Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Reporting Issuer

Ratel Gold Limited (the "**Company**" or "**Ratel**")
Level 5, 28 The Esplanade
Perth, Western Australia 6000

Item 2. Date of Material Change

October 18, 2010

Item 3. News Release

A news release announcing the material change referred to in this report was issued on October 18, 2010 via CNW Group.

Item 4. Summary of Material Changes

Ratel announced that it has entered into a definitive agreement to acquire the right to earn a 60 percent interest in the King-king Copper-Gold Project in the Philippines (the "**King-king Property**") from Russell Mining & Minerals, Inc. ("**RMMI**").

Item 5. Full Description of Material Change

5.1 – Full Description of Material Change

Ratel announced that it has entered into a definitive agreement to acquire the right to earn a 60 percent interest in the King-king Property from RMMI. The proposed consideration is an issue of 80 million new shares in Ratel, together with a further 75 million new Ratel shares on the earlier of completion of a feasibility study on the project or any subsequent change in control of the board of directors of Ratel.

The King-king Property is a copper-gold porphyry deposit located in the south east of the Philippine Island of Mindanao, located 92kms NW of Davao City.

RMMI entered into an agreement (the "**Memorandum of Understanding**") with Philippine based Nationwide Development Corporation ("**Nadecor**"), the current licenseholder, to earn a 60 percent interest in the King-king Property in exchange for funding and preparing a feasibility study on the development of the project (estimated in the Memorandum of Understanding at US$43.5m), payments to Nadecor of US$7.5m and funding the first US$12.8m of Nadecor's ultimate 40% contribution to development capital. Nadecor is a highly respected local company in the Philippines, with a long standing interest in the project.

RMMI has significantly advanced the project over the last 14 months, engaging Independent Mining Consultants in the development of a mine plan and resource validation and assessment to NI 43-101 and JORC standards and AATA International, Inc. in the environmental assessment, as well as assisting Nadecor in the filing of the required Exploration and Environmental Work Programs. Bromius Capital has acted as their exclusive financial advisor in this process.

RMMI, in coordination with Nadecor, has entered into a heads of terms agreement with the previous operating partner, Benguet Corporation ("**Benguet**") (Philippine Exchange Symbol - BC), providing for a settlement of all previous claims of interest in the project. It is anticipated that completion of the settlement will occur shortly and the loan facility described below will be used to fund the initial settlement payments to Benguet that will be due under the settlement agreement.

The proposed acquisition of the King-king Interests is conditional on Ratel first completing a C$25M capital raising at C$0.30 (the "**Ratel Placement**") and securing all necessary consents and approvals, including shareholder and Toronto Stock Exchange ("**TSX**") approval of amongst other things, the acquisition, the issue of shares to RMMI and the Ratel Placement. CGA Mining Limited ("**CGA**"), in line with its existing strategic alliance with Ratel and RMMI, has agreed to subscribe for additional shares in the Ratel Placement, to increase its interest to approximately 27 percent. As part of this strategic alliance, CGA is well positioned to assist with operating in the Philippines. CGA's participation in the Ratel Placement is also subject to the approval of Ratel's shareholders and the TSX.

CGA has agreed to provide the initial funding (up to US$14.9M) under a loan facility to the RMMI to fund the initial settlement payments to Benguet and debtholders of Benguet together with working capital, which will be fully secured against the King-king Property and will be repaid on completion of the proposed acquisition from the Ratel Placement proceeds. Repayment of the loan by CGA is also subject to the approval of the TSX and Ratel's shareholders.

Ratel also plans to undertake a spin-off of existing African assets of the Company, by way of an entitlement issue back to shareholders, with the entitlement date to be established prior to completion of the abovementioned transactions.

It is currently planned that a meeting of shareholders of Ratel will be held in late November and detailed meeting documentation, including an overview of the King-king Property will be dispatched to shareholders as soon as available. Subject to securing all necessary consents, completion of the proposed acquisition of the King-king Property and the Ratel Placement is planned for shortly thereafter.

5.2 – Disclosure of Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

For further information, please contact Geoff Jones, CEO of the Company by telephone at +61 8 9263 4000.

Item 9 Date of Report

October 28, 2010.