxable capital gain"	means one-half of any capital gain under the Tax Act;
"TFSA"	means tax-free savings account under the Tax Act;
"TML"	means Tropical Mines Limited;
"TSF"	means Tailings Storage Facility of the Segilola Gold Project;
"TSX"	means the Toronto Stock Exchange;

"United States" or "US"	the United States of America, its territories or possessions, any state of the United States and the District of Columbia;
"VAT"	means value-added tax;
"WSD"	means Water Storage Dam of the Segilola Gold Project;
"Zambian Act"	means the *Mines and Minerals Development Act 2008* of Zambia;
"Zambian Mining"	means Zambian Mining Limited;
"Zambian Mining Loan Agreement"	means the Loan Agreement dated 1 June 2010 between Ratel and Zambian Mining; and
"ZCCM"	means Zambia Consolidated Copper Mines.

FINANCIAL STATEMENTS

RATEL GOLD LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

RATEL GOLD LIMITED
INTERIM FINANCIAL REPORT

FROM THE DATE OF INCORPORATION, 27 JANUARY 2010, TO 31 MARCH 2010

RATEL GOLD LIMITED

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RATEL GOLD LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the period from the date of incorporation, 27 January 2010, to 31 March 2010

	US$
Continuing Operations	
Profit from continuing operations	-
Income tax benefit	-
Profit for the period	-
Other comprehensive income for the period, net of income tax	-
Total comprehensive income for the period	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes

RATEL GOLD LIMITED

STATEMENT OF FINANCIAL POSITION
As at 31 March 2010

	Note	31 March 2010 US$
ASSETS		
Current Assets		
Cash	4	16,595
Total Current Assets		**16,595**
TOTAL ASSETS		**16,595**
TOTAL LIABILITIES		**-**
NET ASSETS		**16,595**
SHAREHOLDER'S EQUITY		-
Contributed equity	7	16,595
TOTAL SHAREHOLDER'S EQUITY		**16,595**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

RATEL GOLD LIMITED

STATEMENTS OF CASH FLOW
For the period from the date of incorporation, 27 January 2010, to 31 March 2010

	Note	2010 US$
Net cash outflow from operating activities		**-**
Net cash outflow from investing activities		**-**
Cash flows from financing activities		
Proceeds from the issue of share capital		16,565
Net cash inflow from financing activities		**16,565**
Net increase/(decrease) in cash and cash equivalents		16,565
Cash and cash equivalents at end of the financial year	**4**	**16,565**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

RATEL GOLD LIMITED

STATEMENT OF CHANGES IN EQUITY

For the period from the date of incorporation, 27 January 2010, to 31 March 2010

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 27 January 2010	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**-**
Issue of share capital	**16,565**	**-**	**16,565**
At 31 March 2010	**16,565**	**-**	**16,565**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

RATEL GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM THE DATE OF INCORPORATION, 27 JANUARY 2010, TO 31 MARCH 2010

1. CORPORATE INFORMATION

The condensed interim financial report of Ratel Gold Limited ("the Company", "Ratel") as at 31 March 2010 and for the period from 27 January 2010 to 31 March 2010 ("the period") were authorised for issue in accordance with a resolution of directors on 1 June 2010.

The Company was incorporated on 27 January 2010 in the British Virgin Islands. Its registered address is Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110 British Virgin Islands. The Entity's ultimate parent company is CGA Mining Limited ("CGA"). CGA is a company limited by shares incorporated in Australia whose shares are publicly traded on both the Australian and Toronto Stock Exchanges.

The principal activity of the Entity is as a holding company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed interim financial report has been prepared as a general purpose financial report.

The condensed interim financial report has been prepared on a historical cost basis and are presented in United States Dollars (US$).

(b) Going concern

The Directors have prepared the financial statement on a going concern basis. At the date of signing the financial report the Directors believe that the company can continue as a going concern. In adopting the going concern basis the Directors have considered the following:

Subsequent to 31 March 2010, Ratel Gold Limited has agreed to acquire a 100% interest in Zambian Mining Limited and CGX Limited.

CGA Mining Limited, has agreed to provide additional funding as required to Ratel Gold Limited to enable the company and its controlled entities to operate and meet their respective obligation for a period of the earliest of 12 months from the date of approval of these financial statements or up to the date of Ratel Gold Limited successfully completing the proposed capital raising of up to C$14,000,000 (gross) on the Toronto Stock Exchange.

(c) Statement of compliance

The condensed interim financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

(d) New and revised accounting standards and interpretations

From the date of incorporation the Company has adopted all the Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009, including:

- IFRS 8 (Operating Segment). This standard requires disclosure of information about the Entity's operating segments.

- IFRS 2 (Share-based Payment) – Vesting Conditions and Cancellations (Amendment). The amendment to the standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.

– IAS 1 (Presentation of Financial Statements (Revised)). The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Entity has elected to present one single statement.

The Entity has not elected to early adopt any new standards or amendments.

(e) Significant accounting estimates and assumptions

In the process of applying the Entity's accounting policies, judgements applied are disclosed in the appropriate policy notes.

Summary of significant accounting policies

The accounting policies adopted by the Company are set out below

(f) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office, plant and equipment – over 1 to 10 years

De-recognition and Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

(g) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry–forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are recognised at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and the same taxation authority.

(h) Other taxes

Revenues, expenses and assets are recognized net of the amount of goods and services tax ("GST" or "VAT"), except where the amount of GST or VAT incurred is not recoverable from the relevant taxation authorities, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST or VAT included.

The net amount of GST or VAT recoverable from, or payable to, the relevant taxation authorities is included as a receivable or payable in the statement of financial performance.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST or VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST or VAT recoverable from, or payable to, the taxation authority.

(i) Exploration and evaluation

Exploration and evaluation expenditure is written off as incurred, except for acquisition costs and where an area of interest is established.

Exploration assets acquired from a third party are carried forward provided that either i) the carrying value is expected to be recouped through the successful development and exploitation or sale of an area of interest or ii) exploitation and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in relation to

the area are continuing and the rights of the tenure are current. If capitalised exploration and evaluation costs do not meet either of these tests, they are expensed to the profit and loss.

An area of interest is established where a discovery of economically recoverable resource is made. The area of interest will be established as a mineral project. All activity relating to the area of interest is then subsequently capitalised. Where development is anticipated, costs will be carried forward until the decision to develop is made.

Each area of interest is reviewed at least bi-annually to determine whether it is appropriate to continue to carry forward the capitalised costs.

Upon approval for the development of an area of interest, accumulated expenditure for the area of interest is transferred to capitalised development expenditure.

(j) Foreign currency translation

Both the functional currency and presentation currency of the Company is United States dollars (US$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(k) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to reporting date. Employee entitlements expected to be settled within one year have been measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit valuation method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

(l) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(m) Cash and cash equivalents

Cash and short term deposits in the statement of financial performance include cash at bank and short term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents include cash and cash equivalents defined above, net of outstanding bank overdrafts.

(n) Share capital

Share capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Impairment of assets

The Entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Entity makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependant of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the statement of comprehensive income.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is represented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) Trade and other receivables

Trade receivables, which generally have 30 day terms are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(r) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(s) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Entity as a lessee
Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(t) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

(u) Revenue recognition

Interest revenue

Revenue is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset

3. INCOME TAX BENEFIT

The Company is incorporated in the British Virgin Islands and holds its registered office there, however it is expected that it will be deemed an Australian resident for tax purposes due to the location of its central management and control.

The major components of income tax benefit are:

Income Statement	**2010 US$**
Current income tax	-
Current income tax charge	-
Deferred Income tax	-
Income tax benefit reported in the income statement	-

4. CASH

	2010 US$
Cash at bank	16,565

5. EVENTS AFTER BALANCE SHEET DATE

Subsequent to 31 March 2010, the Company has acquired a 100% interest in Zambian Mining Limited and CGX Limited. The entities were acquired from Zambian Holdings Pty Ltd and CGX Holdings Pty Ltd, both 100% owned subsidiaries of CGA Mining Limited. CGA Mining Limited is also the ultimate parent of Ratel Gold Limited.

The acquisition was effective 1 June 2010 and the consideration paid for Zambian Mining Limited was $2 and CGX Limited $2. In addition the company assumed the liabilities owed by Zambian Mining Limited and CGX Limited to CGA Mining Limited. The company has elected to apply the 'pooling of interest' method to account for the combinations.

At 31 March 2010, being the most recent available financial information, Zambian Mining Limited had consolidated assets of $272,156 and consolidated liabilities of $11,209,378 and CGX Limited had consolidated assets of $172,484 and consolidated liabilities of $7,877,822.

Ratel has entered into the Kankanfrasi Option Agreement (the "Kankanfrasi Option") dated 27 May 2010 with Central Asia Minerals Limited ("CAML") to acquire 100% of its interest in CAML Ghana Limited, the company holding a 51% interest in the Kankanfrasi Gold Project in Ghana. The Kankanfrasi concession, covering approximately 130 km2, is located 13 km west of the Ashanti Gold Mine at Obuasi, in the highly prospective central Ashanti Province of Ghana. Exercise of the Kankanfrasi Option is conditional on amongst other things, satisfactory completion of due diligence by Ratel and the successful listing of Ratel on the Toronto Stock Exchange ("TSX"). If the Kankanfrasi Option is exercised, the purchase consideration will be satisfied by an issue of 2,500,000 common shares. The Kankanfrasi concession is an early stage exploration property in Ghana and CAML Ghana Limited has a commitment to spend approximately US$1.1 million on exploration activities in two stages, a portion of which has already been spent and up to US$2.5m on deferred purchase consideration, subject to satisfaction of various conditions.

6. ULTIMATE PARENT

CGA Mining Limited is the ultimate parent entity of the group which was incorporated in Australia and owns 100% of the Company.

7. ISSUED CAPITAL

	2010 Number	2010 US$
Issued and paid up capital:	17,500,000	16,565

14,906,367 fully paid ordinary shares were issued at the incorporation of the Company on 27 January 2010. An additional 2,593,633 shares were issued on 31 March 2010.

Fully paid ordinary 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

8. RELATED PARTY DISCLOSURE

Controlling entity

The ultimate controlling entity in the wholly owned group is CGA Mining Limited.

9. Commitment and contingencies

The company did not have any outstanding commitments or contingencies at 31 March 2010.

RATEL GOLD LIMITED

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Ratel Gold Limited, I state that:

In the opinion of the Directors:

(a) the financial statements of the Entity:

(i) give a true and fair view of the Entity's financial position as at 31 March 2010 and of its performance for the period 27 January 2010 to 31 March 2010; and

(ii) comply with IAS 34 *Interim Financial Reporting*; 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.

"Michael Carrick"

MICHAEL CARRICK
Director

Perth, 1 June 2010

Independent auditor's report to the Board of Directors of Ratel Gold Limited

We have audited the accompanying interim financial report of Ratel Gold Limited, prepared for the purposes of complying with Canadian securities regulatory requirements, which comprises the statement of financial position of Ratel Gold Limited as at 31 March 2010 and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from its date of incorporation on 27 January 2010 to 31 March 2010, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with International Accounting Standard 34 *Interim Financial Reporting*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Australian and international professional ethical pronouncements.

Auditor's Opinion

In our opinion, the interim financial report of Ratel Gold Limited, prepared for the purposes of complying with Canadian securities regulatory requirements, presents fairly, in all material respects, the financial position of Ratel Gold Limited at 31 March 2010 and of its financial performance and cash flows for the period from its incorporation on 27 January 2010 to 31 March 2010 in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

(signed) "Ernst & Young"

Ernst & Young
Perth, Australia
1 June 2010

Auditor's Report in Respect of Compatibility with Canadian GAAS

To the Board of Directors of Ratel Gold Limited

In accordance with the requirement contained in National Instrument 52-107, we report below on the compatibility of Canadian Generally Accepted Auditing Standards ("Canadian GAAS") and International Standards on Auditing.

We conducted our audit for the period from incorporation, 27 August 2010, to 31 March 2010 in accordance with International Standards on Auditing. There are no material differences in the form or content of our report as compared to an auditor's report prepared in accordance with Canadian GAAS and if this report was prepared in accordance with Canadian GAAS it would not contain a reservation.

(signed) "Ernst & Young"

Ernst & Young
Perth, Australia
1 June 2010

ZAMBIAN MINING LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

ZAMBIAN MINING LIMITED
INTERIM FINANCIAL STATEMENTS

FOR THE INTERIM PERIOD ENDED 31 MARCH 2010

ZAMBIAN MINING LIMITED

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ZAMBIAN MINING LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three and nine months ended 31 March

	Note	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Continuing Operations					
Revenue	**3**	2,888	-	531	51
Exploration and evaluation expenditure	**4**	(322,124)	(83,545)	(2,217,938)	(165,611)
Foreign exchange gains/(losses)		(8,640)	(1,005)	84,077	(23,006)
Administrative expenses		(8,607)	(946)	(34,881)	(3,664)
Loss from continuing operations		**(336,483)**	**(85,496)**	**(2,168,211)**	**(192,230)**
Income tax benefit	**5**	-	-	-	-
Loss for the period		**(336,483)**	**(85,496)**	**(2,168,211)**	**(192,230)**
Other comprehensive (loss)/income for the period, net of income tax		-	-	-	-
Total comprehensive income for the period		**(336,483)**	**(85,496)**	**(2,168,211)**	**(192,230)**
Loss attributable to:					
Owners of the Company		**(336,483)**	**(85,496)**	**(2,168,211)**	**(192,230)**
Total comprehensive loss attributable to:					
Owners of the Company		**(336,483)**	**(85,496)**	**(2,168,211)**	**(192,230)**

The above consolidated Income Statements should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31 March 2010 US$	30 June 2009 US$
ASSETS			
Current Assets			
Cash and cash equivalents	**6**	5,084	29,989
Trade and other receivables	**7**	219,905	201,055
Total Current Assets		**224,989**	**231,044**
Non-Current Assets			
Property, plant and equipment	**8**	47,167	54,742
Total Non-Current Assets		**47,167**	**54,742**
TOTAL ASSETS		**272,156**	**285,786**
LIABILITIES			
Current Liabilities			
Payables		(6,324)	-
Loans	**9**	(11,203,054)	(10,886,525)
Total Current Liabilities		**(11,209,378)**	**(10,886,525)**
TOTAL LIABILITIES		**(11,209,378)**	**(10,886,525)**
NET LIABILITIES		**(10,937,222)**	**(10,600,739)**
SHAREHOLDERS DEFICIT			
Issued Capital	**12**	2	2
Accumulated losses		(10,937,224)	(10,600,741)
TOTAL SHAREHOLDER'S DEFICIT		**(10,937,222)**	**(10,600,739)**

The above Balance Sheets should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the three and nine months ended 31 March

	Note	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Cash flows from operating activities					
Payments to suppliers and employees		(344,148)	(78,796)	(2,159,162)	(170,215)
Interest received		2,888	-	531	51
Net cash outflow from operating activities	**6(a)**	**(341,260)**	**(78,796)**	**(2,158,631)**	**(170,164)**
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		10,309	-	-	-
Payments for property, plant and equipment		(10,483)	-	(1,801)	-
Net cash inflow/(outflow) from investing activities		**(174)**	**-**	**(1,801)**	**-**
Cash flows from financing activities					
Loans from parent		316,529	60,810	2,190,496	108,312
Net cash inflow from financing activities		**316,529**	**60,810**	**2,190,496**	**108,312**
Net increase / (decrease) in cash and cash equivalents		(24,905)	(17,986)	30,064	(61,852)
Cash and cash equivalents at beginning of financial year		29,989	23,070	4,909	96,825
Cash and cash equivalents at end of the financial period	**6**	**5,084**	**5,084**	**34,973**	**34,973**

The above Cash Flow Statements should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 March 2010

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2009	**2**	**(10,600,741)**	**(10,600,739)**
Loss for the period		(336,483)	(336,483)
Total comprehensive income /(loss) for the period	**-**	**(336,483)**	**(336,483)**
At 31 March 2010	**2**	**(10,937,224)**	**(10,937,222)**

F **or the nine months ended 31 March 2009**

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2008	**2**	**(8,566,984)**	**(8,566,982)**
Loss for the period		(2,168,211)	(2,168,211)
Total comprehensive income /(loss) for the period	**-**	**(2,168,211)**	**(2,168,211)**
At 31 March 2009	**2**	**(10,735,195)**	**(10,735,193)**

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

The condensed consolidated interim financial statements of Zambian Mining Limited ("the Company") as at and for the nine months period ended 31 March 2010 was authorised for issue in accordance with a resolution of directors on 31 May 2010.

The Company was incorporated in British Virgin Islands on 22 August 2006. The address of the Company's registered office is Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110 British Virgin Islands. The Consolidated Entity's ultimate parent company is CGA Mining Limited ("CGA"). CGA is a company limited by shares incorporated in Australia whose shares are publicly traded on both the Australian and Toronto Stock Exchanges.

The principal activity of the Consolidated Entity is mineral exploration and development.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed consolidated interim financial statements have been prepared as a general purpose financial report.

The condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in United States Dollars (US$).

Going concern:

The Directors have prepared the financial statement on a going concern basis. At the date of signing the financial report the Directors believe that the company can continue as a going concern. In adopting the going concern basis the Directors have considered the following:

Subsequent to 31 March 2010, Ratel Gold Limited has agreed to acquire a 100% interest in Zambian Mining Limited.

Ratel Gold has agreed to provide additional funding as required to allow the company to continue to operate as a going concern.

CGA Mining Limited, has also agreed to provide additional funding as required to Ratel Gold Limited to enable the company and its controlled entities to operate and meet their respective obligation for a period of the earliest of 12 months from the date of approval of these financial statements or up to the date of Ratel Gold Limited successfully completing the proposed capital raising of up to C$14,000,000 (gross) on the Toronto Stock Exchange..

(b) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the condensed consolidated interim financial statement is read in conjunction with the annual financial statements for the year ended 30 June 2009.

Except as disclosed below, the accounting policies applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2009.

(c) New and Revised Accounting Standards and Interpretations

From 1 July 2009 the Consolidated Entity has adopted all the Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009, including:

- IFRS 8 (Operating Segment). This standard requires disclosure of information about the Consolidated Entity's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Consolidated Entity. The adoption of this standard did not have any effect on the financial position or performance of the Consolidated Entity.

- IFRS 2 (Share-based Payment) – Vesting Conditions and Cancellations (Amendment). The standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this standard did not have any effect on the financial position or performance of the Consolidated Entity.

- IAS 1 (Presentation of Financial Statements (Revised)). The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Consolidated Entity has elected to present one single statement.

- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial. IFRS 3 (Revised) introduces significant changes in the accounting for business combinations. The revised standard requires the use of the acquisition method of accounting for business combinations. Changes affect the accounting for transactions costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

  IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction cost with owners in their capacity as owners. Therefore such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

  The change in accounting policy was applied prospectively.

- Improvements to International Financial Reporting Standards. Adoption of these improvements to International Financial Reporting Standards did not have any effect on the financial position or performance of the Consolidated Entity.

The Group has not elected to early adopt any new standards or amendments.

3. OTHER REVENUE

	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Interest income	-	-	531	51
Other income	2,888	-	-	-
	2,888	-	531	51

4. EXPLORATION AND EVALUATION EXPENDITURE

	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Wages and salaries	121,909	32,747	394,788	34,675
Consultants fees	28,464	6,160	94,224	11,498
Motor vehicle expenses	12,060	4,461	112,810	4,343
Travel expenses	27,165	13,425	53,185	281
Bankable feasibility study costs	27,565	-	1,020,222	16,315
Depreciation expense	7,749	5,327	8,111	4,055
Other	97,212	21,425	534,598	94,443
	322,124	83,545	2,217,938	165,611

5. INCOME TAX BENEFIT

The major components of income tax benefit are:

Income Statement	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Income tax expense / (benefit)	-	-	-	-
Current income tax charge	-	-	-	-
Deferred Income tax	-	-	-	-
Income tax benefit reported in the income statement	-	-	-	-

6. CASH AND CASH EQUIVALENTS

	2010 US$	2009 US$
Cash at bank	4,243	28,235
Cash on hand	841	1,754
	5,084	29,989

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

(a) Reconciliation to Cash Flow Statement

	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Reconciliation of net loss after tax to net cash flows from operations				
Net loss after related income tax	(336,483)	(85,496)	(2,168,211)	(192,230)
Adjustment for non-cash income and expense items:				

Unrealised foreign exchange (gains)/losses	-	(2,165)	-	13,490
Depreciation	7,749	5,327	8,111	4,055
Changes in assets and liabilities:				
(Increase) /decrease in trade and other receivables	(18,850)	5,861	2,185	3,806
(Increase) /decrease in payables	6,324	(2,324)	(716)	715
Net cash outflow from operating activities	(341,260)	(78,796)	(2,158,631)	(170,164)

7. TRADE AND OTHER RECEIVABLES

	2010 US$	2009 US$
VAT and GST	219,905	201,055

Receivables are non-interest bearing and are generally on 30-90 day terms. There are no receivables past due or impaired. It is expected that these receivables will be received when due.

8. PROPERTY AND EQUIPMENT

	2010 US$	2009 US$
Balance at 1 July	54,742	68,883
Additions	174	6,155
Disposals	-	(10,309)
Depreciation	(7,749)	(9,987)
Balance at 31 March / 30 June	47,167	54,742
Total accumulated costs	56,051	66,903
Total accumulated depreciation	(8,884)	(12,161)
Total net book value	47,167	54,742

9. INTERCOMPANY LOANS

	2010 US$	2009 US$
Loans from parent entity	11,203,054	10,886,525

The Company received loans from its ultimate parent company CGA Mining Limited advanced on short term inter-company accounts.

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.

10. EVENTS AFTER BALANCE SHEET DATE

There have been no significant events subsequent to balance date.

11. ULTIMATE PARENT

CGA Mining Limited is the ultimate parent entity of the group which was incorporated in Australia and owns 100% of the Company.

12. ISSUED CAPITAL

	2010 Number	2010 US$	2009 Number	2009 US$
Issued and paid up capital:	2	2	2	2

No shares have been issued during the period ended 31 March 2010 (2009:nil).

The company is authorised to issue an unlimited number of Shares of no par value of a single class.

13. RELATED PARTY DISCLOSURE

The consolidated entity consists of Zambian Mining Limited and its subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest (%)		Investment (US$)	
		2010	2009	2010	2009
Controlled Entities					
Seringa Mining Ltd	Zambia	100	100	-	-
Mkushi Copper Joint Venture Co Ltd	Zambia	51	51	-	-
				-	-

(a) Controlling entity

The ultimate controlling entity in the wholly owned group is CGA Mining Limited.

(b) Other transactions with related parties

Transactions with Related Parties

During the nine months ended 31 March 2010, the Company entered into transactions with related parties in the wholly-owned group:

- loans were advanced on short term inter-company accounts;

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.

14. Commitment and contingencies

The Company did not have any outstanding commitments or contingencies requiring disclosure as at 31 March 2010.

15. SEGMENT INFORMATION

For management purposes, the Group is organised into one main operating segment, which involves mineral exploration in Zambia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board of Directors (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

ZAMBIAN MINING LIMITED

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Zambian Mining Limited, I state that:

In the opinion of the Directors:

(a) the financial statements of the Consolidated Entity:

(i) give a true and fair view of the Consolidated Entity's financial position as at 31 March 2010 and of its performance for nine month period ended on that date; and

(ii) comply with IAS 34 *Interim Financial Reporting*; 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.

"Michael Carrick"

MICHAEL CARRICK
Director

Perth, 31 May 2010

ZAMBIAN MINING LIMITED
ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

ZAMBIAN MINING LIMITED

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ZAMBIAN MINING LIMITED

CONSOLIDATED INCOME STATEMENTS

	Note	Year ended 30 June 2009	Year ended 30 June 2008	Period from Incorporation on 22 August 2006 to 30 June 2007
		US$	US$	US$
Continuing Operations				
Revenue	**3**	531	1,354	213
Exploration and evaluation expenditure	**4**	(2,098,883)	(5,611,754)	(2,460,843)
Foreign exchange gains/(losses)		85,010	(441,121)	3,403
Administrative expenses		(20,415)	(39,977)	(18,259)
Loss from continuing operations before income tax expense		**(2,033,757)**	**(6,091,498)**	**(2,475,486)**
Income tax benefit	**5**	-	-	-
Loss from continuing operations after income tax		**(2,033,757)**	**(6,091,498)**	**(2,475,486)**

The above consolidated Income Statements should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

CONSOLIDATED BALANCE SHEETS

	Note	30 June 2009 US$	30 June 2008 US$	30 June 2007 US$
ASSETS				
Current Assets				
Cash and cash equivalents	**6**	29,989	4,909	123,901
Trade and other receivables	**7**	201,055	207,770	300,696
Total Current Assets		**231,044**	**212,679**	**424,597**
Non-Current Assets				
Property, plant and equipment	**8**	54,742	68,883	28,081
Total Non-Current Assets		**54,742**	**68,883**	**28,081**
TOTAL ASSETS		**285,786**	**281,562**	**452,678**
LIABILITIES				
Current Liabilities				
Payables		-	(236,947)	(21,012)
Loans	**9**	(10,886,525)	(8,611,597)	(2,907,150)
Total Current Liabilities		**(10,886,525)**	**(8,848,544)**	**(2,928,162)**
TOTAL LIABILITIES		**(10,886,525)**	**(8,848,544)**	**(2,928,162)**
NET LIABILITIES		**(10,600,739)**	**(8,566,982)**	**(2,475,484)**
SHAREHOLDERS DEFICIT				
Issued Capital	**12**	2	2	2
Accumulated losses		(10,600,741)	(8,566,984)	(2,475,486)
TOTAL SHAREHOLDER'S DEFICIT		**(10,600,739)**	**(8,566,982)**	**(2,475,484)**

The above Balance Sheets should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

CONSOLIDATED CASH FLOW STATEMENTS

	Note	Year ended 30 June 2009 US$	Year ended 30 June 2008 US$	Period from Incorporation on 22 August 2006 to 30 June 2007 US$
Cash flows from operating activities				
Payments to suppliers and employees		(2,254,533)	(5,772,185)	(2,753,989)
Interest received		531	1,354	213
Net cash outflow from operating activities	**6(a)**	**(2,254,002)**	**(5,770,831)**	**(2,753,776)**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		10,309	-	-
Payments for property, plant and equipment		(6,155)	(52,608)	(29,475)
Net cash outflow from investing activities		**4,154**	**(52,608)**	**(29,475)**
Cash flows from financing activities				
Proceeds from issue of share capital		-	-	2
Loans from parent		2,274,928	5,704,447	2,907,150
Net cash inflow from financing activities		**2,274,928**	**5,704,447**	**2,907,152**
Net increase/(decrease) in cash and cash equivalents		25,080	(118,992)	123,901
Cash and cash equivalents at beginning of financial year		4,909	123,901	-
Cash and cash equivalents at end of the financial year	**6**	**29,989**	**4,909**	**123,901**

The above Cash Flow Statements should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2009

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2008	**2**	**(8,566,984)**	**(8,566,982)**
Loss for the period	-	(2,033,757)	(2,033,757)
Total income and expense for the period	**-**	**(2,033,757)**	**(2,033,757)**
At 30 June 2009	**2**	**(10,600,741)**	**(10,600,739)**

For the year ended 30 June 2008

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2007	**2**	**(2,475,486)**	**(2,475,484)**
Loss for the period	-	(6,091,498)	(6,091,498)
Total income and expense for the period	**-**	**(6,091,498)**	**(6,091,498)**
At 30 June 2008	**2**	**(8,566,984)**	**(8,566,982)**

For the period from the date of incorporation 22 August 2006 to 30 June 2007

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
Loss for the period	-	(2,475,486)	(2,475,486)
Total income and expense for the period	**-**	**(2,475,486)**	**(2,475,486)**
Issue of share capital	2	**-**	**2**
At 30 June 2007	**2**	**(2,475,486)**	**(2,475,484)**

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

The financial statements of Zambian Mining Limited (”the Company”) for the year ended 30 June 2009 were authorised for issue in accordance with a resolution of directors on 31 May 2010.

The Company was incorporated in British Virgin Islands on 22 August 2006. The address of the Company’s registered office is Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110 British Virgin Islands. The Consolidated Entity’s ultimate parent company is CGA Mining Limited (“CGA”). CGA is a company limited by shares incorporated in Australia whose shares are publicly traded on both the Australian and Toronto Stock Exchanges.

The principal activity of the Consolidated Entity is mineral exploration and development, primarily through the Mkushi Copper Project in Zambia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements cover the twelve-month periods ended 30 June 2009 and 2008 and the period from date of incorporation, 22 August 2006, to 30 June 2007.

The financial statements have been prepared as a general purpose financial report.

The financial statements have been prepared on a historical cost basis and are presented in United States Dollars (US$).

(b) Statement of compliance

The financial statements comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

(c) New and amending Accounting Standards and Interpretations

In the current year, the Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the International Accounting Standards Boards (the “IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) that are relevant to its operations and effective for accounting periods beginning on 1 July 2008 including:

- Amendments to IAS 39, *Financial Instruments Recognition and Measurement*, and IFRS 7, *Financial Instruments Disclosure – Reclassification of Financial Assets*;
- IFRIC 4 (revised) *Determining Whether an Arrangement Contains a Lease*.

The adoption of these new and revised Standards and Interpretations had no material effect on the profit and loss or financial position of the group.

Certain International Financial Reporting Standards and IFRIC Interpretations have recently been issued or amended but are not yet effective for the annual reporting period ended on 30 June 2009. The directors have not early adopted any of these new standards or amended standards or interpretations as follows:

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
IFRS 8	Operating Segments and consequential amendments to other International Accounting Standards	New Standard replacing IAS 14 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	The new standard is not expected to impact the Group	1 July 2009
IAS 23 (Revised)	Borrowing Costs and consequential amendments to other International Accounting Standards	The amendments to IAS 23 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	The revised standard is not expected to impact the Group as it was already the Group's policy to capitalise borrowing costs associated with qualifying assets.	1 July 2009
IAS 1 (Revised)	Presentation of Financial Statements and consequential amendments to other International Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	The new statement of comprehensive income will set out the result for the Group for the reporting period plus other movements in retained earnings and reserves.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
IFRS 2 Amendments	Amendments to International Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of "vesting conditions", introducing the term "non-vesting conditions" for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The new standard is not expected to impact the Group	1 July 2009
IAS 32 Amendments	Amendments to International Accounting Standards – Financial Instruments Presentation: Puttable Financial Instruments and Obligations arising on Liquidation	The amendments provide a limited exception to the definition of a liability so as to allow an entity that issues puttable financial instruments with certain specified features, to classify those instruments as equity rather than financial liabilities.	1 January 2009	The interpretation is not expected to impact the Group, as changes are applied prospectively	1 July 2009
IFRS 3 (Revised)	Business Combinations	The revised Standard introduces a number of changes to the accounting for business combinations, the most significant of which includes the requirement to have to expense transaction costs and a choice (for each business combination entered into) to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets.	1 July 2009	As changes are applied prospectively , the new standard is not expected to impact the Group on adoption	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.			
IAS 27 (Revised)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to IAS 27 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the	1 July 2009	The new standard is not expected to impact the Group	1 July 2009
IAS 27 (Revised) (continued)		ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.			
IFRS Annual Improvement Project	Amendments to International Accounting Standards arising from the Annual Improvements Project [IFRS 5, IAS 1, 16, 19, 20, 23, 27, 28, 29, 31, 36, 38, 39, 40 and 41]	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal	1 January 2009	The Group is currently reviewing any potential impact.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		impact. This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].			
IFRS Annual Improvement Project	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [IFRS 2 and 8, IAS 1, 7, 17, 18, 36, 38, 39, IFRIC 9 and 16]	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer above for more details.	1 July 2009	The Group is currently reviewing any potential impact.	1 July 2009
IAS 27	Amendments to IAS 27 – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance are those made to IAS 27 deleting the "cost method" and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised	1 January 2009	The Group is currently reviewing any potential impact	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. IAS 27 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.			
IAS 39 Amendments	Amendments to International Accounting Standards – Financial Instruments Recognition and Measurement - Eligible Hedged Items	The amendment to IAS 39 clarifies how the principles underlying hedge accounting should be applied when (i) a one-sided risk in a hedged item is being hedged and (ii) inflation in a financial hedged item existed or was likely to exist.	1 July 2009	As the Group does not currently undertake hedging transactions, these amendments are not expected to impact the Group	1 July 2009
IFRS 7	Amendments to International Accounting Standards – Improving Disclosures about Financial	The main amendment to IFRS 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: ► quoted prices	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April	The amendments to IFRS 7 are of a disclosure nature only and accordingly	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
	Instruments	(unadjusted) in active markets for identical assets or liabilities (Level 1); ► inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and ► inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* by the IASB in March 2009. The amendments to IFRS 4, IAS 23 and IAS 38 comprise editorial changes resulting from the amendments to IFRS 7.	2009.	will not impact the Group's results or financial position.	
IFRIC 15	Agreements for the Construction of Real Estate	This interpretation requires that when the real estate developer is providing construction services to the buyer's specifications, revenue can be recorded only as construction progresses. Otherwise, revenue should be recognised on	1 January 2009	The interpretation is not expected to impact the Group	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		completion of the relevant real estate unit.			
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	This interpretation requires that the hedged risk in a hedge of a net investment in a foreign operation is the foreign currency risk arsing between the functional currency of the net investment and the functional currency of any parent entity. This also applies to foreign operations in the form of joint ventures, associates or branches.	1 October 2008	The interpretation is not expected to impact the Group	1 July 2009
IFRIC 17	Distributions of Non-Cash Assets to Owners and consequential amendments to International Accounting Standards IFRS 5 and IAS 10	This interpretation outlines how an entity should measure distributions of assets, other than cash, as a dividend to its owners acting in their capacity as owners. This applies to transactions commonly referred to as spin-offs, split offs or demergers and in-specie distributions.	1 July 2009	The interpretation is not expected to impact the Group	1 July 2009
IFRIC 18	Transfer of Assets from Customers	This interpretation provides guidance on the transfer of assets such as items of property, plant and equipment or transfers of cash received from customers. The Interpretation provides guidance on when and how an entity should recognise such assets and discusses the timing of revenue recognition for such arrangements and	Applies prospectively to transfer of assets from customers received on or after 1 July 2009.	The interpretation is not expected to impact the Group	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		requires that once the asset meets the condition to be recognised at fair value, it is accounted for as an 'exchange transaction'. Once an exchange transaction occurs the entity is considered to have delivered a service in exchange for receiving the asset.			
IFRIC 18 (continued)		Entities must identify each identifiable service within the agreement and recognise revenue as each service is delivered.			
IFRS 5, IFRS 7, IAS 7, IAS 12, IAS 36 & IAS 39 and IFRIC 17 amendments	Amendments to International Financial Reporting Standards	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	The amendments are not expected to impact the Group	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
IFRS 2	Amendments to IFRS 2	The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular: ► the scope of IFRS 2; and ► the interaction between IFRS 2 and other standards. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. A "group" has the same meaning as in IAS 27 *Consolidated and Separate Financial Statements*, that is, it includes only a parent and its subsidiaries. The amendments also incorporate guidance previously included in IFRIC 8 *Scope of IFRS 2* and IFRIC 11 *IFRS 2—Group and Treasury Share Transactions*. As a result, IFRIC 8 and IFRIC 11 have been withdrawn.	1 January 2010	The amendments are not expected to impact the Group.	1 July 2010

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
IFRS 9	Financial Instruments	IFRS 9 includes requirements for the classification and measurement of financial assets resulting from the first part of phase 1 of the IASB's project to replace IAS 39 Financial Instruments: recognition and measurement. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of IAS 39.	1 January 2015	The Group has not yet determined the extent of the impact of the new standard, if any.	1 July 2015

(d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its controlled entities, referred to collectively throughout these financial statements as the "Consolidated Entity" or the "Group", as at 30 June each year. Transactions between companies within the Consolidated Entity have been eliminated on consolidation.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

(e) Significant accounting estimates and assumptions

Judgements applied in the process of applying the Group's accounting policies, are disclosed in the appropriate accounting policy notes.

(f) Going Concern – Economic Dependency

The Directors have prepared the financial statements on a going concern basis. At the date of signing the financial report the Directors believe that the company can continue as a going concern. In adopting the going concern basis the Directors have considered the following:

Subsequent to 30 June 2009, Ratel Gold Limited has agreed to acquire a 100% interest in Zambian Mining Limited.

(f) Going Concern – Economic Dependency (continued)

CGA Mining Limited has agreed to provide additional funding as required by Ratel Gold Limited to enable the company and any controlled entities to operate and meet their
respective obligations for a period of the earliest of 12 months from the date of approval of these financial statements or to the date of Ratel Gold Limited successfully completing the proposed capital raising of up to C$14,000,000 (gross) on the Toronto Stock Exchange.

Ratel Gold Limited has agreed to provide additional funding as required to allow the company to continue to operate as a going concern.

(g) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office, plant and equipment – over 1 to 10 years

De-recognition and Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(h) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry–forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

(h) Income tax (continued)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are recognised at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and the same taxation authority.

(i) Other taxes

Revenues, expenses and assets are recognized net of the amount of goods and services tax ("GST" or "VAT"), except where the amount of GST or VAT incurred is not recoverable from the relevant taxation authorities, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST or VAT included.

The net amount of GST or VAT recoverable from, or payable to, the relevant taxation authorities is included as a receivable or payable in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST or VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST or VAT recoverable from, or payable to, the taxation authority.

(j) Exploration and evaluation

Exploration and evaluation expenditure is written off as incurred, except for acquisition costs and where an area of interest is established.

Exploration assets acquired from a third party are carried forward provided that either i) the carrying value is expected to be recouped through the successful development and exploitation or sale of an area of interest or ii) exploitation and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in relation to the area are continuing and the rights of the tenure are current. If capitalised exploration and evaluation costs do not meet either of these tests, they are expensed to the profit and loss.

An area of interest is established where a discovery of economically recoverable resource is made. The area of interest will be established as a mineral project. All activity relating to the area of interest is then subsequently capitalised. Where development is anticipated, costs will be carried forward until the decision to develop is made.

Each area of interest is reviewed at least bi-annually to determine whether it is appropriate to continue to carry forward the capitalised costs.

(j) Exploration and evaluation

Upon approval for the development of an area of interest, accumulated expenditure for the area of interest is transferred to capitalised development expenditure.

(k) Foreign currency translation

Both the functional currency and presentation currency of the Company is United States dollars (US$) (2008: United States dollars US$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(k) Foreign currency translation (continued)

The functional currency of the foreign operations, Seringa Mining Limited and Mkushi Copper Joint Venture Co Limited, is United States dollars (US$).

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(l) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to reporting date. Employee entitlements expected to be settled within one year have been measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit valuation method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

(m) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Cash and cash equivalents

Cash and short term deposits in the balance sheet include cash at bank and short term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents include cash and cash equivalents defined above, net of outstanding bank overdrafts.

(o) Share capital

Share capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependant of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is represented in the income statement net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(r) Trade and other receivables

Trade receivables, which generally have 30 day terms are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(s) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(t) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(u) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

(v) Revenue Recognition

Interest Revenue

Revenue is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

3. REVENUE

	2009 US$	2008 US$	2007 US$
Interest income	531	1,354	213
	531	1,354	213

4. EXPLORATION AND EVALUATION EXPENDITURE

	2009 US$	2008 US$	2007 US$
Wages and salaries	426,324	595,428	256,630
Consultants fees	100,244	1,296,751	178,628
Travel	60,427	131,106	46,756
Bankable feasibility study costs	1,001,363	-	-
Assay and drilling costs	25,481	2,613,568	1,837,099

	2009 US$	2008 US$	2007 US$
Depreciation expense	9,987	11,806	1,394
Other	475,057	963,095	140,336
	2,098,883	5,611,754	2,460,843

5. INCOME TAX BENEFIT

The major components of income tax benefit are:

Income Statement	2009 US$	2008 US$	2007 US$
Income tax expense / (benefit)	-	-	-
Current income tax charge	-	-	-
Deferred Income tax	-	-	-
Income tax benefit reported in the income statement	-	-	-

A reconciliation between tax benefit and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

	2009 US$	2008 US$	2007 US$
Accounting loss before income tax	(2,033,757)	(6,091,498)	(2,475,486)
At the Company's statutory income tax rate of 35% (2008: 35%, 2007: 35%)	(711,815)	(2,132,024)	(866,420)
Expenditure not deductible for income tax purposes	-	5	316
Unrecognised tax losses	711,815	2,132,019	866,104
Income tax benefit reported in the consolidated income statement	-	-	-

Deferred income tax at 30 June relates to the following:			
(i) Deferred tax liabilities	-	-	-
(ii) Deferred tax assets			
Tax Losses	3,709,938	2,998,123	866,104
Deferred tax assets not recognized	(3,709,938)	(2,998,123)	(866,104)
Gross deferred tax assets	-	-	-

The tax losses have not been recognized as their realisation is not considered as probable.

There were no significant temporary differences as at 30 June 2009, 2008 or 2007.

6. CASH AND CASH EQUIVALENTS

	2009 US$	2008 US$	2007 US$
Cash at bank	28,235	5,234	121,761
Cash on hand	1,754	(325)	2,140
	29,989	4,909	123,901

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

(a) Reconciliation to Cash Flow Statement

	2009 US$	2008 US$	2007 US$
Reconciliation of net loss after tax to net cash flows from operations			
Net loss after related income tax	(2,033,757)	(6,091,498)	(2,475,486)
Adjustment for non-cash income and expense items:			
Depreciation	9,987	11,806	1,394
Changes in assets and liabilities:			
Decrease/(increase) in trade and other receivables	6,715	92,926	(300,696)
(Decrease)/increase in payables	(236,947)	215,935	21,012
Net cash outflow from operating activities	(2,254,002)	(5,770,831)	(2,753,776)

7. TRADE AND OTHER RECEIVABLES

	2009 US$	2008 US$	2007 US$
VAT and GST	192,428	201,369	297,772
Other receivable	8,627	6,401	2,924
	201,055	207,770	300,696

Receivables are non-interest bearing and are generally on 30-90 day terms. There are no receivables past due or impaired. It is expected that these receivables will be received when due.

8. PROPERTY, PLANT AND EQUIPMENT

	2009 US$	2008 US$	2007 US$
Balance at 1 July	68,883	28,081	-
Additions	6,155	52,608	29,475
Disposals	(10,309)	-	-
Depreciation	(9,987)	(11,806)	(1,394)
Balance at 30 June	54,742	68,883	28,081
Total accumulated costs	66,903	82,083	29,475
Total accumulated depreciation	(12,161)	(13,200)	(1,394)
Total net book value	54,742	68,883	28,081

9. LOANS

	2009 US$	2008 US$	2007 US$
Loans from parent entity	10,886,525	8,611,597	2,907,150

The Company received loans from its parent company CGA Mining Limited advanced on short term inter-company accounts.

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.

10. EVENTS AFTER BALANCE SHEET DATE

There have been no significant events subsequent to balance date.

11. ULTIMATE PARENT

CGA Mining Limited is the ultimate parent entity of the group which was incorporated in Australia and owns 100% of the Company.

12. ISSUED CAPITAL

	2009 Number	2009 US$	2008 Number	2008 US$	2007 Number	2007 US$
Issued and paid up capital:	2	2	2	2	2	2

No shares have been issued during the year ended 30 June 2009 (2008:nil, 2007:2)

Fully paid ordinary 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.

13. AUDITORS REMUNERATION

The auditor of the Company is Ernst & Young.

	2009 US$	2008 US$	2007 US$
Amounts received or due and receivable by Ernst & Young (Australia) for:			
• an audit or review of the financial report of the entity and any other entity in the consolidated group	1,843	1,433	-

Ernst & Young (Australia) fees are paid by the ultimate parent entity of the Group.

14. RELATED PARTY DISCLOSURE

The consolidated entity consists of Zambian Mining Limited and its subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest (%)		Investment (US$)	
		2009	2008	2009	2008
Controlled Entities					
Seringa Mining Ltd	Zambia	100	100	-	-
Mkushi Copper Joint Venture Co Ltd	Zambia	51	51	-	-
				-	-

(a) Controlling entity

The ultimate controlling entity in the wholly owned group is CGA Mining Limited.

(b) Other transactions with related parties

Transactions with Related Parties

From the incorporation on 22 August 2006 to 30 June 2009, the Company entered into transactions with related parties in the wholly-owned group:

- loans were advanced on short term inter-company accounts;

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.

15. COMMITMENT AND CONTINGENCIES

The Company did not have any outstanding commitments or contingencies requiring disclosure as at 30 June 2009.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 and the board of directors of the ultimate parent company (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.

The Company 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 2 to the financial statements.

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2.

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 Balance Sheets. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

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 and cash equivalents is considered negligible by the Group. The Group does not hold collateral as security. The Group does not have any receivables past due or impaired.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

At balance date, the Group's maximum exposure to interest rate risk is as follows:

	2009 US$	2008 US$	2007 US$
Cash and cash equivalents			
KWA$ balances held	771	1,940	117,247
US$ balances held	27,464	3,294	4,487
	28,235	5,234	121,734

The Group considers this exposure is not material.

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.

Foreign currency risk

The Group's policy is to manage its foreign currency exposure through holding its cash largely in USD, being the same currency as the majority of its costs. As a result the Group does not have a material exposure to foreign currency risk.

At balance date, the Group had the following exposure to foreign currencies (KWA$) on financial instruments that are not designated as cash flow hedges:

Foreign currency risk (continued)

	2009	2008	2007
Financial Assets			
Cash and cash equivalents	2,523	1,613	119,412
Trade and other receivables	197,474	207,770	300,696
	199,997	209,383	420,108
Financial Liabilities			
Trade and other payables	-	(236,947)	(21,012)
	-	(236,947)	(21,012)
Net exposure	199,997	(63,043)	302,590

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 always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without occurring unacceptable losses or risking damage to the Group's reputation.

The responsibility for liquidity risk rests with the Board of Directors. The Group's liquidity needs can likely be met through cash on hand, short and long-term borrowings subject to the current forecast operating parameters being met.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The contractual maturities of the Group's financial liabilities are as follows:

	2009	2008	2007
Within one month			
Trade creditors	-	236,947	21,012
Loans from CGA Limited	10,886,525	8,611,597	2,907,150
	10,886,525	8,848,544	2,928,162

Future capital needs can be met through our cash position and future loans from the parent entity. These will likely be sufficient to meet our necessary capital requirements, subject to the current forecast operating parameters being met.

Capital risk management

The Group's total capital is defined as equity attributable to equity holders of the parent, cash and cash equivalents and borrowings net of cash which amounted to $255,797 at 30 June 2009 (2008:$39,706, 2007: $307,765).

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 repay debts 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.

17. SEGMENT INFORMATION

The Group's operations focus primarily on mineral exploration and evaluation at the Mkushi Copper Project in Zambia.

ZAMBIAN MINING LIMITED

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Zambian Mining Limited, I state that:

In the opinion of the Directors:

(a) the financial statements of the Consolidated Entity:

  (i) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2009, 2008 and 2007 and of its performance for each of the three years ended on that date; and
  (ii) comply with International Financial 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.

"Michael Carrick"

MICHAEL CARRICK
Director

Perth, 31 May 2010

Independent auditor's report to the Board of Directors of Zambian Mining Limited

We have audited the accompanying financial report of Zambian Mining Limited, prepared for the purposes of complying with Canadian securities regulatory requirements, which comprises the balance sheets as at 30 June 2009, 2008 and 2007 and the related consolidated income statements, statements of changes in equity and cash flow statements for the years ended 30 June 2009 and 2008 and for the period from incorporation, 22 August 2006, to 30 June 2007, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the Australian and International professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of Zambian Mining Limited, prepared for the purposes of complying with Canadian securities regulatory requirements, presents fairly, in all material respects, the financial position of Zambian Mining Limited consolidated entity at 30 June 2009, 2008 and 2007 and of its financial performance and cash flows for the years ended 30 June 2009 and 2008 and for the period from incorporation, 22 August 2006, to 30 June 2007 in accordance with International Financial Reporting Standards.

(signed) "Ernst & Young"

Ernst & Young
Perth, Australia
31 May 2010

Auditor's Report in Respect of Compatibility with Canadian GAAS

To the Board of Directors of Zambian Mining Limited

In accordance with the requirement contained in National Instrument 52-107, we report below on the compatibility of Canadian Generally Accepted Auditing Standards ("Canadian GAAS") and International Standards on Auditing.

We conducted our audits for the years ended 30 June 2009, 2008 and for the period from incorporation, 22 August 2006, to 30 June 2007 in accordance with International Standards on Auditing. There are no material differences in the form or content of our report as compared to an auditor's report prepared in accordance with Canadian GAAS and if this report was prepared in accordance with Canadian GAAS it would not contain a reservation.

(signed) "Ernst & Young"

Ernst & Young
Perth, Australia
31 May 2010

CGX LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

CGX LIMITED
INTERIM FINANCIAL STATEMENTS

FOR THE INTERIM PERIOD ENDED 31 MARCH 2010

CGX LIMITED

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CGX LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three and nine months ended 31 March

	Note	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Continuing Operations					
Revenue	**3**	998	933	139	11
Exploration and evaluation expenditure	**4**	(1,941,888)	(579,530)	(2,349,265)	(928,355)
Foreign exchange losses		(32,135)	(2,189)	(62,439)	(20,278)
Administrative expenses		(35,692)	(6,521)	(26,268)	(9,919)
Loss from continuing operations		**(2,008,717)**	**(587,307)**	**(2,437,833)**	**(958,541)**
Income tax benefit	**5**	-	-	-	-
Loss for the period		**(2,008,717)**	**(587,307)**	**(2,437,833)**	**(958,541)**
Other comprehensive income for the period, net of income tax		-	-	-	-
Total comprehensive income for the period		**(2,008,717)**	**(587,307)**	**(2,437,833)**	**(958,541)**
Loss attributable to:					
Owners of the Company		**(2,008,717)**	**(587,307)**	**(2,437,833)**	**(958,541)**
Total comprehensive income attribute to:					
Owners of the Company		**(2,008,717)**	**(587,307)**	**(2,437,833)**	**(958,541)**

The above consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes

CGX LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31 March 2010 US$	30 June 2009 US$
ASSETS			
Current Assets			
Cash and cash equivalents	**6**	69,114	44,385
Trade and other receivables	**7**	255	394
Total Current Assets		**69,369**	**44,779**
Non-Current Assets			
Property, Plant and equipment	**8**	103,115	109,972
Total Non-Current Assets		**103,115**	**109,972**
TOTAL ASSETS		**172,484**	**154,751**
LIABILITIES			
Current Liabilities			
Payables		(90,354)	(14,358)
Loans	**9**	(7,787,468)	(5,837,014)
Total Current Liabilities		**(7,877,822)**	**(5,851,372)**
TOTAL LIABILITIES		**(7,877,822)**	**(5,851,372)**
NET LIABILITIES		**(7,705,338)**	**(5,696,621)**
SHAREHOLDER'S DEFICIT			
Issued Capital	**12**	2	2
Accumulated losses		(7,705,340)	(5,696,623)
TOTAL SHAREHOLDER'S DEFICIT		**(7,705,338)**	**(5,696,621)**

The above Statement of Financial Performance should be read in conjunction with the accompanying notes

CGX LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the three and nine months ended 31 March

	Note	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Cash flows from operating activities					
Payment to suppliers and employees		(1,923,241)	(612,857)	(2,535,992)	(871,775)
Interest received		998	933	139	11
Net cash outflow from operating activities	**6(a)**	**(1,922,243)**	**(611,924)**	**(2,535,853)**	**(871,764)**
Cash flows from investing activities					
Payments for property, plant and equipment		(3,483)	-	(59,648)	(39,018)
Net cash outflow from investing activities		**(3,483)**	**-**	**(59,648)**	**(39,018)**
Cash flows from financing activities					
Proceeds from issue of share capital					
Loans from parent		1,950,454	632,314	2,506,264	916,282
Net cash inflow from financing activities		**1,950,454**	**632,314**	**2,506,264**	**916,282**
Net increase/(decrease) in cash and cash equivalents		24,728	20,390	(89,237)	5,500
Cash and cash equivalents at beginning of the period		44,386	48,724	145,246	50,509
Cash and cash equivalents at end of the period	**6**	**69,114**	**69,114**	**56,009**	**56,009**

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

CGX LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 March 2010

	Issued Capital *US$*	*Accumulated losses* *US$*	*Total* *US$*
At 1 July 2009	**2**	**(5,696,623)**	**(5,696,621)**
Loss for the period		(2,008,717)	(2,008,717)
Total comprehensive loss for the period	**-**	**(2,008,717)**	**(2,008,717)**
At 31 March 2010	**2**	**(7,705,340)**	**(7,705,338)**

For the nine months ended 31 March 2009

	Issued Capital *US$*	*Accumulated losses* *US$*	*Total* *US$*
At 1 July 2008	**2**	**(2,432,882)**	**(2,432,880)**
Loss for the period		(2,437,833)	(2,437,833)
Total comprehensive loss for the period	**-**	**(2,437,833)**	**(2,437,833)**
At 31 March 2009	**2**	**(4,870,715)**	**(4,870,713)**

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes

CGX LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2010

1. CORPORATE INFORMATION

The condensed consolidated interim financial statements of CGX Limited (”the Company”) as at and for the nine months period ended 31 March 2010 were authorised for issue in accordance with a resolution of directors on 31 May 2010.

The Company was incorporated in British Virgin Islands on 22 August 2006. The address of the Company’s registered office is Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110 British Virgin Island. The Consolidated Entity’s ultimate parent company is CGA Mining Limited (“CGA”). CGA is a company limited by shares incorporated in Australia whose shares are publicly traded on both the Australian and Toronto Stock Exchanges.

The principal activity of the Consolidated Entity is mineral exploration and development.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed consolidated interim financial statements have been prepared as a general purpose financial report.

The condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in United States Dollars.

Going concern:

The Directors have prepared the financial statement on a going concern basis. At the date of signing the financial report the Directors believe that the company can continue as a going concern. In adopting the going concern basis the Directors have considered the following:

Subsequent to 31 March 2010, Ratel Gold Limited has agreed to acquire a 100% interest in CGX Limited.

Ratel Gold has agreed to provide additional funding as required to allow the company to continue to operate as a going concern.

CGA Mining Limited, has also agreed to provide additional funding as required to Ratel Gold Limited to enable the company and its controlled entities to operate and meet their respective obligation for a period of the earliest of 12 months from the date of approval of these financial statements or up to the date of Ratel Gold Limited successfully completing the proposed capital raising of up to C$14,000,000 (gross) on the Toronto Stock Exchange.

(b) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2009. It is recommended that the condensed interim financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2009.

Except as disclosed below the accounting policies applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2009.

(c) New and Revised Accounting Standards and Interpretations

From 1 July 2009 the Consolidated Entity has adopted all the Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009, including:

- FRS 8 (Operating Segment). This standard requires disclosure of information about the Consolidated Entity's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Consolidated Entity. The adoption of this standard did not have any effect on the financial position or performance of the Consolidated Entity.

- IFRS 2 (Share-based Payment) – Vesting Conditions and Cancellations (Amendment). The standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this standard did not have any effect on the financial position or performance of the Consolidated Entity.

- IAS 1 (Presentation of Financial Statements (Revised)). The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Consolidated Entity has elected to present one single statement.

- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial. IFRS 3 (Revised) introduces significant changes in the accounting for business combinations. The revised standard requires the use of the acquisition method of accounting for business combinations. Changes affect the accounting for transactions costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

- IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction cost with owners in their capacity as owners. Therefore such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary

- Improvements to International Financial Reporting Standards. Adoption of these improvements to International Financial Reporting Standards did not have any effect on the financial position or performance of the Consolidated Entity.

The Group has not elected to early adopt any new standards or amendments.

3. OTHER REVENUE

	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Interest income	68	3	139	11
Sundry income	930	930	-	-
	998	933	139	11

4. EXPLORATION AND EVALUATION EXPENDITURE

	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Assay and Drilling Costs	275,614	227	915,677	337,864
Consultants Fees	177,470	43,367	240,248	106,943
Travel expenses	137,236	73,369	248,815	74,623
Wages and salaries	375,599	155,759	309,877	130,801
Depreciation expense	10,339	5,247	13,050	4,825
Other	965,630	296,561	621,598	273,299
	1,941,888	579,530	2,349,265	928,355

5. INCOME TAX BENEFIT

The major components of income tax benefit are:

Income Statement	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Income tax expense / (benefit)	-	-	-	-
Current income tax charge	-	-	-	-
Deferred Income tax	-	-	-	-
Income tax benefit reported in the income statement	-	-	-	-

6. CASH AND CASH EQUIVALENTS

	2010 US$	2009 US$
Cash at bank	62,195	35,797
Cash on hand	6,919	8,588
	69,114	44,385

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

(a) Reconciliation to Cash Flow Statement

	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Reconciliation of net loss after tax to net cash flows from operations				
Net loss after related income tax	(2,008,717)	(587,307)	(2,437,833)	(958,541)
Adjustment for non-cash income and expense items:				
Depreciation	10,339	5,247	13,050	4,825

Changes in assets and liabilities:				
Decrease in trade and other receivables	139	41,322	-	(24,988)
Increase/(Decrease) in payables	75,996	(71,196)	(111,070)	106,941
Net cash outflow from operating activities	(1,922,243)	(611,924)	(2,535,853)	(871,764)

7. TRADE AND OTHER RECEIVABLES

	2010 US$	2009 US$
VAT and GST	255	394

Receivables are non-interest bearing and are generally on 30-90 day terms. There are no receivables past due or impaired. It is expected that these receivables will be received when due.

8. PROPERTY AND EQUIPMENT

	2010 US$	2009 US$
Balance at 1 July	109,972	65,554
Additions	3,492	62,527
Disposals	(10)	-
Depreciation	(10,339)	(18,109)
Balance at 31 March / 30 June	103,115	109,972
Total accumulated costs	151,007	147,525
Total accumulated depreciation	(47,892)	(37,553)
Total net book value	103,115	109,972

9. INTERCOMPANY LOANS

	2010 US$	2009 US$
Loans from parent entity	7,787,468	5,837,014

The Company received loans from its ultimate parent company CGA Mining Limited advanced on short term inter-company accounts.

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.

10. EVENTS AFTER BALANCE SHEET DATE

Subsequent to 31 March 2010, Segilola Gold Limited has been granted an additional 13% interest in the Segilola Gold Project J.V, taking its total interest to 38%. The Company is also entitled to an additional 13% which will be granted upon the delivery of the bankable feasibility study.

11. ULTIMATE PARENT

CGA Mining Limited is the ultimate parent entity of the group which was incorporated in Australia and owns 100% of the Company.

12. ISSUED CAPITAL

	2010 Number	2010 US$	2009 Number	2009 US$
Issued and paid up capital:	2	2	2	2

No shares have been issued during the period ended 31 March 2010 (2009:nil).

13. RELATED PARTY DISCLOSURE

The consolidated entity consists of CGX Limited and its controlled subsidiary listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest (%)		Investment (US$)	
		2010	2009	2010	2009
Segilola Gold Ltd	Nigeria	100	100	-	-

Joint Venture

The Company has been granted a 25% interest in the Segilola Gold Project, plus 13% which has been granted subsequent to 31 March 2010 and a balance of 13% to be granted upon delivery of a bankable feasibility study.

(a) Controlling entity

The ultimate controlling entity in the wholly owned group is CGA Mining Limited.

(b) Other transactions with related parties

Transactions with Related Parties

During the nine months ended 31 March 2010, the Company entered into transactions with related parties in the wholly-owned group:

- loans were advanced on short term inter-company accounts;

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.

14. Commitment and contingencies

The Company did not have any outstanding commitments or contingencies requiring disclosure as at 31 March 2010.

15. SEGMENT INFORMATION

For management purposes, the Group is organised into one main operating segment, which involves mineral exploration for gold in Nigeria. All of the Group's activities are interrelated, and discrete financial information is reported to the Board of Directors (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

CGX LIMITED

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of CGX Limited, I state that:

In the opinion of the Directors:

(a) the financial statements of the Consolidated Entity:

(i) give a true and fair view of the Consolidated Entity's financial position as at 31 March 2010 and of its performance for the nine month period ended on that date; and

(ii) comply with IAS 34 *Interim Financial Reporting*; 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.

"Michael Carrick"

MICHAEL CARRICK
Director

Perth, 31 May 2010

CGX LIMITED

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

CGX LIMITED

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CGX LIMITED

CONSOLIDATED INCOME STATEMENTS

	Note	Year ended 30 June 2009	Year ended 30 June 2008	Period from date of Incorporation, 22 August 2006 to 30 June 2007
		US$	US$	US$
Continuing Operations				
Revenue	**3**	234	342	37
Exploration and evaluation expenditure	**4**	(3,107,421)	(1,575,380)	(557,176)
Foreign exchange losses		(112,069)	(45,763)	(135,634)
Administrative expenses		(44,485)	(19,191)	(100,117)
Loss from continuing operations before income tax expense		**(3,263,741)**	**(1,639,992)**	**(792,890)**
Income tax benefit	**5**	-	-	-
Loss from continuing operations after income tax		**(3,263,741)**	**(1,639,992)**	**(792,890)**

The above consolidated Income Statements should be read in conjunction with the accompanying notes

CGX LIMITED

CONSOLIDATED BALANCE SHEETS

	Note	30 June 2009 US$	30 June 2008 US$	30 June 2007 US$
ASSETS				
Current Assets				
Cash and cash equivalents	**6**	44,385	145,246	62,567
Trade and other receivables	**7**	394	413	312
Total Current Assets		**44,779**	**145,659**	**62,879**
Non-Current Assets				
Property, plant and equipment	**8**	109,972	65,554	58,879
Total Non-Current Assets		**109,972**	**65,554**	**58,879**
TOTAL ASSETS		**154,751**	**211,213**	**121,758**
LIABILITIES				
Current Liabilities				
Payables		(14,358)	(111,071)	(2,143)
Loans	**9**	(5,837,014)	(2,533,022)	(912,503)
Total Current Liabilities		**(5,851,372)**	**(2,644,093)**	**(914,646)**
TOTAL LIABILITIES		**(5,851,372)**	**(2,644,093)**	**(914,646)**
NET LIABILITIES		**(5,696,621)**	**(2,432,880)**	**(792,888)**
SHAREHOLDER'S DEFICIT				
Issued capital	**12**	2	2	2
Accumulated losses		(5,696,623)	(2,432,882)	(792,890)
TOTAL SHAREHOLDER'S DEFICIT		**(5,696,621)**	**(2,432,880)**	**(792,888)**

The above Balance Sheets should be read in conjunction with the accompanying notes

CGX LIMITED

CONSOLIDATED CASH FLOW STATEMENTS

	Note	Year ended 30 June 2009 US$	Year ended 30 June 2008 US$	Period from date of incorporation, 22 August 2006 to 30 June 2007 US$
Cash flows from operating activities				
Payments to suppliers and employees		(3,342,561)	(1,516,582)	(786,577)
Interest received		234	342	37
Net cash outflow from operating activities	**6(a)**	**(3,342,327)**	**(1,516,240)**	**(786,540)**
Cash flows from investing activities				
Payments for property, plant and equipment		(62,527)	(21,600)	(63,398)
Net cash outflow from investing activities		**(62,527)**	**(21,600)**	**(63,398)**
Cash flows from financing activities				
Proceeds from the issue of share capital		-	-	2
Loans from parent		3,303,993	1,620,519	912,503
Net cash inflow from financing activities		**3,303,993**	**1,620,519**	**912,505**
Net increase in cash and cash equivalents		(100,861)	82,679	62,567
Cash and cash equivalents at beginning of financial year		145,246	62,567	-
Cash and cash equivalents at end of the financial year	**6**	**44,385**	**145,246**	**62,567**

The above Cash Flow Statements should be read in conjunction with the accompanying notes

CGX LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2009

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2008	**2**	**(2,432,882)**	**(2,432,880)**
Loss for the period	-	(3,263,741)	(3,263,741)
Total income and expense for the period	**-**	**(3,263,741)**	**(3,263,741)**
At 30 June 2009	**2**	**(5,696,623)**	**(5,696,621)**

For the year ended 30 June 2008

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2007	**2**	**(792,890)**	**(792,888)**
Loss for the period	-	(1,639,992)	(1,639,922)
Total income and expense for the period	**-**	**(1,639,992)**	**(1,639,992)**
At 30 June 2008	**2**	**(2,432,882)**	**(2,432,880)**

For the period from the date of incorporation, 22 August 2006 to 30 June 2007

	Issued Capital US$	*Accumulated losses US$$*	*Total US$*
Loss for the period	-	(792,890)	(792,890)
Total income and expense for the period	**-**	**(792,890)**	**(792,890)**
Issue of share capital	2	-	2
At 30 June 2007	**2**	**(792,890)**	**(792,888)**

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

The financial statements of CGX Limited (”the Company”) for the year ended 30 June 2009 were authorised for issue in accordance with a resolution of directors on 31 May 2010.

The Company was incorporated in British Virgin Islands on 22 August 2006. The address of the Company’s registered office is Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110 British Virgin Islands. The Consolidated Entity’s ultimate parent company is CGA Mining Limited (“CGA”). CGA is a company limited by shares incorporated in Australia whose shares are publicly traded on both the Australian and Toronto Stock Exchanges.

The principal activity of the Consolidated Entity is mineral exploration and development, primarily through the Segilola Gold Project in Nigeria.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements cover the twelve-month periods ended 30 June 2009 and 2008 and the period from the date of incorporation, 22 August 2006, to 30 June 2007.

The financial statements have been prepared as a general purpose financial report.

The financial statements have been prepared on a historical cost basis and are presented in United States Dollars (US$).

(b) Statement of compliance

The financial statements comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

(c) New and amending Accounting Standards and Interpretations

In the current year, the Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the International Accounting Standards Boards (the “IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) that are relevant to its operations and effective for accounting periods beginning on 1 July 2008 including:

- Amendments to IAS 39, *Financial Instruments Recognition and Measurement*, and IFRS 7, *Financial Instruments Disclosure – Reclassification of Financial Assets*;
- IFRIC 4 (revised) *Determining Whether an Arrangement Contains a Lease*.

The adoption of these new and revised Standards and Interpretations had no material effect on the profit and loss or financial position of the group.

Certain International Financial Reporting Standards and IFRIC Interpretations have recently been issued or amended but are not yet effective for the annual reporting period ended on 30 June 2009. The directors have not early adopted any of these new or amended standards or interpretations as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New and amending Accounting Standards and Interpretations (continued)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
IFRS 8	Operating Segments and consequential amendments to other International Accounting Standards	New Standard replacing IAS 14 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	The new standard is not expected to impact the Group	1 July 2009
IAS 23 (Revised)	Borrowing Costs and consequential amendments to other International Accounting Standards	The amendments to IAS 23 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	The revised standard is not expected to impact the Group as it was already the Group's policy to capitalise borrowing costs associated with qualifying assets.	1 July 2009
IAS 1 (Revised)	Presentation of Financial Statements and consequential amendments to other International Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	The new statement of comprehensive income will set out the result for the Group for the reporting period plus other movements in retained earnings and reserves.	1 July 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New and amending Accounting Standards and Interpretations (continued)

IFRS 2 Amendments	Amendments to International Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of "vesting conditions", introducing the term "non-vesting conditions" for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The new standard is not expected to impact the Group	1 July 2009
IAS 32 Amendments	Amendments to International Accounting Standards – Financial Instruments Presentation: Puttable Financial Instruments and Obligations arising on Liquidation	The amendments provide a limited exception to the definition of a liability so as to allow an entity that issues puttable financial instruments with certain specified features, to classify those instruments as equity rather than financial liabilities.	1 January 2009	The interpretation is not expected to impact the Group, as changes are applied prospectively	1 July 2009
IFRS 3 (Revised)	Business Combinations	The revised Standard introduces a number of changes to the accounting for business combinations, the most significant of which includes the requirement to have to expense transaction costs and a choice (for each business combination entered into) to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets.	1 July 2009	As changes are applied prospectively, the new standard is not expected to impact the Group on adoption	1 July 2009

		This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.			
IAS 27 (Revised)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to IAS 27 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the	1 July 2009	The new standard is not expected to impact the Group	1 July 2009
IAS 27 (Revised) (continued)		ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.			
IFRS Annual Improvement Project	Amendments to International Accounting Standards arising from the Annual Improvements Project [IFRS 5, IAS 1, 16, 19, 20, 23, 27, 28, 29, 31, 36, 38, 39, 40 and 41]	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact. This was the first omnibus of amendments issued by the IASB arising from the	1 January 2009	The Group is currently reviewing any potential impact.	1 July 2009

		Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].			
IFRS Annual Improvement Project	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [IFRS 2 and 8, IAS 1, 7, 17, 18, 36, 38, 39, IFRIC 9 and 16]	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer above for more details.	1 July 2009	The Group is currently reviewing any potential impact.	1 July 2009
Amendments to IAS 27	Amendments to IAS 27– Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance are those made to IAS 27 deleting the “cost method” and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the	1 January 2009	The Group is currently reviewing any potential impact	1 July 2009

		entity to consider whether there is an indicator of impairment. IAS 27 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.			
IAS 39 Amendments	Amendments to International Accounting Standards – Financial Instruments Recognition and Measurement - Eligible Hedged Items	The amendment to IAS 39 clarifies how the principles underlying hedge accounting should be applied when (i) a one-sided risk in a hedged item is being hedged and (ii) inflation in a financial hedged item existed or was likely to exist.	1 July 2009	As the Group does not currently undertake hedging transactions, these amendments are not expected to impact the Group	1 July 2009
IFRS 7	Amendments to International Accounting Standards – Improving Disclosures about Financial Instruments	The main amendment to IFRS 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: ► quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); ► inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	The amendments to IFRS 7 are of a disclosure nature only and accordingly will not impact the Group's results or financial position.	1 July 2009

		► inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* by the IASB in March 2009. The amendments to IFRS 4, IAS 23 and IAS 38 comprise editorial changes resulting from the amendments to IFRS 7.			
IFRIC 15	Agreements for the Construction of Real Estate	This interpretation requires that when the real estate developer is providing construction services to the buyer's specifications, revenue can be recorded only as construction progresses. Otherwise, revenue should be recognised on completion of the relevant real estate unit.	1 January 2009	The interpretation is not expected to impact the Group	1 July 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New and amending Accounting Standards and Interpretations (continued)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	This interpretation requires that the hedged risk in a hedge of a net investment in a foreign operation is the foreign currency risk arsing between the functional currency of the net investment and the functional currency of any parent entity. This also applies to foreign operations in the form of joint ventures, associates or branches.	1 October 2008	The interpretation is not expected to impact the Group	1 July 2009
IFRIC 17	Distributions of Non-Cash Assets to Owners and consequential amendments to International Accounting Standards IFRS 5 and IAS 10	This interpretation outlines how an entity should measure distributions of assets, other than cash, as a dividend to its owners acting in their capacity as owners. This applies to transactions commonly referred to as spin-offs, split offs or demergers and in-specie distributions.	1 July 2009	The interpretation is not expected to impact the Group	1 July 2009
IFRIC 18	Transfer of Assets from Customers	This interpretation provides guidance on the transfer of assets such as items of property, plant and equipment or transfers of cash received from customers. The Interpretation provides guidance on when and how an entity should recognise such assets and discusses the timing of revenue recognition for such arrangements and requires that once the asset meets	Applies prospectively to transfer of assets from customers received on or after 1 July 2009.	The interpretation is not expected to impact the Group	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		the condition to be recognised at fair value, it is accounted for as an 'exchange transaction'. Once an exchange transaction occurs the entity is considered to have delivered a service in exchange for receiving the asset.			
IFRIC 18 (continued)		Entities must identify each identifiable service within the agreement and recognise revenue as each service is delivered.			
IFRS 5, IFRS 7, IAS 7, IAS 12, IAS 36 & IAS 39 and IFRIC 17 amendments	Amendments to International Financial Reporting Standards	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	The amendments are not expected to impact the Group	1 July 2009
IFRS 2	Amendments to IFRS 2	The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular: ► the scope of IFRS 2; and ► the interaction between IFRS 2 and other standards. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is	1 January 2010	The amendments are not expected to impact the Group.	1 July 2010

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		settled in shares or cash. A "group" has the same meaning as in IAS 27 *Consolidated and Separate Financial Statements*, that is, it includes only a parent and its subsidiaries. The amendments also incorporate guidance previously included in IFRIC 8 *Scope of IFRS 2* and IFRIC 11 *IFRS 2—Group and Treasury Share Transactions*. As a result, IFRIC 8 and IFRIC 11 have been withdrawn.			
IFRS 9	Financial Instruments	IFRS 9 includes requirements for the classification and measurement of financial assets resulting from the first part of phase 1 of the IASB's project to replace IAS 39 Financial Instruments: recognition and measurement. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of IAS 39.	1 January 2015	The Group has not yet determined the extent of the impact of the new standard, if any.	1 July 2015

(d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its controlled entities, referred to collectively throughout these financial statements as the "Consolidated Entity" or the "Group", as at 30 June each year. Transactions between companies within the Consolidated Entity have been eliminated on consolidation.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

(e) Significant accounting estimates and assumptions

Judgements applied in the process of applying the Group's accounting policies, are disclosed in the appropriate accounting policy notes.

(f) Going concern – economic dependency

The Directors have prepared the financial statements on a going concern basis. At the date of signing the financial report the Directors believe that the company can continue as a going concern. In adopting the going concern basis the Directors have considered the following:

Subsequent to 30 June 2009, Ratel Gold Limited has agreed to acquire a 100% interest in CGX Limited.

CGA Mining Limited has agreed to provide additional funding as required by Ratel Gold Limited to enable the company and any controlled entities to operate and meet their
respective obligations for a period of the earliest of 12 months from the date of approval of these financial statements or to the date of Ratel Gold Limited successfully completing the proposed capital raising of up to C$14,000,000 (gross) on the Toronto Stock Exchange.

Ratel Gold Limited has agreed to provide additional funding as required to allow the company to continue to operate as a going concern.

(g) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office, plant and equipment – over 1 to 10 years

De-recognition and Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(h) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Income tax (continued)

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry–forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are recognised at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.
Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and the same taxation authority.

(i) Other taxes

Revenues, expenses and assets are recognized net of the amount of goods and services tax ("GST" or "VAT"), except where the amount of GST or VAT incurred is not recoverable from the relevant taxation authorities, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST or VAT included.

The net amount of GST or VAT recoverable from, or payable to, the relevant taxation authorities is included as a receivable or payable in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST or VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST or VAT recoverable from, or payable to, the taxation authority.

(j) Exploration and evaluation

Exploration and evaluation expenditure is written off as incurred, except for acquisition costs and where an area of interest is established.

Exploration assets acquired from a third party are carried forward provided that either i) the carrying value is expected to be recouped through the successful development and exploitation or sale of an area of interest or ii) exploitation and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in relation to the area are continuing and the rights of the tenure are current. If capitalised exploration and evaluation costs do not meet either of these tests, they are expensed to the profit and loss.

An area of interest is established where a discovery of economically recoverable resource is made. The area of interest will be established as a mineral project. All activity relating to the area of interest is then subsequently capitalised. Where development is anticipated, costs will be carried forward until the decision to develop is made.

Each area of interest is reviewed at least bi-annually to determine whether it is appropriate to continue to carry forward the capitalised costs.

Upon approval for the development of an area of interest, accumulated expenditure for the area of interest is transferred to capitalised development expenditure.

(k) Foreign currency translation

Both the functional currency and presentation currency of the Company is United States dollars (US$) (2008: United States dollars US$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The functional currency of the foreign operations, Segilola Gold Limited, is United States dollars (US$).

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(l) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to reporting date. Employee entitlements expected to be settled within one year have been measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit valuation method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Cash and cash equivalents

Cash and short term deposits in the balance sheet include cash at bank and short term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents include cash and cash equivalents defined above, net of outstanding bank overdrafts.

(o) Share capital

Share capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependant of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Provisions (continued)

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is represented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(r) Trade and other receivables

Trade receivables, which generally have 30 day terms are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(s) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(t) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(u) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

(v) Revenue recognition

Interest revenue

Revenue is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset

(w) Interests in Joint Ventures

The Group has an interest in a joint venture that is a jointly controlled asset. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group recognises its interest in the jointly controlled asset by recognising its interest in the assets and the liabilities of the joint venture. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods.

3. REVENUE

	2009 US$	2008 US$	2007 US$
Interest income	234	342	37

4. EXPLORATION AND EVALUATION EXPENDITURE

	2009 US$	2008 US$	2007 US$
Assay and drilling costs	1,382,403	710,619	-
Consultant fees	284,198	87,663	127,364
Travel and accommodation	254,126	101,855	85,147
Wages and salaries	435,262	226,744	131,897
Depreciation expense	18,109	14,925	4,519
Other expenses	733,323	433,574	208,249
	3,107,421	1,575,380	557,176

5. INCOME TAX BENEFIT

The major components of income tax benefit are:

Income Statement	2009 US$	2008 US$	2007 US$
Income tax expense / (benefit)	-	-	-
Current income tax charge	-	-	-
Deferred Income tax	-	-	-
Income tax benefit reported in the income statement	-	-	-

5. INCOME TAX BENEFIT (continued)

A reconciliation between tax benefit and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

	2009 US$	2008 US$	2007 US$
Accounting loss before income tax	(3,263,741)	(1,639,992)	(792,890)
At the Company's statutory income tax rate of 30% (2008: 30%, 2007: 30%)	(979,122)	(491,998)	(237,867)
Expenditure not deductible for income tax purposes	18	-	-
Unrecognised tax losses	979,104	491,998	237,867
Income tax benefit reported in the consolidated income statement	-	-	-

Deferred income tax at 30 June relates to the following:			
(i) Deferred tax liabilities	-	-	-
(ii) Deferred tax assets			
Tax Losses	**1,708,986**	729,864	**237,867**
Deferred tax assets not recognized	**(1,708,986)**	(729,864)	**(237,867)**
Gross deferred tax assets	-	-	-

The tax losses have not been recognized as their realization is not considered as probable.
There were no significant temporary differences as at 30 June 2009, 2008 or 2007.

6. CASH AND CASH EQUIVALENTS

	2009 US$	2008 US$	2007 US$
Cash at bank	35,797	132,649	61,777
Cash on hand	8,588	12,597	790
	44,385	145,246	62,567

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

	2009 US$	2008 US$	2007 US$
Reconciliation of net loss after tax to net cash flows from operations			
Net loss after related income tax	(3,263,741)	(1,639,992)	(792,890)
Adjustment for non-cash income and expense items:			
Depreciation	18,109	14,925	4,519
Changes in assets and liabilities			
(Decrease) /Increase in assets	18	(101)	(312)
(Decrease)/ increase in liabilities	(96,713)	108,928	2,143
Net cash outflow from operating activities	(3,342,327)	(1,516,240)	(786,540)

7. TRADE AND OTHER RECEIVABLES

	2009 US$	2008 US$	2007 US$
VAT and GST	255	254	-
Others	139	159	312
	394	413	312

Receivables are non-interest bearing and are generally on 30-90 day terms. There are no receivables past due or impaired. It is expected that these receivables will be received when due.

8. PROPERTY AND EQUIPMENT

	2009 US$	2008 US$	2007 US$
Balance at 1 July /	65,554	58,879	-
Additions	62,527	21,600	63,398
Depreciation	(18,109)	(14,925)	(4,519)
Balance at 30 June	109,972	65,554	58,879
Total accumulated costs	147,525	84,998	63,398
Total accumulated depreciation	(37,553)	(19,444)	(4,519)
Total net book value	109,972	65,554	58,879

9. LOANS

	2009 US$	2008 US$	2007 US$
Loans from parent entity	(5,837,014)	(2,533,022)	(912,503)

The Company received loans from its ultimate parent company CGA Mining Limited advanced on short term inter-company accounts.

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.

10. EVENTS AFTER BALANCE SHEET DATE

There have been no significant events subsequent to balance date.

11. ULTIMATE PARENT

CGA Mining Limited is the ultimate parent entity of the group which was incorporated in Australia and owns 100% of the Company.

12. ISSUED CAPITAL

	2009 Number	2009 US$	2008 Number	2008 US$	2007 Number	2007 US$
Issued and paid up capital:	2	2	2	2	2	2

No shares have been issued during the year ended 30 June 2009 (2008:nil, 2007: 2)

Fully paid ordinary 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.

13. AUDITORS REMUNERATION

The auditor of the Company is Ernst & Young.

	2009	2008	2007
Amounts received or due and receivable by Ernst & Young (Australia) for:			
• an audit or review of the financial report of the entity and any other entity in the consolidated group	13,840	1,433	-

Ernst & Young (Australia) fees are paid by the ultimate parent entity of the Group.

14. RELATED PARTY DISCLOSURE

The consolidated entity consists of CGX Limited and its subsidiary listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest (%)		Investment (US$)	
		2010	2009	2010	2009
Segilola Gold Ltd	Nigeria	100	100	-	-

Joint Venture

The Company has been granted a 25% interest in the Segilola Gold Project, plus 13% which has been granted subsequent to 31 March 2010 and a balance of 13% to be granted upon delivery of a bankable feasibility study.

(a) Controlling entity

The ultimate controlling entity in the wholly owned group is CGA Mining Limited.

(b) Other transactions with related parties

Transactions with related parties

From the incorporation on 22 August 2006 to 30 June 2009, the Company entered into transactions with related parties in the wholly-owned group:

- loans were advanced on short term inter-company accounts;

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.

15. COMMITMENT AND CONTINGENCIES

The Company did not have any outstanding commitments or contingencies requiring disclosure as at 30 June 2009.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 and the board of directors of the ultimate parent company (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. The Company 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 2 to the financial statements.

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2.

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 Balance Sheets. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

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 and cash equivalents is considered negligible by the Group. The Group does not hold collateral as security. The Group does not have any receivables past due or impaired.

Interest rate risk

At balance date, the Group's maximum exposure to interest rate risk is as follows:

	2009 US$	2008 US$	2007 US$
Cash and cash equivalents			
NGN $ balances held	15,111	87,301	33,795
US$ balances held	20,686	45,348	27,982
	35,797	132,649	61,777

The Group considers this exposure is not material.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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.

Foreign currency risk

The Group's policy is to manage its foreign currency exposure through holding its cash largely in USD, being the same currency as the majority of its costs. As a result the Group does not have a material exposure to foreign currency risk.

Foreign currency risk (continued)

At balance date, the Group had the following exposure to foreign currencies (NGN) on financial instruments that are not designated as cash flow hedges:

	2009 US$	2008 US$	2007 US$
Financial Assets			
Cash and cash equivalents	28,557	99,895	34,583
Trade and other receivables	394	413	312
	28,951	100,308	34,895
Financial Liabilities			
Trade and other payables	(14,358)	(111,071)	(2,143)
	(14,358)	(111,071)	(2,143)
Net exposure	(14,593)	(10,763)	32,752

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 always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without occurring unacceptable losses or risking damage to the Group's reputation.

The responsibility for liquidity risk rests with the Board of Directors. The Company's liquidity needs can likely be met through cash on hand, short and long-term borrowings subject to the current forecast operating parameters being met.

The contractual maturities of the Group's financial liabilities are as follows:

	2009 US$	2008 US$	2007 US$
Within one month			
Trade creditors	14,358	111,071	2,143
Loans from CGA Mining Limited	5,837,014	2,533,022	912,503
	5,851,372	2,644,093	914,646

Future capital needs can be met through our cash position and future loans from the parent entity. These will likely be sufficient to meet our necessary capital requirements, subject to the current forecast operating parameters being met.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital risk management

The Group's total capital is defined as equity attributable to equity holders of the parent, cash and cash equivalents and borrowings net of cash which amounted to $96,008 at 30 June 2009 (2008: (($45,104)), 2007: $57,048).

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 repay debts 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.

17. SEGMENT INFORMATION

The Company's operations are primarily focussed on mineral exploration at the Segilola Gold Project in Nigeria.

CGX LIMITED

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of CGX Limited, I state that:

In the opinion of the Directors:

(c) the financial statements of the Consolidated Entity:

(i) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2009, 2008 and 2007 and of its performance for each of the three years ended on that date; and
(ii) comply with International Financial Reporting Standards; and

(d) 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.

"Michael Carrick"

MICHAEL CARRICK
Director

Perth, 31 May 2010

Independent auditor's report to the Board of Directors of CGX Limited

We have audited the accompanying financial report of CGX Limited, prepared for the purposes of complying with Canadian securities regulatory requirements, which comprises the balance sheets as at 30 June 2009, 2008 and 2007 and the related consolidated income statements, statements of changes in equity and cash flow statements for the years ended 30 June 2009 and 2008 and for the period from incorporation, 22 August 2006, to 30 June 2007, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the Australian and International professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of CGX Limited, prepared for the purposes of complying with Canadian securities regulatory requirements, presents fairly, in all material respects, the financial position of CGX Limited consolidated entity at 30 June 2009, 2008 and 2007 and of its financial performance and cash flows for the years ended 30 June 2009 and 2008 and for the period from incorporation, 22 August 2006, to 30 June 2007 in accordance with International Financial Reporting Standards.

(signed) "Ernst & Young"

Ernst & Young
Perth, Australia
31 May 2010

Auditor's Report in Respect of Compatibility with Canadian GAAS

To the Board of Directors of CGX Limited

In accordance with the requirement contained in National Instrument 52-107, we report below on the compatibility of Canadian Generally Accepted Auditing Standards ("Canadian GAAS") and International Standards on Auditing.

We conducted our audits for the years ended 30 June 2009, 2008 and for the period from incorporation, 22 August 2006, to 30 June 2007 in accordance with International Standards on Auditing. There are no material differences in the form or content of our report as compared to an auditor's report prepared in accordance with Canadian GAAS and if this report was prepared in accordance with Canadian GAAS it would not contain a reservation.

(signed) "Ernst & Young"

Ernst & Young
Perth, Australia
31 May 2010

RATEL GOLD LIMITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

RATEL GOLD LIMITED

Pro Forma Consolidated Statement of Comprehensive Income for The Period 27 January 2010 to 31 March 2010 (unaudited)

	Ratel Gold Limited	Zambian Mining Limited	CGX Limited	Notes	Proforma Adjustments	Proforma Consolidated
Continuing Operations						
Revenue	-	-	622		-	622
Exploration and evaluation expenditure	-	(59,186)	(574,092)		-	(633,278)
Foreign exchange losses	-	(672)	(5,224)		-	(5,896)
Administrative expenses	-	(642)	(5,465)		-	(6,107)
Loss from continuing operations	**-**	**(60,500)**	**(584,159)**		**-**	**(644,659)**
Income tax benefit	-	-	-		-	-
Loss for period	-	(60,500)	(584,159)		-	(644,659)
Other comprehensive (loss)/income for the period, net of income tax	-	-	-		-	-
Total comprehensive income for the period	-	(60,500)	(584,159)		-	(644,659)
Loss attributable to:						
Owners of the Company						
	-	(60,500)	(584,159)		-	(644,659)
Total comprehensive loss attributable to:						
Owners of the Company	**-**	**(60,500)**	**(584,159)**		**-**	**(644,659)**

RATEL GOLD LIMITED

Pro Forma Consolidated Statement of Financial Position as at 31 March 2010 (unaudited)

	Ratel Gold Limited	Zambian Mining Limited	CGX Limited	Notes	Pro forma Adjustments – Restructuring and Minimum Offering	Total - Minimum Offering	Additional Pro forma Adjustments – Maximum Offering	Total – Maximum Offering
ASSETS								
Current Assets								
Cash and cash equivalents	16,595	5,084	69,114	**2.1**	7,037,996	7,128,789	5,571,750	12,700,539
Trade and other receivables	-	219,905	255		-	220,160	-	220,160
Total Current Assets	**16,595**	**224,989**	**69,369**		**7,037,996**	**7,348,949**	**5,571,750**	**12,920,699**
Non Current Assets								
Plant and equipment	-	47,167	103,115		-	150,282	-	150,282
Total Non-Current Assets	**-**	**47,167**	**103,115**		**-**	**150,282**	**-**	**150,282**
TOTAL ASSETS	**16,595**	**272,156**	**172,484**		**7,037,996**	**7,499,231**	**5,571,750**	**13,070,981**
LIABILITIES								
Current liabilities								
Trade and other payables	-	(6,324)	(90,354)		-	(96,678)	-	(96,678)
Interest bearing loans and borrowings	-	(11,203,054)	(7,787,468)	**2.2**	18,990,522	-	-	-
Total Current Liabilities	**-**	**(11,209,378)**	**(7,877,822)**		**18,990,522**	**(96,678)**	**-**	**(96,678)**

RATEL GOLD LIMITED

	Ratel Gold Limited	Zambian Mining Limited	CGX Limited	Notes	Pro forma Adjustments – Restructuring and Minimum Offering	Total - Minimum Offering	Additional Pro forma Adjustments – Maximum Offering	Total – Maximum Offering
TOTAL	**-**	**(11,209,378)**	**(7,877,822)**		**18,990,522**	**(96,678)**	**-**	**(96,678)**
NET ASSETS/ (LIABILITIES)	**16,595**	**(10,937,222)**	**(7,705,338)**		**26,028,518**	**7,402,553**	**5,571,750**	**12,974,303**
Equity								
Contributed equity	16,595	2	2	**2.3**	7,037,996	7,054,595	5,571,750	12,626,345
Reserves	-	-	-	**2.3**	(18,642,568)	(18,642,568)	-	(18,642,568)
Accumulated losses	-	(10,937,224)	(7,705,340)	**2.3**	37,633,090	18,990,526	-	18,990,526
Total Equity	**16,595**	**(10,937,222)**	**(7,705,338)**		**26,028,518**	**7,402,553**	**5,571,750**	**12,974,303**

RATEL GOLD LIMITED

BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated statement of financial position and pro forma consolidated statement of comprehensive income of Ratel Gold Limited ("Ratel" or the "Company") as at 31 March 2010 and for the period from the Company's incorporation on 27 January 2010 to 31 March 2010. The pro forma consolidated statement of comprehensive income has been prepared by management as if the proposed restructuring and offering transactions as described in Note 1 occurred at the beginning of the period presented. The pro forma consolidated statement of financial position has been prepared as if the transaction occurred at the date of the statement of financial position.

The unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statement of comprehensive income have been derived from the following:

(i) The unaudited interim consolidated statement of financial position and unaudited consolidated statement of comprehensive income of CGX Limited ("CGX") as at 31 March 2010 and for the three month period thereended, adjusted to reflect only the period from 27 January 2010 to 31 March 2010;

(ii) The unaudited interim consolidated statement of financial position and unaudited consolidated statement of comprehensive income of Zambian Mining Limited ("Zambian Mining") as at 31 March 2010 and for the three month period thereended, adjusted to reflect only the period from 27 January 2010 to 31 March 2010; and

(iii) The audited interim consolidated statement of financial position and consolidated statement of comprehensive income of Ratel Gold Limited as at 31 March 2010 and for the period from its date of incorporation on 27 January 2010 to 31 March 2010.

As the acquisitions of CGX and Zambian Mining on 1 June 2010 are business combinations under common control, the Company intends to carry forward the basis of measurement of the assets and liabilities as reflected in CGX and Zambian consolidated financial statements and, as such, the pro forma consolidated statement of financial position has been prepared on this basis.

The unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statement of comprehensive income have been prepared using the same accounting policies as described in the financial statements of the Company.

The unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statement of comprehensive income have been prepared for illustrative purposes only and may not be indicative of the Company's consolidated statement of financial position and consolidated statement of comprehensive income had the proposed transaction been in effect at the dates indicated. The unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statement of comprehensive income should be read in conjunction with the audited interim financial statements of the Company and the audited and unaudited financial statements of CGX Limited and Zambian Mining Limited.

As Ratel Gold Limited was only incorporated on 27 January 2010 and the Company has been dormant since then, no pro forma earning per share information has been presented. The Company has elected to apply the 'pooling of interest' method to account for the acquisition of CGX Limited and Zambian Mining Limited, and as a consequence, this acquisition does not have any impact on the statement of comprehensive income. Therefore, no pro forma income statement has been presented for the year ended 30 June 2009. Please refer to the historical information for CGX Limited and Zambian Mining Limited included in the prospectus.

RATEL GOLD LIMITED

1. PROPOSED RESTRUCTURING AND OFFERING TRANSACTIONS

The shares being offered under this prospectus are being issued in connection with a restructuring transaction whereby Ratel will be spun off from the CGA group of companies; following which Ratel will no longer be a wholly owned subsidiary of CGX Holdings Pty Ltd (and no longer a wholly owned subsidiary of CGA). The spin off of Ratel from the CGA group of companies, by way of Ratel undertaking an initial public offering, is subject to CGA Shareholder approval.

The proposed transactions are as follows:

1.1 Restructuring:

Effective 1 June 2010, the Company has acquired a 100% interest in Zambian Mining Limited and CGX Limited. The entities were acquired from Zambian Holdings Pty Ltd and CGX Holdings Pty Ltd, both 100% owned subsidiaries of CGA Mining Limited. CGA Mining Limited is the ultimate parent of Ratel Gold Limited prior to this Offering.

The consideration paid by Ratel Gold Limited for Zambian Mining Limited was $2 and for CGX Limited was $2. In addition, the Company assumed the liabilities owed by Zambian Mining Limited and CGX Limited to CGA Mining Limited. As part of this transaction, and subject to CGA Mining Limited shareholder approval, CGA Mining Limited will forgive these liabilities of Ratel Gold Limited. The Company has elected to apply the 'pooling of interest' method to account for the above mentioned acquisitions.

1.2 Offering:

Ratel Gold Limited is undertaking an initial public offering with a view to issue a minimum of 40,000,000 common shares and a maximum of 70,000,000 common shares at a price of Cdn$0.20 per common share. Following this offering, Ratel Gold Limited will no longer be a subsidiary of CGA Mining Limited who will only retain a minority interest of between 30.43% and 20% in the Company. The effects of this Offering have been reflected in the pro forma financial statements as described below.

2. PRO FORMA FINANCIAL ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated statement of comprehensive income gives effect to the following adjustments as if as if the proposed restructuring and offering transactions as described below occurred at the beginning of the period presented and the statement of financial position has been prepared as if these transactions occurred at the date of the statement of financial position:

Restructuring:

(a) The purchase of CGX Limited shares for $2 and the purchase of Zambian Mining Limited shares for $2 by the Company;
(b) The effects of the above acquisitions of Zambian Mining Limited and CGX Limited using the "pooling of interest" method, which result in a discount on the acquisition of $18,642,564 recognised in equity;
(c) The forgiveness of the loans due to CGA Mining for an amount of $18,990,522 which have been recognised in equity;

Offering:

(d) Under the Minimum Offering, 40,000,000 common shares will be issued at Cdn$0.20 per share, resulting in net cash proceeds of US$7,038,000 after deducting fees payables by Ratel to the Agent of US$391,000 and estimated expenses of the offering of US$391,000; and
(e) Under the Maximum Offering, 70,000,000 common shares will be issued at Cdn$0.20 per share, resulting in net cash proceeds of US$12,609,750, ie. additional cash proceeds of US$5,571,750 compared to the minimum offering, after deducting additional fees payables by Ratel to the Agent of US$293,250.

RATEL GOLD LIMITED

2.1 CASH

	$
Ratel Gold Limited	16,595
Zambian Mining Limited	5,084
CGX Limited	69,114
Total as at 31 March 2010	90,793
Pro forma adjustments to cash:	
Consideration paid by Ratel for the acquisition of	
- Zambian Mining Limited	(2)
- CGX Limited	(2)
Cash raised under the minimum Offering	7,820,000
Agent fees to be paid under the minimum Offering	(391,000)
Estimated expenses of the offering	(391,000)
Total Pro forma Adjustments to cash	7,037,996
Pro forma Cash Balance under the Minimum Offering	**7,128,789**
Additional cash raised under the Maximum Offering	5,865,000
Additional Agent fees to be paid under the Maximum Offering	(293,250)
Total additional pro forma adjustments to cash	5,571,750
Pro forma Cash Balance under the Maximum Offering	**12,700,539**

2.2 INTEREST BEARING LOANS AND LIABILITIES

	$
Ratel Gold Limited	0
Zambian Mining Limited	(11,203,054)
CGX Limited	(7,787,468)
Total as at 31 March 2010	(18,990,522)
Pro forma adjustments to interest bearing loans and liabilities:	
Forgiveness of amounts due to CGA Mining Ltd	18,990,522
Pro forma Interest Bearing Loans and Liabilities	**0**

2.3 EQUITY

	$
Ratel Gold Limited	16,595
Zambian Mining Limited	(10,937,222)
CGX Limited	(7,705,338)
Total as at 31 March 2010	(18,625,965)
Pro forma adjustments to equity:	
Restructuring:	
Impact of acquisition of Zambian Mining Limited and CGX Limited:	
Elimination of pre acquisition equity of Zambian Mining Limited	10,937,224
Elimination of pre acquisition equity of CGX Limited	7,705,340
Impact of acquisition of Zambian Mining Limited and CGX Limited (using the pooling of interest method)	(18,642,568)
Impact of loan forgiveness by CGA Mining Ltd	18,990,522
Offering:	
40,000,000 common shares issued under the Minimum Offering	7,820,000
Agent fees to be paid under the minimum Offering	(391,000)
Estimated expenses of the offering	(391,000)
Total Pro forma Adjustments on equity	26,028,518
Pro forma Equity under the minimum Offering	**7,402,553**
Additional issue of 30,000,000 common shares under the Maximum Offering	5,865,000
Additional fees to be paid under the maximum Offering	(293,250)
Total additional pro forma adjustments on Equity	5,571,750
Pro forma Equity under the maximum Offering	**12,974,303**

APPENDIX A – BOARD MANDATE

RATEL GOLD LIMITED
MANDATE OF THE BOARD OF DIRECTORS

1 GENERAL

1.1 The board of directors ("Board") of Ratel Gold Limited (the "Company") is responsible for managing the business and affairs of the Company and, in doing so, must act honestly and in good faith with a view to the best interests of the Company.

1.2 The Board's mandate includes approving long-term goals and objectives for the Company, ensuring the plans and strategies necessary to achieve those objectives are in place, and supervising senior management who are responsible for the implementation of long-term strategies and day-to-day management of the Company. The Board retains a supervisory role and ultimate responsibility for all matters relating to the Company and its business.

1.3 The Board discharges its responsibilities both directly and through its committees, including the Audit Committee, the Corporate Governance Committee and the Compensation Committee. The Board may also appoint ad hoc committees periodically to address issues of a more short-term nature.

2 SPECIFIC RESPONSIBILITIES

The Board shall have the specific duties and responsibilities outlined below.

Board Organization

2.1 The Board takes into account recommendations of the Corporate Governance Committee, but retains responsibility for managing its own affairs by giving its approval of its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation. If the Chair of the Board is not an independent director, the independent directors of the Board may designate an independent director to be the lead director. The Board is responsible for determining the roles and responsibilities of the Chair or, if applicable, lead director. The Board shall annually evaluate the effectiveness of the Chair or, if applicable, lead director.

2.2 The Board may delegate to Board committees matters that the Board is responsible for, including the approval of compensation of the Board and management, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

2.3 The Chair of the Board and the Chairs of each Board committee shall have such responsibilities and duties as is commonly commensurate with that position. The Board shall work towards developing position descriptions for the Chair of the Board and the Chair of each Board committee.

2.4 The Board is responsible for ensuring that measures are taken to orient new directors regarding the role of the Board, its committees and its directors and the nature and operation of the Company's business. The Board is also responsible for ensuring that measures are taken to provide continuing education for its directors to ensure that they maintain the skill and knowledge necessary to meet their obligations as directors.

2.5 The Board shall annually review the performance of the Board and its committees against their respective charters and mandates and disclose the process in all applicable public documents. The Board shall also annually evaluate the performance of individual directors and the performance of the Chair.

Management

2.6 The Board is responsible for approving the appointment of the officers of the Company. The Chief Executive Officer of the Company shall have such responsibilities and duties as is commonly commensurate with that position. The Board shall, together with the Chief Executive Officer, work towards developing a position description for the Chief Executive Officer.

2.7 The Board approves the compensation of officers and reviews and approves the Company's incentive compensation plans. In doing so, the Board takes into account the advice of the Compensation Committee.

2.8 The Board from time to time delegates to senior management the authority to enter into transactions, such as financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business, are reviewed by and are subject to the prior approval of the Board.

2.9 The Board ensures that adequate plans are in place for management development and the succession for the Chair, the Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons.

2.10 The Board assumes a more direct role in managing the business and affairs of the Company during any period of crisis or emergency.

Strategic Planning

2.11 The Board will adopt a strategic plan for the Company. At least annually, the Board shall review and, if advisable, approve the Company's strategic planning process and the Company's annual strategic plans. In discharging this responsibility, the Board shall review the plan in light of management's assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products.

2.12 The Board has oversight responsibility to participate directly, and through its committees, in reviewing, questioning and approving the goals and objectives of the Company.

2.13 The Board is responsible for reviewing the business and financial plans by which it is proposed that the Company may reach its goals.

2.14 The Board is responsible for providing input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.

2.15 The Board will consider alternative strategies in response to possible change of control transactions or takeover bids with a view to maximizing value for all shareholders.

Monitoring of Financial Performance and Other Financial Matters

2.16 The Board is responsible for enhancing the alignment of shareholder expectations, Company plans and management performance.

2.17 The Board is responsible for:

(a) adopting processes for monitoring the Company's progress toward its strategic and operational goals and revising its direction to management in light of changing circumstances affecting the Company; and

(b) taking action when Company performance falls short of its goals or when other special circumstances warrant.

2.18 Directly and through the Audit Committee, the Board assesses the integrity of internal control over financial reporting and management information systems.

2.19 The Board reviews and approves capital, operating and research and development expenditures including any budgets associated with such expenditures.

2.20 The Board is responsible for approving the annual audited financial statements and, if required by applicable securities legislation, the interim financial statements, and the notes and Management's Discussion and Analysis accompanying such financial statements. The Board may delegate responsibility for approving interim financial statements to the Audit Committee.

2.21 The Board is responsible for reviewing and approving material transactions outside the ordinary course of business, including material investments, acquisitions and dispositions of material capital assets, material capital expenditures, material joint ventures, and any other major initiatives outside the scope of approved budgets.

2.22 The Board approves those matters that are required under the Company's governing statute to be approved by the directors of the Company, including the issuance, purchase and redemption of securities and the declaration and payment of any dividends.

Risk Management

2.23 The Board is responsible for the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to effectively monitor and manage those risks with a view to the long-term viability of the Company and achieving a proper balance between the risks incurred and the potential return to the Company's shareholders.

2.24 The Board monitors the conduct of the Company and ensures that it complies with applicable legal and regulatory requirements.

2.25 The Board shall verify that internal, financial, non-financial and business control and management information systems have been established by management.

Policies and Procedures

2.26 The Board is responsible for approving and monitoring compliance with all significant policies and procedures by which the Company is operated and approving policies and procedures designed to ensure that the Company operates at all times within applicable laws and regulations. The Board is responsible for adopting a written code of ethical business conduct for the directors, officers and employees of the Company and is responsible for establishing procedures to monitor compliance with the code and to encourage and promote a culture of ethical business conduct.

2.27 The Board is responsible for taking steps to ensure that directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.

2.28 The Board shall enforce its policy respecting confidential treatment of the Company's proprietary information and the confidentiality of Board deliberations.

Communications and Reporting

2.29 The Board is responsible for approving a Corporate Disclosure Policy to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and the communities in which the business of the Company is conducted.

2.30 The Board is responsible for ensuring appropriate policies and processes are in place to ensure the Company's compliance with applicable laws and regulations, including timely disclosure of relevant corporate information and regulatory reporting.

Meetings

2.31 Meetings of the Board shall be conducted in accordance with the Company's By-laws.

2.32 The Corporate Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.

2.33 The independent members of the Board shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present.

2.34 Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.

Authority

2.35 The Board shall have unrestricted access to management and employees of the Company. The Board shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

Miscellaneous

2.36 Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public company.

3 NO RIGHTS CREATED

3.1 This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

APPENDIX B – AUDIT COMMITTEE CHARTER

AUDIT COMMITTEE CHARTER
(the "Charter")

1. PURPOSE

1.1 The Audit Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Ratel Gold Limited (the "Company") to assist the Board in fulfilling its financial management oversight responsibilities. The Committee's primary duties and responsibilities are to:

(a) monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

(b) identify and monitor the management of the principal risks that could impact the financial reporting of the Company;

(c) monitor the independence and performance of the Company's external auditor; and

(d) provide an avenue of communication among the external auditor, management and the Board.

2. AUTHORITY

2.1 The Committee has the authority to:

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the Committee; and

(c) communicate directly with the internal and external auditors.

3. COMPOSITION

3.1 Committee members shall meet the requirements of the applicable securities regulatory rules and regulations. The Committee shall be comprised of at least three directors, as determined by the Board, each of whom shall be an "independent" director within the meaning of National Instrument 52-110 ("NI 52-110") promulgated by the Canadian Securities Administrators and shall be free from any relationship that would interfere with the exercise of the director's independent judgment; provided, that, the exemption in Section 3.9 of 52-110 is available for a period of up to one year commencing on the date of the receipt of the prospectus qualifying a distribution of securities that is the initial public offering of the Company. All members of the Committee shall be "financially literate" within the meaning of NI 52-110 and at least one member of the Committee shall have accounting or related financial management expertise.

3.2 The members of the Committee shall be appointed by the Board and shall serve until their successors are appointed. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it, subject to the Committee continuing to satisfy the composition requirements mentioned above. The Board shall designate one member of the Committee as its Chair. If a Chair of the Committee is not designated or present at a meeting, the members of the Committee may designate a Chair for the meeting by majority vote of the Committee membership.

4. MEETINGS

4.1 Except as expressly provided in this Charter or the Articles of the Company, the Committee shall fix its own rules of procedure.

4.2 The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the external auditor, and as a Committee to discuss any matter that the Committee or each of these groups believes should be discussed. In addition, the Committee should communicate with management quarterly as part of their review of the Company's interim financial statements and management's discussion and analysis.

4.3 At all meetings of the Committee, the presence of a majority of the members will constitute a quorum for the transaction of the business and the vote of a majority of the members present shall be the act of the Committee.

4.4 The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

4.5 Members of the Committee may participate in a meeting of the Committee by conference telephone or similar communications equipment by means of which all people participating in the meeting can hear each other and participation in such a meeting will constitute presence in person at such a meeting.

4.6 Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if all of its members consent in writing to the action and such writing is filed with the records of proceedings of the Committee.

4.7 The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

4.8 Directors not on the Committee may attend meetings at their discretion. At the invitation of the Chair of the Committee, members of management and outside consultants may attend Committee meetings.

5. RESPONSIBILITIES

Review Procedures

5.1 The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").

5.2 Review and update, if applicable or necessary, this Audit Committee Charter annually and submit any amended Audit Committee Charter to the Board for approval.

5.3 Review the Company's annual audited financial statements, related management's discussion and analysis ("MD&A") and related documents prior to filing or distribution. This review should include discussion with management and the external auditor of significant issues regarding accounting principles, practices, and significant management estimates and judgments.

5.4 Review with financial management the Company's quarterly financial results and related documents prior to the release of earnings and/or the Company's quarterly financial statements, the auditor's review report thereon, related MD&A and related documents prior to filing or distribution. As part of this review, the Committee should discuss any significant changes to the Company's accounting principles.

5.5 Review all filings with government agencies in Canada and assess the compliance of the Company in relation to governmental and stock exchange regulations as they apply to the Company respecting processes and controls.

5.6 Review all annual and interim earnings press releases before the Company publicly discloses the information.

5.7 Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

5.8 Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment.

5.9 Discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements.

5.10 Ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures.

External Auditor

5.11 The external auditor is ultimately accountable to the Committee and the Board, as representative of the shareholders. The Committee shall review the independence and performance of the auditor and annually recommend to the Board the appointment of the external auditor or approve any discharge of the external auditor when circumstances warrant.

5.12 Approve the fees and other significant compensation to be paid to the external auditor.

5.13 At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

5.14 Obtain annually, a formal written statement from the external auditor setting forth all relationships between the external auditor and the Company.

5.15 On an annual basis, the Committee should review and discuss with the external auditor all significant relationships the auditor has with the Company that could impair the auditor's independence.

5.16 Take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting.

5.17 Review the external auditor's audit plan, discuss and approve audit scope, staffing, locations, reliance upon management and general audit approach.

5.18 Prior to releasing the year-end financial report, the Committee will discuss the results of the audit with the external auditor. The auditor will review with the Committee any matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.

5.19 At each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

5.20 Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and, if applicable, former external auditor of the Company.

5.21 Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The authority to pre-approve non-audit services may be delegated by the Committee to one or more independent members of the Committee, provided that such pre-approval must be presented to the Committee's first scheduled meeting following such pre-approval. Pre-approval of non-audit services is satisfied if:

(a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company and subsidiaries to the Company's external auditor during the fiscal year in which the services are provided;

(b) the Company or a subsidiary did not recognize the services as non-audit services at the time of the engagement; and

(c) the services are promptly brought to the attention of the Committee and approved, prior to completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

Financial Reporting Processes

5.22 The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

(a) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company’s internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management’s conclusions;

(b) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company’s periodic regulatory filings;

(c) any material issues raised by any inquiry or investigation by the Company’s regulators;

(d) the Company’s fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

(e) any related significant issues and recommendations of the auditors together with management’s responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

The Committee should discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. The review will include a consideration of any significant findings prepared by the external auditor together with management's responses.

5.23 Review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the Committee's views to the Board.

5.24 Review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

5.25 Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management.

5.26 Review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments.

5.27 Following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

5.28 Review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements.

5.29 Review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.

5.30 Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

5.31 Review the financial disclosures certification process.

5.32 Establish procedure for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters or any material violation of securities laws or other laws, rules or regulations applicable to the Company and the operation of its business. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

Other Committee Responsibilities

5.33 Annually assess the effectiveness of the Committee against this Audit Committee Charter and report the results of the assessment to the Board.

5.34 The Audit Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

5.35 As required under Securities Rules, prepare and disclose a summary of the Audit Committee Charter in applicable continuous disclosure documents.

5.36 Perform any other activities consistent with this Audit Committee Charter, the Company's articles, and governing law, as the Committee or the Board deems necessary or appropriate.

5.37 Maintain minutes of meetings and report to the Board on significant matters arising at Committee meetings at the next scheduled meeting of the Board.

Other Duties

5.38 Periodically conduct a self-assessment of Committee performance.

5.39 Review financial and accounting personnel succession planning within the Company.

5.40 Annually review a summary of director and officers' related party transactions and potential conflicts of interest.

6. NO RIGHTS CREATED

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

7. CHARTER REVIEW

The Committee shall review and update this Charter annually and present it to the Board for approval.

AUDITORS' CONSENT

We have read the prospectus of Ratel Gold Limited (the Company) dated 29 June 2010 relating to the issue and sale of up to 70,000,000 common shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of:

- Our report to the Directors of the Company on the statement of financial position of the Company as at 31 March 2010 and the statements of comprehensive income, changes in equity and cash flow for the period from incorporation, 27 January 2010 to 31 March 2010. Our report is dated 1 June 2010.

- Our report to the Directors of CGX Limited on the consolidated balance sheets of CGX Limited as at 30 June 2009, 2008 and 2007 and the consolidated income statements, statements of changes in equity and cash flow statements for the years ended 30 June 2008 and 2009 and the period from incorporation, 22 August 2006, to 30 June 2007. Our report is dated 31 May 2010.

- Our report to the Directors of Zambian Mining Limited on the consolidated balance sheets of Zambian Mining Limited as at 30 June 2009, 2008 and 2007 and the consolidated income statements, statements of changes in equity and cash flow statements for the years ended 30 June 2009 and 2008 and the period from incorporation, 22 August 2006, to 30 June 2007. Our report is dated 31 May 2010.

(Signed) *"Ernst & Young"*
Chartered Accountants

Perth, Western Australia,
29 June 2010

CERTIFICATE OF THE COMPANY AND THE PROMOTER

Dated 29 June 2010

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the Provinces of Canada, other than Québec.

(Signed) MR GEOFF JONES
Chief Executive Officer

(Signed) MS HANNAH HUDSON
Chief Financial Officer

On Behalf of the Board of Directors

(Signed) MR MARK SAVAGE
Director

(Signed) MR MICHAEL CARRICK
Director

On Behalf of the Promoter

CGA MINING LIMITED

By: (Signed) JUSTINE MAGEE

CERTIFICATE OF THE AGENT

Dated 29 June 2010

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the Provinces of Canada, other than Québec.

HAYWOOD SECURITIES INC.

By: (Signed) KEVIN CAMPBELL