Ratel Gold Limited
Level 5, BGC Centre
28 The Esplanade
Perth Western Australia 6000

Tel: +61 8 9263 4000
Fax: +61 8 9263 4020
Email: info@ratelmining.com
www.ratelmining.com

**MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")**
**QUARTER ENDED SEPTEMBER 30, 2010**

*(All figures are in US dollars unless otherwise indicated and the effective date of this MD&A is November 10th, 2010)*

## Introduction

Management's discussion and analysis provides a review of the performance of Ratel Gold Limited's ("Ratel", "Company" or "the Group") operations and compares its performance with those of the preceding year and quarters. Ratel was incorporated on January 27, 2010, and formed a consolidated group June 1, 2010, as such, there are no comparatives for the preceding year or 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 September 30, 2010 and should be read in conjunction with the audited financial statements for the year ended June 30, 2010 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards. All dollar amounts referred to in this discussion and analysis are expressed in United States dollars except where indicated otherwise.

Additional information relating to the Company, including the Company's Annual Information Form ("AIF") can be found on SEDAR at www.sedar.com.

## Cautionary Note Regarding Forward Looking Statements

Certain statements contained in this MD&A constitute forward looking statements within the meaning of applicable securities laws including, among others, statements made or implied relating to the Company's objectives, strategies to achieve those objectives, the Company'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. Such forward looking statements are not guarantees of future performance and reflect the Company'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 the Company and the risk factors discussed in the Company's AIF and other materials filed with the securities regulatory authorities from time to time which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Those risks and uncertainties include, but are not limited to: the mining industry (including operational risks; risks in exploration, and development; 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 and other commodity price and foreign exchange rate fluctuations;

the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company; 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; and the ability to access capital markets.

Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statements were made and readers are advised to consider such forward looking statements in light of the risks set forth above. Except as required by applicable securities laws, the Company assumes no obligation to update or revise any forward looking statements to reflect new information or the occurrence of future events or circumstances.

**Background and Review of Operations**

Ratel was incorporated on January 27, 2010 as a wholly owned subsidiary of CGA Mining Limited ("CGA"), an Australian incorporated entity listed on the Australian Stock Exchange ("ASX") and the Toronto Stock Exchange ("TSX"), and is domiciled in the British Virgin Islands.

On June 1, 2010, Ratel agreed to acquire a 100% interest in Zambian Mining Limited ("Zambian Mining") and CGX Limited ("CGX").

On August 6, 2010 Ratel successfully completed a capital raising of C$14,000,000 (gross) by way of issuing 70 million new shares in the Company and listing on the TSX. The successful listing reduced CGA's shareholding to approximately 20% in Ratel, and therefore Ratel is no longer controlled by CGA.

CGX and Zambian Mining were incorporated to act as holding companies respectively for the interests in the Segilola Gold Project in Nigeria and the Mkushi Copper Project in Zambia. A joint venture was entered into with African Eagle Resources ("AFE") on the Mkushi Copper Project in Zambia where Seringa Mining Limited ("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 May 30, 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.

Segilola Gold Limited ("SGL") entered into a joint venture with Tropical Mines Limited ("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 ("the JV Agreement") and drilling is ongoing at the project, with a maiden resource announced by CGA during the December 2009 quarter of an indicated resource of 3,620,386 tonnes at a grade of 4.5g/t for 521,814 ounces of gold and an inferred resource of 747,590 tonnes at a grade of 4g/t for 96,445 ounces of gold.

A feasibility study was commenced in November 2009 at the Segilola Gold Project which has been completed in line with the requirements set out in the JV Agreement. A preliminary program for additional drilling has been formulated to test the lateral and depth extent of the interpreted plunge to the south of the known limits of mineralisation. In addition, SGL will drill test beneath a high grade geochemical anomaly determined to exist to the north of the known zone of mineralisation. The Company is also currently in discussions with the appropriate Government agencies in an effort to optimise and clarify the applicable/appropriate tax regime and identify the optimal corporate structure. SGL and TML have appointed Price Waterhouse Coopers to assist with the discussions with the Nigerian Government.

As previously stated, on August 6, 2010, Ratel successfully closed the initial public offering of common shares (the "Offering"). Pursuant to the Offering, Ratel has issued 70,000,000 common shares at a price of C$0.20 per common share, for aggregate gross proceeds of C$14 million. The net proceeds of the capital raising are being used primarily for exploration and development activities, general and administrative expenses, and for working capital purposes. Ratel has agreed to repay CGA for the funds provided from March 31, 2010 until the date of the closing of the Offering.

Ratel also entered into an option agreement dated May 27, 2010 with Central Asia Minerals Limited ("CAML") to acquire 100% of its interest in CAML Ghana Limited ("CAML Ghana"), the company holding a 51% interest in the Obuasi Gold Project in Ghana ("Obuasi Project"). Pursuant to its terms, Ratel had three months from the date of the option agreement to exercise the option to acquire 100% of CAML's interest in CAML Ghana. The option was exercised during the period for the issue of a further 2.5 million shares in Ratel with a condition subsequent that Ghanaian ministerial approval to a change of control in CAML Ghana, if required, is obtained.

Subsequent to the September 2010 quarter, the Company announced it has entered into a strategic alliance with CGA and an agreement to acquire the interests held by Russell Mining & Minerals, Inc. and their subsidiaries (the "RMMI Group"), in the significant King-king Copper-Gold Project in the Philippines ('the King-king Interests"). The proposed consideration is an issue of 80 million new shares in Ratel, together with a further 75 million Ratel shares on the earlier of completion of a feasibility study on the project, or any subsequent change in control of the Ratel Board.

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") per share and securing all necessary consents and approvals, including shareholder and TSX approval of amongst other things, the acquisition, the issue of shares to the RMMI Group and the Ratel Placement. CGA, in line with its existing strategic alliance with Ratel and the RMMI Group has agreed to subscribe for additional shares in the Ratel Placement, to increase its interest to approximately 27%. 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.

The RMMI Group, in coordination with Nationwide Development Corporation ("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, which has now been completed.

CGA agreed to provide the initial funding (up to US$14.9M) under a loan facility to the RMMI Group 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 Interests 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.

On October 18, 2010 Ratel incorporated a new subsidiary, Ratel Group Limited. Ratel plans to undertake a spin-off of CGX, Zambian Mining and CAML Ghana, the entities holding the African assets, by way of an entitlement issue back to Ratel shareholders of shares in Ratel Group Limited. The entitlement date will be established prior to completion of the abovementioned transactions and will be effected by way of a return of capital

It is currently planned that a meeting of shareholders of Ratel will be held in December 2010 and detailed meeting documentation, including an overview of the King-king project will be dispatched to shareholders as soon as available. Subject to securing all necessary consents, the Ratel Placement is planned to complete shortly thereafter.

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 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, Nigeria and Ghana;
- permitting and local community support; and
- environmental obligations.

For further information on these and other risks inherent in the Company's business, we direct readers to the Company's Annual Information Form ("AIF") for the most recently completed financial year lodged on SEDAR at www.sedar.com.

In connection with the planned acquisition of the King-king Interests, we direct readers to the risk factors to be set out in the planned shareholder meeting documentation.

**Selected Quarterly Data**
(US$)

| | **2011 Annual Total** | **Q1 Sep 2010** | **2010 Annual Total** | **Q4 Jun 2010** |
|---|---|---|---|---|
| Total revenues | 718 | 718 | 9 | 9 |
| Net profit/(loss) | (1,055,323) | (1,055,323) | (217,914) | (217,914) |
| Per share (undiluted US$ cents per share) | (4.79) | (4.79) | (1.32) | (1.32) |
| Per share (diluted US$ cents per share) | (4.79) | (4.79) | (1.32) | (1.32) |

Ratel was incorporated on January 27, 2010. On June 1, 2010, Ratel purchased 100% of CGX and Zambian Mining, thereby acquiring their interests in the Segilola Gold Project and Mkushi Copper Project, respectively. As the Ratel Group was only formed during the 2010 financial year, there is no comparative information prior to the March 2010 quarter.

## Quarterly Results

**Period Three months ended September 30, 2010 compared with three months ended June 30, 2010**

The Company's result for the three months to September 30, 2010 was a net loss of $1,055,323 or 4.8 cents per share (undiluted) compared to $217,914 or 1.3 cents per share (undiluted) for the three months ended June 30, 2010. The result for the most recent quarter principally reflects exploration costs written off at the Company's Nigerian and Zambian Projects. The June 2010 quarter results are noticeably lower due to the fact that Ratel only purchased 100% of CGX and Zambian Mining on June 1, 2010, therefore only incurring exploration costs for Nigeria and Zambia for one month in the quarter.

### Revenues

For the three months to September 30, 2010 the only revenue earned by the Company was $718, mainly from bank interest earned on the Company's corporate bank accounts. In the quarter for June 2010, the only revenue earned was $9 for bank interest on their Nigerian and Zambian bank accounts held in country. These accounts earn minimal interest, and are subject to foreign currency fluctuations.

### Expenses

Expenses for the three months to September 30, 2010 amounted to $1,056,041 compared to the three months to June 30, 2010 of $217,923. As mentioned previously, the quarter results to June 30, 2010 only include costs incurred in Nigeria and Zambia from the date Ratel acquired CGX and Zambian Mining on June 1, 2010.

**Specific items discussed below:**

*Exploration costs written off*
The Company incurred exploration costs of $729,130 during the current period compared to $193,787 for the period ended June 30, 2010. The costs in the current period were largely attributable to preparation of a feasibility study at the Segilola Project in Nigeria and the commencement of a drilling program, and ongoing maintenance at the Mkushi Copper Project in Zambia.

*Administrative expenses*
The Company incurred administrative costs of $206,301 during the three months to September 30, 2010 compared to $20,097 during the period to June 30, 2010. These costs related largely to share registry costs in Canada ($18,668), and legal costs ($64,375) in relation to both general legal advice, and as mentioned above, for advice identifying the optimal corporate structure for the Segilola project, along with optimizing and clarifying the applicable/appropriate tax regime in country.

*Foreign exchange losses*
During the current quarter, the Company also incurred foreign exchange losses totaling $86,553, compared to $4,039 during the period to June 30, 2010. This was largely attributable to the capital raising in Canadian dollars and exchange to US Dollars.

**Liquidity and Capital Resources**

As at September 30, 2010, the Company had cash and cash equivalents of $12,237,816, compared to $142,228 at June 30, 2010. Ratel was incorporated on January 27, 2010, and formed a consolidated group with Zambian Mining and CGX on June 1, 2010, therefore there is no available comparative information prior to the June 2010 quarter.

The Company successfully closed its intial public offering on August 6, 2010, issuing 70 million common shares at a price of C$0.20 per common share, receiving proceeds of $12.8 million net of 5% brokers' fees, not including other raising costs. The funds provided Ratel and its subsidiaries with sufficient cash to meet their current planned activities and working capital requirements. The Company does not currently have any derivative financial instruments. At June 30, 2010, the Company had $19,715,919 of external debt in the form of inter-company loans owing to CGA. During the current period Ratel has successfully completed its listing on the TSX and a total of $19,018,506 has been forgiven, with the balance and any funding provided subsequently by CGA to be reimbursed to CGA by the Group.

As previously stated, the Company has announced subsequent to the period end that it has entered into an agreement to acquire the King-king Interests. The proposed acquisition is conditional on Ratel first completing a C$25,000,000 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 the RMMI Group and the Ratel Placement.

The Company manages liquidity risk through maintaining sufficient cash or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. 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.

**Contractual obligations**

| | Payments due by period | | | | |
|---|---|---|---|---|---|
| **Contractual obligations** | **Total** | **Less than 1 year** | **1-3 years** | **4-5 years** | **More than 5 years** |
| | **US$** | **US$** | **US$** | **US$** | **US$** |
| Joint venture obligations[1] | 32,000 | 32,000 | - | - | - |
| Other obligations | 463,134 | 463,134 | - | - | - |
| Total contractual obligations | 745,522 | 745,522 | - | - | - |

[1] The joint venture obligations represent the committed spend at the Company's Nigerian, Zambian and Ghanaian Projects.

**Transactions with Related Parties**

During the quarter ended September 30, 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 SGL for the purpose of funding a feasibility study on the Segilola Gold Project and the funding of the day to day operating costs of SGL. The total amount loaned for the 3 month period was $476,755; and

- between Zambian Mining and its wholly owned subsidiary SML for the purpose of funding the day to day operating costs of SML. The total amount loaned for the 3 month period was $290,169; and

- Between Ratel and its wholly owned subsidiary CAML Ghana for the purpose of funding the day to day operating costs of CAML Ghana. The total amount loaned for the 1 month period was $25,332.

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

- loans are repayable at call; and

- no interest is payable on the loans at present.

**Outstanding Share Data**

As at October 14, 2010, the Company had 90,000,000 common shares outstanding and 8,500,000 unlisted options on issue. Each option is exercisable into one common share in the capital of the Company.

**Critical Accounting Estimates**

The significant accounting policies used by Ratel are disclosed in Note 2 to the annual financial statements for the year ended June 30, 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. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

**Accounting Policies**

The Group's current financial report complies with International Financial Reporting Standards ("IFRS"). The accounting policies of the Group are set out in Note 2 to the June 30, 2010 Annual Financial Statements, available on www.sedar.com.

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

During the quarter ended September 30, 2010, 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 September 30, 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.

**Future Outlook**

As previously stated, subsequent to 30 September 2010, Ratel announced it has entered into an agreement to acquire the King-king Interests, and a strategic alliance with CGA. The proposed consideration is an issue of 80 million new shares in Ratel, together with a further 75 million Ratel shares on the earlier of completion of a feasibility study on the project or any subsequent change in control of the Ratel Board. As part of the acquisition, Ratel will complete a C$25M capital raising at C$0.30. CGA, in line with its strategic alliance with Ratel and the RMMI Group has agreed to subscribe for additional shares in this capital, to increase its interest to approximately 27%. CGA's participation in the Ratel Placement is subject to the approval of Ratel's shareholders and the TSX.

Ratel also plans to undertake a spin-off of the existing African assets of the Company into the newly incorporated Ratel Group Limited, 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 December 2010 and detailed meeting documentation, including an overview of the King-king project will be dispatched to shareholders as soon as available. Subject to securing all necessary consents, completion of the proposed acquisition of the King-king Interests and the Ratel Placement is planned for shortly thereafter.

The Company's activities will continue to focus on additional drilling at the Company's Segilola Gold Project identifying the optimal corporate structure for the project, and optimising and clarifying with the appropriate government agencies in country the applicable/appropriate tax regime; an additional drilling program at its Mkushi Copper project in Zambia; and further drilling at the Obuasi Gold Project pursuant to the Obuasi Farm-in and

Joint Venture Agreement.  Review of all available data is continuing and the further drill programmes have been devised.  This will include trenching of anomalous regions, additional reconnaissance drilling on areas that have demonstrable potential, and step out drilling on areas of known mineralization to increase knowledge of strike and depth extensions. The Company will then re-assess its position once these programs are completed.