



ratel gold
LIMITED

ANNUAL INFORMATION FORM

For the 12 months ended June 30, 2010

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RATEL GOLD LIMITED

TABLE OF CONTENTS

1. Corporate Structure.....	- 3 -
Name, Address and Incorporation.....	- 3 -
2. General Development of the Business.....	- 3 -
History from Incorporation.....	- 3 -
Our Assets.....	- 5 -
Growth Potential of Existing Projects.....	- 5 -
3. Description of the Business.....	- 6 -
Business of the Ratel Group.....	- 6 -
Financing.....	- 7 -
Details/Disclosures.....	- 7 -
Risk Factors.....	- 7 -
Current Projects.....	- 13 -
4. Events Subsequent to June 30, 2010	- 23 -
5. Dividends	- 24 -
6. Description of the Capital Structure	- 24 -
7. Market for Securities	- 24 -
8. Escrowed Securities	- 25 -
9. Directors and Officers.....	- 25 -
10. Legal Proceedings and Regulatory Actions.....	- 27 -
11. Interest of Management and Others in Material Transactions...	- 27 -
12. Transfer Agents and Registrars.....	- 27 -
13. Material Contracts.....	- 28 -
14. Interest of Experts	- 30 -
15. Audit Committee.....	- 30 -



Currency

Unless otherwise specified, all dollar references are to United States (US) dollars. On June 30, 2010, one (1) US dollar was worth approximately CAD\$1.04803 based on rates provided by currency site www.oanda.com.

Forward Looking Statements

This Annual Information Form ("AIF") includes certain "forward-looking statements" within the meaning of Canadian securities legislation. All statements, other than statements of historical fact, included herein, without limitation, the use of net proceeds are forward-looking statements. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties related to fluctuations in gold and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies in the development of the Company's mineral projects; the need to obtain additional financing to develop the Company's mineral projects; the possibility of delay in development programs or in construction projects and uncertainty of meeting anticipated program milestones for the Company's mineral projects; risks associated with operations in Nigeria and Zambia; environmental risk; the dependence on key personnel and other risks and uncertainties disclosed under the heading "Risk Factors" in the prospectus of the Company dated June 29, 2010 filed with the Canadian securities regulatory authorities on the SEDAR website at www.sedar.com.



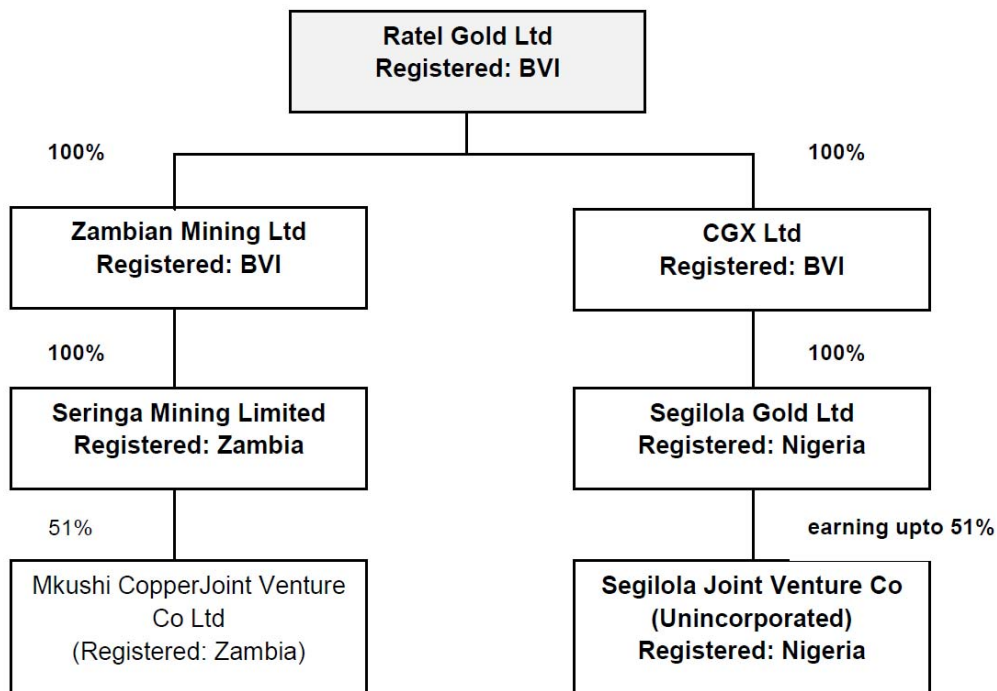
1. Corporate Structure

Name, Address and Incorporation

Ratel Gold Limited (“Ratel”, or the “Company”) was incorporated on January 27, 2010 pursuant to the BVI Business Companies Act 2004 (British Virgin Islands). As at June 30, 2010, Ratel was a wholly owned subsidiary of CGA Mining Limited an Australian company listed on the Australian Securities Exchange (“ASX”) and the Toronto Stock Exchange (“TSX”).

The Company’s registered office is at Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110, British Virgin Islands and its corporate office is located at Level 5, The BGC Centre, 28 The Esplanade, Perth, Western Australia. The Company has regional offices in Nigeria and Zambia.

Ratel Gold Limited Group Structure as at September 18, 2010



2. General Development of the Business

History from Incorporation

Ratel was incorporated on January 27, 2010 and is domiciled in the British Virgin Islands. CGX Limited (“CGX”) and Zambian Mining Limited (“Zambian Mining”) were both incorporated on August 22, 2006 and are also domiciled in the British Virgin Islands. Ratel, CGX and Zambian Mining were wholly owned subsidiaries of CGA Mining Limited (“CGA”),

a company incorporated and domiciled in Australia. CGA has been listed on the Australian Stock Exchange (“ASX”) since April 1991, and the TSX since February 2005.

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

CGX and Zambian Mining were incorporated 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 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.

CGA commenced a feasibility study in November 2009 at the Segilola Gold Project which has been completed in line with the requirements set out in the JV Agreement. Subsequent to year end, this asset is no longer owned by CGA and Ratel, an associated company of CGA, holds the asset. 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.

Ratel also executed an option agreement on 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. 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. Subsequent to June 30, 2010, this option has been exercised, with a condition subsequent that Ghanaian ministerial approval to a change of control in CAML Ghana, if required, is obtained.

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. The key risk factors faced by CGX, Zambian Mining and Ratel are discussed in section 3 of this AIF.

CGA agreed to provide additional funding as required to Ratel to enable the Company and its controlled entities to operate and meet their respective obligation for a period to the earliest of May 31, 2011 or up to the date of Ratel successfully listing completing the proposed capital raising of up to C\$14,000,000 (gross) on the TSX. The listing of Ratel and

the initial public offering of common shares (the "IPO") was successfully closed on August 6, 2010. Pursuant to the IPO, 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. CGA retains an approximate 19.4% interest in Ratel as at the date of listing.

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 capital raising save for US\$400,000 which represents the balance of the signature bonus SGL is required to pay to TML pursuant to the JV Agreement if it wishes to exercise the 3rd option and acquire the final 13% interest to give SGL a 51% interest in the Segilola Gold Project. Ratel is to hold the US\$400,000 in escrow for the sole purpose of paying the balance of the signature bonus in the event that SGL wishes to exercise the 3rd option. If SGL does not exercise the 3rd option the amount is to be repaid to CGA.

Our Assets

The Company's current properties range across different stages of project development and commodities, including the Segilola Gold Project in Nigeria and the Mkushi Copper Project in Zambia. This diversification reduces the exposure to political and regulatory risk in any one jurisdiction and fluctuations in commodity prices.

Growth Potential of Existing Projects

The Company intends to increase its exploration activities and further enhance our projects by:

- undertaking additional drilling at the Segilola Gold Project with a view to progressing to design and construction of a mine for the Segilola Gold Project, subject to an anticipated positive feasibility study;
- continuing to optimise the Mkushi Copper Project and explore our options; and
- undertaking further drilling at the Obuasi Gold Project in Ghana.

During the 2010 fiscal year, prior to its acquisition by Ratel, metallurgical test work was carried out at the Mkushi Copper Project 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.

Optimisation of the resource model, mine design and scheduling was undertaken and since the initial pit designs and scheduling were completed, additional reviews were undertaken looking at various options. Various reviews have been considered and are ongoing, including the possibility of utilising a modular processing facility that would reduce the capital cost. A further small drill program has been scheduled for the Mkushi Copper Project to commence in the 2010 September quarter.

Prior to Ratel's acquisition of its interest in the Segilola Gold Project, a drilling programme for the Segilola Gold Project was undertaken and in December 2009, the Company announced a maiden indicated resource estimate for the Segilola Gold Project which disclosed 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.

The Segilola deposit lends itself to being exploited by open pit mining methods. The metallurgical characteristics of the ore are amenable to conventional carbon in leach ("CIL") processing techniques. A feasibility study was commenced in the 2009 December quarter which has been completed in line with the requirements set out in the JV Agreement.

Additional drilling is planned in the next 6 months with a view to further expanding the resource and reserve base. As the mining licence covers only a portion of the mineralisation with the balance of mineralisation within the surrounding exploration licence held 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 Cadastre Office. Approval of this enlargement application has recently been granted by the Mining Cadastre Office.

Ratel will also undertake further drilling at the Obuasi Gold Project pursuant to the Obuasi Farm-in and Joint Venture Agreement. A comprehensive review of all available data is underway and the further drill programme has been devised to test anomalous areas and develop areas of known mineralization. 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.

Objectives and Strategy

The objective of Ratel is to further develop its current resource interests and identify new opportunities in Africa to both grow its reserve and resource base and enhance the Company's ability to move quickly to a producer status.

3. Description of the Business

Business of the Ratel Group

CGA commenced a feasibility study in November 2009 at the Segilola Gold Project which has been completed in line with the requirements set out in the JV Agreement. Since Ratel's acquisition of the Segilola Gold Project, 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.

At the Mkushi Copper Project, a conceptual study for a modular type processing facility has been undertaken by Bateman Engineering. This may lead to improved and revised estimates on both the capital and operating parameters/costs, the details of which are still currently under review.

Financing

As at June 30, 2010 the Group's available cash was US\$142,228. CGA, Ratel's ultimate parent at June 30, 2010, had 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 to the earliest of May 31, 2011 or up to the date of Ratel successfully completing the then proposed capital raising of up to C\$14,000,000 (gross) and listing on the TSX. The Company successfully closed its IPO and was listed on the TSX on August 6, 2010. CGA retains an approximate 20% interest in Ratel.

Details/Disclosures

As of June 30, 2010, Ratel had 18 full time equivalent employees, all based in the regional offices with managerial, financial and legal services provided out of Ratel's head office in Perth through a management services agreement between CGA and Ratel whereby CGA provides these services to Ratel in return for an annual management fee. Management considers the relationship between Ratel and its employees as sound.

Risk Factors

As a mining company, the Company faces the financial, operational, political and environmental risks inherent to the nature of its activities. These risks may affect the Company's profitability and level of operating cash flow. The Company also faces risks stemming from other factors, such as fluctuations in gold prices, oil prices, interest rates, exchange rates, tax or royalty rates or the adoption of new interpretation relating thereto and financial market conditions in general. As a result, the securities of the Company must be considered speculative and in evaluating the securities of the Company, the following factors, amongst other things, 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.

Uncertainty of Reserve and Resource Estimates

The figures for reserves and resources presented are estimates based on limited information acquired through drilling and other sampling methods. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The ore grade actually recovered may differ from the estimated grades of the reserves and resources. Such figures have been determined based upon assumed gold or copper prices and operating costs. Future production could differ dramatically from reserve estimates for, among others, the following reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;

- increases in operating mining costs and processing costs could adversely affect reserves;
- the grade of the reserves may vary significantly from time to time and there is no assurance that any particular level of gold or copper may be recovered from the reserves; and
- declines in the market price of gold or copper may render the mining of some or all of the reserves uneconomic.

Any of these factors may require the Company to reduce its reserves estimates or increase its costs.

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 which may cause physical damage to 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 licences 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 Parties and Contractors

The Company currently has joint venture partners in Zambia and Nigeria 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 litigation arising between joint venture partners regarding joint venture matters.

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 interests 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.

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 a property is identified for potential acquisition or development, a substantial capital investment often will be required. The Company's 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. 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 the Company is unable to secure capital through credit facilities or other arrangements, it may have to finance projects using equity financing which will have a dilutive effect on the Company's Shares. Any of these alternatives could have a material adverse effect on the Company's growth prospects and financial condition.

Adverse Claims Against Our Title May Adversely Affect Our Business

Although reasonable precautions have been taken to ensure that legal title to the Company's properties is properly documented, there can be no assurance of title to any of the Company's property interests, or that such title will ultimately be secured. The Company's 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

The Company's 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.

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 Company's shares could similarly be subject to wide fluctuations in response to a number of factors, most of which the Company cannot control, including:

- changes in securities analysts' recommendations and their estimates of the Company's financial performance;
- the public's reaction to our press releases, announcements and filings with securities regulatory authorities and those of 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 the Company's 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 the Company's 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 the Company's control could cause the market price of the Company's shares to decline significantly. In particular, the market price of the Company's 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

The Company has not declared or paid any dividends on our common shares. For the foreseeable future, it is anticipated that the Company 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 the Company's financial condition, current and anticipated cash needs and such other factors as the Board of Directors considers appropriate.

Foreign Currency Exchange Rates

We maintain accounts in United States dollars and the Company's 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. The Company does not at present, nor does it plan in the future, to engage in foreign currency transactions to hedge exchange rate risks but it does convert Nigerian and Zambian funds to U.S. dollars anticipating U.S. expenditures.

New Issue of Shares

The Company 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. The Company's 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.

Current Projects

(i) The Segilola Gold Project

The JV Agreement between SGL (a wholly owned subsidiary of CGA at June 30, 2010) was entered into in May 2007 with TML, to earn a 51% interest in the Segilola Gold Project, considered to be the most advanced gold exploration project in Nigeria. TML is a Nigerian company owned in joint venture by local investors and the Government.

The execution of the JV Agreement paved the way for the drilling program to commence under the terms of the JV Agreement. An initial signature payment was made to TML in the amount of US\$250,000 for securing the Ministerial letter of consent to the transfer of 51% of the respective licences to SGL.

SGL committed to:

- \$2 million expenditure on drilling and the project development and the completion of a Bankable Feasibility Study; and
- A final signature payment to TML of US\$400,000 on the exercise of the 3rd Option under the terms of the JV Agreement.

CGA, the previous owner of the Segilola Gold Project, commissioned Odessa Resources Pty Ltd in the 2009 December quarter to assess, calculate and report classified mineral

resource estimates for the Segilola Gold Project to satisfy NI43-101 requirements. The Company announced a maiden indicated resource estimate for the Segilola Gold Project 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. 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.

A feasibility study has been delivered to TML, based on the required hurdles set out in the JV Agreement, however the joint venture has elected to do further drilling before committing to a development.

Location

The Segilola Gold Project is located at the village of Iperindo-Odo Ilesha, near the city of Ilesha in Osun State, Nigeria. The project site is situated within 600m of a sealed road, 18km south of the regional centre Ilesha, the local government centre, with a population of 300,000, which is itself located on a sealed dual carriage way, 120km north east of Lagos (the principal international entry port and major commercial centre of Nigeria, estimated population, 16 million).

Nigeria has a well established petro-chemical industry based in the Niger River delta and the government of Nigeria, is now in its second term of democratic rule. The Government has recently established the Ministry for Solid Minerals Development to administer all mineral assets occurring in Nigeria other than oil and natural gas.

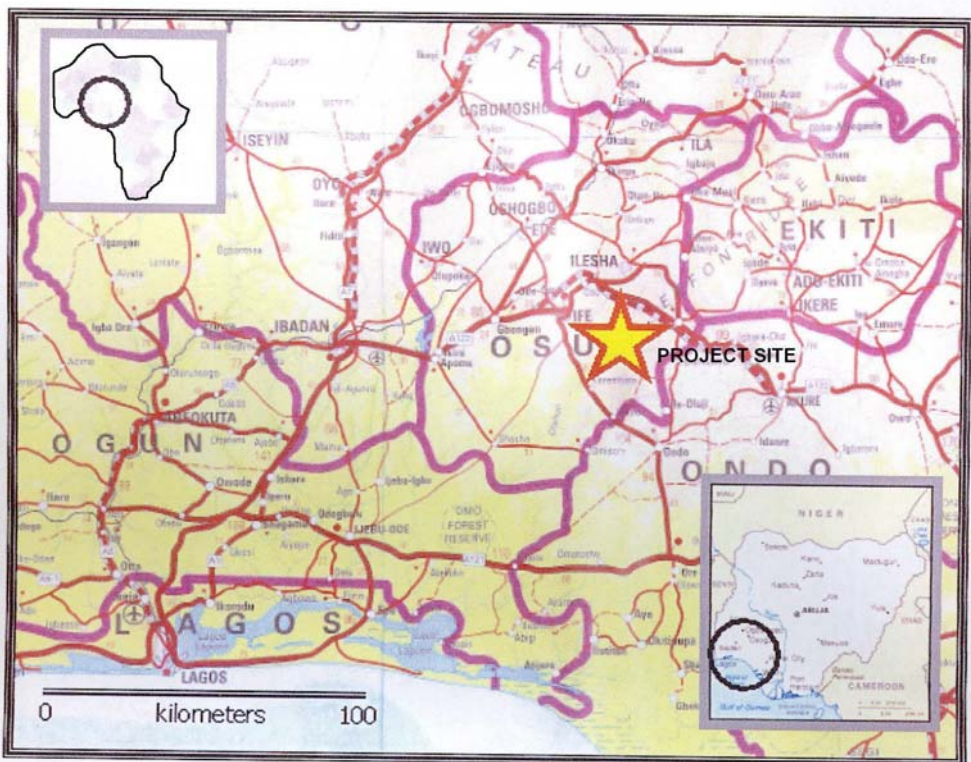


Figure 1:
South Western Nigeria including Segilola Project Site

Licences

The project is the subject of Mining Lease (ML 41) that covers an area of 46 hectares and is wholly contained within an Exploration Licence (EL 39) covering 43.8km².

As the existing ML 41 covers only a portion of the mineralisation with the balance located within the surrounding EL 39, 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 Cadastre Office. Approval of this enlargement application has recently been granted by the Mining Cadastre Office.

Environmental

During the June 2009 quarter, the final copy of the Baseline Environmental Study was released by Fugro Nigeria Limited and there are no known environmental issues currently associated with the licence areas. Following on from this, an environmental impact assessment has been carried out and was submitted in April 2010 for approval by the Federal Ministry of Environment.

Ijebu Igbo 1635EL

Exploration Licence 1635EL was granted by the Ministry of Mines and Steel Development during the 2007 year. The licence had an area of 200 square kilometers centered on the town of Ijebu – Igbo Ogun State.

An initial work program was undertaken during 2008 and 2009 with sampling and assay results showing very low grades of mineralisation. As a result, the Company did not re-validate the licence and accordingly, the Ministry of Mines and Steel Development revoked the licence.

Geology

The geological setting is described as typically Archaean greenstone. The known mineralised zone extends over an identified strike length of approximately 1000m. The gold mineralisation is in the form of quartzite veins. The veins are invariably steep dipping and are commonly associated with fractures and shear zones. What is commonly called the Iperendo reef is not one vein but comprises a vein system of several parallel-silicified zones within the Ile-Ife-Ilesha schist belt.

The gold mineralisation is known to be closely linked to silification and phyllic alteration, and to occur together with pyrite and molybdenite. The gold mineralisation is bound to the vein sections and to the altered wall rocks thus forming a drillcore indicated ore body with a thickness between 5m and 28m (average approximately 10m). The gold contents change along strike as well in dip, grades encountered in the cores vary between <1g/t and 136g/t.

The concentration of the gold in quartz veins and silicified zones along major faults and fracture zones is attributed to the Pan Africa thermotectonic event. The major fractures and shear zones, most with an overall NNE-SSW trend appear to be a feature of the region. The regional setting is very similar to the Ashanti and Sefwi systems in nearby Ghana, which have hosted gold production in excess of 20 million ounces.

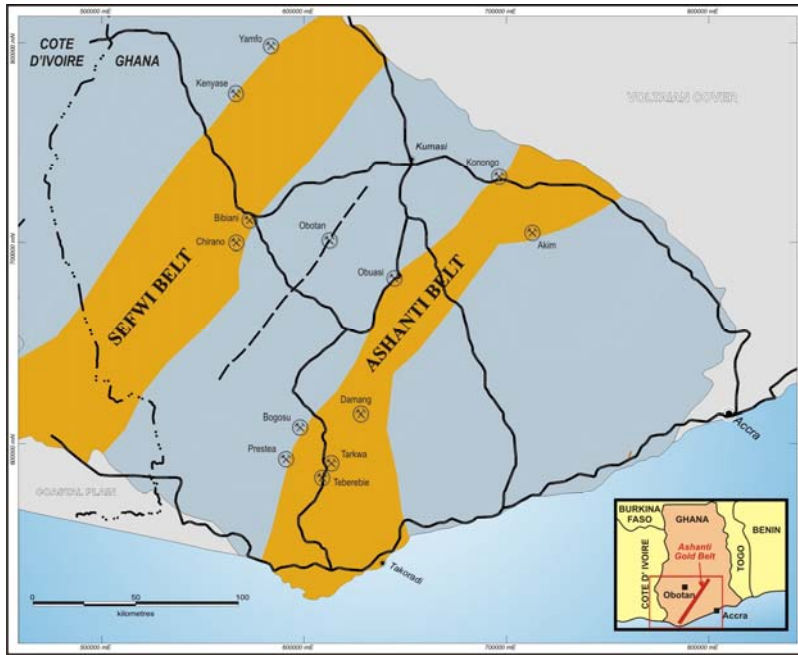


Figure 2:
Southern Ghana Indicating the two gold bearing “belts” similar to that existing in South Western Nigeria

Previously completed works by Hansa Geomin, a German resource engineering company, at the site include the following:

- Landsat TM imagery and aerial photography;
- Geological mapping @ 1:12500;
- 1500 soil samples analysed for gold;
- 520m of costeaming;
- 100m of exploration adit;
- 400km ground magnetics;
- 10km radiometrics; and
- 2800m of diamond drilling. Holes were spaced 30m apart logged and sampled/analysed in 1m intervals.

Trench Results

During the June 2009 quarter a total of 27 new trenches were excavated at an average width of 10m to delineate sub-parallel veins to the east and north east of the main ore body.

Survey

The topographic survey was completed by Sphero Grid Surveys of Osogbo, Osun State.

Diamond Drilling

The maiden resource for the Segilola Gold Project has been generated from a drilling campaign of 11,989.5 metres in 119 holes ranging in depth from 40 metres to 220 metres. During the 2009 September quarter 1,188.4 metres were drilled in 9 drill holes bringing the total metreage for the entire drill program programme to 11,989.5 metres in 119 drill holes using diamond coring. By the end of the 2009 September quarter all of the drill holes had been logged and sampled and all assay results received from SGS Laboratory Services GH Ltd, Ghana (“SGS”).

Significant high grade drilling results announced in the quarter include:

4.5m @ 22.47g/t including 1.4m @ 57.95g/t
5.7m @ 25.15m including 3.85m @ 35.20g/t and 1.85m @ 56.61g/t
10.7m @ 6.55g/t including 2.2m @ 20.49g/t
4.0m @ 7.9g/t including 0.9m @ 28.80g/t
3.4m @ 21.73g/t
3.0m @ 42.51g/t

Assays

All sample preparation and analyses were undertaken by SGS 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.

Check assays of drill core pulp samples were carried out by Genalysis Laboratory Ghana (“Genalysis”) at their assay laboratory in Tarkwa, Ghana. Results from SGS and Genalysis compare favourably.

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.

Metallurgical Testing

Preliminary physical and leach tests were completed during the 2009 September quarter on 7 composite samples recovered from 37 ore intersections in 27 diamond drill holes located across the complete mineralised zone. Initial results indicate in excess of 95% percent gold recovery at a grind of P80. 106 microns.

A composited sample of drill core from areas within the orebody selectively chosen so as to represent the run of mine grade was prepared and sent to Ammtec Laboratories in Perth during the 2010 March quarter. The purpose of this analysis was to ensure that the sampling and testwork previously carried out on individual samples from various mineralised intersections within the mineralisation truly represents the orebody and the plant design specifications.

The results from Ammtec clearly demonstrate that the physical characteristics and leach time allowances in the process plant design are appropriate.

Process Plant Flowsheet and Design

The Company commissioned experienced mine design consultants to develop a suitable, simple process plant flowsheet and to undertake the engineering work required to finalise process plant design to a standard whereby capital and operating costs can be determined to the required level of accuracy. This was completed in the 2010 March quarter for a standard primary crusher, single stage Semi Autogenous (“SAG”) grinding circuit followed by CIL and gold recovery circuit. The design, capital cost and operating cost estimates have been completed.

Tailings Storage Facility (“TSF”) and Water Storage Dam (“WSD”)

Preliminary design work for the TSF and WSD was commenced by DE Cooper and Associates in late 2009 and was completed in the 2010 March quarter. DE Cooper and Associates has calculated the columns of earth to be moved and the capital and operating cost estimates. To secure a reliable, consistent water supply it will be necessary to dam a local creek located 1 kilometre east of the mineralised zone.

Mine Design and Reserves

An independent Perth based Mining Engineer undertook the design of an initial open pit mine followed by underground exploitation of the deeper sources should they eventuate. The location of suitable waste dumping sites has been determined.

Resource Statement

The classified Mineral Resource statement was prepared by Odessa Resources for the Segilola deposit. The summarised resource report for all mineralised zones combined is given in Table 1 below 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 Resources		
Tonnes	Grade (g/tAu)	Ounces (Au)
3,620,386	4.5	521,814

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

Table 1:
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 would most likely be mined as part of the overall resource.

Feasibility Study

A feasibility study which was commenced in the 2009 December quarter by SGL has been delivered to TML subsequent to year end. Prior to any commitment to development, the joint venture partners are planning to undertake additional drilling.

Restructure Post Year End

Ratel was a wholly owned subsidiary of CGA, however, subsequent to year end, CGA undertook a restructuring with Ratel being spun off from CGA resulting in the Segilola Gold Project no longer being owned by CGA. Ratel now holds the asset through its wholly

owned subsidiary CGX which in turn holds a 100% interest in SGL. Ratel is an associated company of CGA.

(iii) The Mkushi Copper Project

The Mkushi Copper Project is the subject of a joint venture between SML a 100% owned subsidiary of Ratel (which as at June 30, 2010 was a subsidiary of CGA), and Katanga a 100% owned subsidiary of AFE. SML manages the development and feasibility operations while Katanga manages a regional exploration programme. A joint venture agreement between the parties was signed in late May of 2007 with a Zambian company, Mkushi Copper Joint Venture Ltd ("MCJVL"), established to own and operate the project with SML and Katanga each holding 51% and 49% respectively of the shareholding of MCJVL.

A draft feasibility study on the Mkushi Copper Project in Zambia was completed by SML in October 2008 and accordingly, has satisfied the final condition for full vesting of the 51% interest in the project, with its joint venture partner AFE. 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 on July 31, 2008 for a period of 25 years.

The joint venture partners at the end of 2008 agreed to defer any decision to commit to development of the project until a general improvement in the project economic parameters was achieved and agreed to revisit a decision to develop the project, having regard to the economic conditions then prevailing and the results of an optimisation review which is currently being undertaken.

An application for the extension of the surrounding prospecting licence, PL 290, for a further two year period was approved on April 28, 2009 and the electromagnetic aerial survey ("VTEM") commissioned by our joint venture partners, AFE, was completed in the 2009 September quarter. The analysis of this survey suggests good indicators for additional targets.

A conceptual study for a modular type processing facility has been undertaken by Bateman Engineering. This may lead to improved and revised estimates on both the capital and operating parameters/costs, the details of which are still currently under review. In addition, a further small drill program has been planned to commence in the second half of 2010 to follow up on previously discovered intersections of mineralisation outside of the present resource areas.

Location

The Mkushi Copper Project is located close to the southern limb of the Zambian copperbelt approximately 60 kilometres from 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 products to the port of Dar es Salaam in neighbouring Tanzania. Ndola, the main town servicing the copperbelt is approximately 180 kilometres North of Kapiri Mposhi. Ndola is serviced by an international airport with connecting daily flights to Johannesburg and a railway connected to neighbouring Zimbabwe and Botswana both of which feed through to South Africa.

History

Discovered in 1922, the Mkushi Copper Project deposits were first mined by underground workings, then developed as an open pit operation in the late 1960's. The open pit ore was delivered to a conventional copper sulphide concentration plant which successfully produced a concentrate that was sold into the international markets. The majority of the process plant remains on site but it is considered too small to be of use in the future operations conceptualised by Ratel.

The operation closed due to the nationalisation of the Zambian copper industry in the 1970's. Available archives indicate that the mine operated at a grade of approximately 1.5% Cu and that there is still abundant material of similar grade left in the ground. The local infrastructure in the Mkushi area is excellent and the brownfield site should allow project development permitting to be straightforward.

Tenure

The Mkushi Copper Project was initially the subject of Prospecting Licence Number PL 114 dated October 18, 1999 in respect of Katanga which is a wholly owned subsidiary of AFE. The licence covers an area of 81.3068km². AFE subsequently received a letter of offer for a prospecting licence covering 465 square kilometres surrounding PL114. As a result, Prospecting Licence Number PL290 was issued to Katanga on June 20, 2006 for a duration of 4 years and covers an area of 229.6008 km² within which PL114 is wholly contained. An application to renew PL290 was made on April 17, 2008 which was granted on April 28, 2009 for a period of 2 years. Prior to CGA through its subsidiary SML, becoming a joint venture partner in May 2007, an application was made by Katanga to the Mines Development Department on October 12, 2006 to transfer both PL114 and PL290 to the joint venture company, MCJVL. This was officially endorsed on January 22, 2007.

Licences

An application for a Large Scale Mining Licence for the mining of minerals within the prospecting area was made on May 2, 2008. Large Scale Mining Licence LML67 was approved on July 31, 2008 for a period of twenty five years and was transferred into the name of joint venture company, MCJVL, on September 9, 2009. The expiry date of LML67 is recorded as September 8, 2034.

An Environmental Impact Assessment and Resettlement Action Plan was approved by the Environmental Council of Zambia on April 9, 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 and the Environmental Impact Assessment for the power line route, has been approved.

Resource Estimation

The NI 43-101 compliant technical report for Munshiwemba has been completed by Snowden Mining Industry Consultants Pty Ltd ("Snowden"). The report confirms the global mineral resource estimate also prepared by Snowden in July 2008 and has assigned it an Indicated classification according to the 2004 edition of the JORC Code and NI 43-101. The new report, entitled "*CGA Mining Limited: Mkushi Copper Project Zambia Independent Technical Report August 2008 prepared by Snowden*" was lodged with SEDAR on September 3, 2008 and is available to download from www.sedar.com. After reviewing the drilling and sampling data underlying the resource estimate, Snowden were of the opinion that the mineral resource could be assigned an indicated classification in accordance with

the 2004 edition of the JORC Code and NI 43-101. Snowden visited the site on April 15 to 20, 2008 to review the mineralization and data collection procedures.

The deposit forms a sequence of en-echelon pods of chalcopyrite mineralisation hosted by granitic schist over a strike length of approximately 1.9 km and with a width of about 230m. Mineralisation occurs from near surface, a few metres, down to approximately 250 m with each pod being several metres to tens of metres thick. The chalcopyrite mineralisation has been defined by three-dimensional geological interpretation at a nominal grade cut-off of 0.1% copper. As a result the mineral envelope contains significant internal dilution.

The mineral resource estimate was undertaken using Datamine Studio version 3 software and based on data and mineral interpretations provided by CGA on March 29, 2008. Block ordinary kriging was used to estimate copper and density into a constrained cell model reflecting the interpreted mineralization. Copper grades were capped at a maximum grade of 8.48 % copper prior to estimation. No capping was applied to density. Search ellipse radii and variogram ranges used in the estimation reflect the spatial continuity and the observed mineralisation trends. Orientation of the search ellipse and variograms was controlled locally using the orientation of the mineralisation through the application of Datamine Studio's dynamic anisotropy method. Estimates were placed into parent cells with dimensions of 5m x10m x 10m. These parent cells were subdivided into sub cells of 2.5m x 5m x 1m for better volume definition. Moisture content was not applicable as only dry mass was considered.

The model assumes open pit mining is possible for all the defined resource. There is an NI 43-101 technical report lodged for the resource statement which will cover the key assumptions, parameters and methods used to estimate the mineral resource.

The mineralization envelopes were defined by geological interpretation at a nominal cut-off grade of 0.1% Cu. The resource blocks contain significant internal dilution. The global mineral resource estimates at a series of cut-off grades are presented below in Table 2.

Cut-off Grade Cu (%)	Tonnes (Mt)	Total Copper (Cu %)
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

Table 2:
Mkushi Copper Project: May 2008 Indicated Mineral Resource Tabulation (Fresh Material Only) at a Series of Copper Cut-off Grades

The indicated mineral resource estimate was based on a cut-off grade of 0.3 % copper is 18.5 Mt at a grade of 0.83 % copper, at a copper price of US\$3.00/lb.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The study work to date does not show any indication that the mineral resource would be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing.

Regional Exploration Drilling Results

Exploration drilling within the Mkushi Copper Project has been conducted by SML and Katanga. Katanga, who has responsibility for exploration away from the known prospects with the aim of discovering new prospects, conducted a 2,223m drilling programme on the Munda Prospect between March and June 2008. The results were promising and indicate that there is potential for additional copper resources within three kilometres of the main Munshiwemba deposit. The Katanga drilling is predominantly RC with minor diamond drilling.

SML has undertaken delineation drilling of the Munshiwemba prospect and the drilling is on a nominal 50 metres by 50 metres drill pattern aligned along the average trend of the mineralisation at 050° with an average inclination of 50° toward the southeast. The average depth of drilling is approximately 145 metres below surface. SML has also undertaken 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.

To date, mineralized zones which seem likely to provide additional resources, if satellite pits can be developed, have been identified at three locations: Munda, Coloquo and Mtuga.

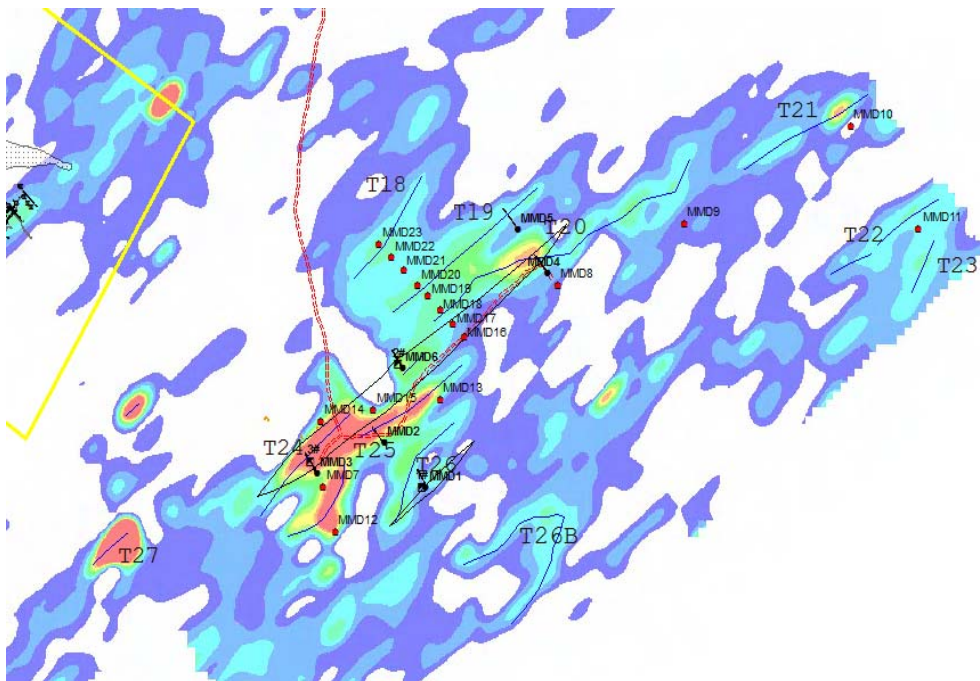


Figure 3:
Munda Prospect: Drill Hole Locations & IP Targets

Detailed Feasibility Study

SML has completed a draft feasibility study on the Mkushi Copper Project in Zambia and accordingly, has satisfied the final condition for full vesting of the 51% interest in the project, with its joint venture partner AFE.

The joint venture partners agreed to defer any decision to commit to development of the project until a general improvement in the project economic parameters is achieved and to

revisit a decision to develop the project, having regard to the economic conditions then prevailing and the results of an optimisation review which is currently being undertaken.

Metallurgical Testing

Metallurgical test work was carried out by Ammtec Laboratories in Western Australia 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.

A further drill program has been scheduled for the Mkushi Copper Project to commence in the 2010 September quarter.

Optimisation Review

An optimisation review assessing the potential to mine the known and potential reserves via open pit and underground methods at a higher grade is currently underway with 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.

Restructure Post Year End

Ratel was a wholly owned subsidiary of CGA however, subsequent to year end, CGA undertook a restructuring with Ratel being spun off from CGA resulting in the Mkushi Copper Project no longer being owned by CGA. Ratel now holds the asset through its wholly owned subsidiary Zambian Mining which in turn holds a 100% interest in SML. Ratel is an associated company of CGA.

4. Events Subsequent to June 30, 2010

On 6 August 2010, the Company announced that the initial public offering of common shares (the "Offering") in Ratel had closed successfully. Pursuant to the Offering, Ratel issued 70,000,000 common shares at a price of C\$0.20 per common share, for aggregate gross proceeds of C\$14 million.

On 1 June 2010, the Company announced a planned spin off of the Company's interests in the Segilola Gold Project in Nigeria and the Mkushi Copper Project in Zambia by way of the initial public offering of Ratel. At that time Ratel was a wholly owned subsidiary of CGA. This was approved by shareholders at a Special Meeting held 2 July 2010.

The spin off will provide was planned to provide shareholders with an opportunity to realise enhanced value for the African Projects, which are in the exploration stage, and provide an opportunity to better manage exposure and investment in the various assets and jurisdictions.

On 6 August 2010, the Company announced that the initial public offering of common shares (the "Offering") in Ratel had closed successfully. Pursuant to the Offering, Ratel issued 70,000,000 common shares at a price of C\$0.20 per common share, for aggregate gross proceeds of C\$14 million, diluting CGA's interest to then 20%

Ratel 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. 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. Subsequent to 30 June 2010 this option has been exercised, with a condition subsequent that Ghanaian ministerial approval to a change of control in CAML Ghana if required is obtained.

5. Dividends

The Company does not anticipate that it will pay dividends in the foreseeable future. The declaration of dividends on the share capital of the Company is within the discretion of the Company's Board of Directors and will depend on their assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company. At the present time, the Company's anticipated capital requirements are such that it intends to follow a policy of retaining earnings in order to finance further development of its business.

6. Description of the Capital Structure

The Company is authorised to issue an unlimited number of shares, of which 90,000,000 are issued and outstanding as at the date of this AIF. Each share entitles the holder to one vote. All shares of the Company rank equally as to dividends, voting powers and participation in assets. On July 2, 2010, the Company issued 8.5M unlisted options. The options which vested upon the successful listing of Ratel on the TSX on August 6, 2010, have a strike price of C\$0.25 and an expiry date of June 30, 2012.

7. Market for Securities

The shares of the Company are listed for trading on the TSX under the trading symbol "RTL". Ratel has been listed on the TSX since August 6, 2010.

Trading Price and Volume

The following table outlines the volume, high and low prices of the ordinary shares of Ratel on the TSX on a weekly basis from August 23, 2010 through to September 20, 2010.

Code: RTL

Month	High (\$)	Low (\$)	Volume
August 6 to 31, 2010	0.35	0.25	2,810,742
September 2010 (through September 20)	0.45	0.27	509,988

An Employee Option Scheme was established during the 2010 financial year where the Company, at the discretion of the directors, may grant options over the common shares of the Company to eligible directors, officers, employees and consultants. The Company adopted this incentive plan to enable eligible directors, officers, employees and consultants, to acquire an ownership interest in the Company.

The Company has to date issued the following options to its eligible directors, officers, employees and consultants:

As at September 18, 2010

Issue Date	Expiry Date	Exercise price (C\$)	Issued	Exercised	Outstanding 14 September 2010
6 August 2010	30 June 2012	0.25	8,500,000	-	8,500,000
			8,500,000	-	8,500,000

The options are issued for nil consideration, and are only exercisable if the Company's shares have been quoted on the TSX throughout the 12 month period immediately preceding the exercise of the options, without suspension during that period exceeding in total 2 trading days. Once exercised, the shares rank equally with the existing shares of the Company.

The market price of the ordinary shares of Ratel was C\$0.31 on September 14, 2010.

8. Escrowed Securities

As at August 6, 2010, the date Ratel listed on the TSX, there are 17,500,000 common shares in Ratel, which are held by CGX Holdings Limited, ("CGX Holdings"), a wholly owned subsidiary of CGA, held in escrow. The Ratel securities will be released from escrow in accordance with the National Policy 46-201 Escrow for Initial Public Offerings.

9. Directors and Officers

The following table indicates the names of the current directors and officers of the Company, place of residence, position within the Company, principal occupations within the 5 preceding years, periods which each has served as a director or officer and the number of shares beneficially owned, or controlled and directed, directly or indirectly, by directors and executive officers as at September 14, 2010.

Name and Residence	Director Since	Principal Occupation	Shares beneficially owned directly or indirectly
Mark S Savage Chairman Albuquerque, New Mexico USA	January 27, 2010	Company Director	2,830,000 and 3,349,217 ⁽²⁾
Mr Geoffrey G Jones Chief Executive Officer Perth, Western Australia		Company Director and Engineering Technical Consultant	-
Mr Ronald Clarke ⁽¹⁾ Independent Director Perth, Western Australia	May 31, 2010	Director and Financial Executive	-

Name and Residence	Director Since	Principal Occupation	Shares beneficially owned directly or indirectly
Mr Ian Fisher ⁽¹⁾ Independent Director Perth, Western Australia	May 31, 2010	Company Director	125,000
Michael J Carrick ⁽¹⁾ Director Perth, Western Australia	January 27, 2010	Company Director	250,000 and 3,349,217 ⁽²⁾
Ms Hannah Hudson Company Secretary and Chief Financial Officer Perth, Western Australia		Company Secretary and Financial Controller	25,000

(1) Member of Audit Committee
(2) Held beneficially by Mountainside Investments Pty Ltd

As of the date of this AIF, approximately 6,579,217 shares of the Company were beneficially owned, or controlled or directed, directly or indirectly, by the directors and officers of the Company as a group, representing approximately, 7.3% of the issued and outstanding shares of the Company on a non-diluted basis.

According to the Constitution, a director will retire from office no later than at the third annual general meeting following his or her last election or appointment by general meeting, but may submit himself or herself for and will be eligible for re-election. Mr Mark Savage and Mr Michael Carrick were appointed as the first directors of the Company and as such must retire at the 2013 Annual General Meeting (“AGM”) of the Company in accordance with article 8.8(a) of the Company’s Articles of Association. They are eligible for re-election.

To the knowledge of the Company, no Director or Executive Officer of the Company is, or has been in the last 10 years, a Director, Chief Executive Officer or Chief Financial Officer of any company (including the Company) of an issuer that, while that person was acting in that capacity,

- (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after that person ceased to be a Director, Chief Executive Officer or Chief Financial Officer or Executive Officer, in the company being the subject of a cease trade or similar order or an order that denied the issuer access to any exception under Canadian securities legislation, for a period of more than 30 consecutive days.

To the knowledge of the Company, no Director or Executive Officer or shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a Director or Executive Officer of any company (including the Company) that while that person was acting in that capacity, or within a year of that person

ceasing to act in the 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; or

- (b) has, within 10 years before the date of this AIF 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, Executive Officer or shareholder.

10. Legal Proceedings and Regulatory Actions

The Company is not currently involved in any legal proceedings and there are no legal proceedings the Company knows to be contemplated. During the most recently completed financial year, (i) no penalties or sanctions were imposed against the Company by a court or regulatory body and (ii) no settlement agreements were entered into by the Company with a court or a securities regulatory authority.

11. Interest of Management and Others in Material Transactions

As at the date of this AIF, CGA retains an approximate 19.4% interest in Ratel. CGA has a management agreement in place with Ratel whereby it provides management services to Ratel in return for an annual management fee. Also during the course of incorporating Ratel and the subsequent listing and IPO of Ratel, CGA entered into various contractual arrangements with Ratel which are described below in section 13. The Hains Family also hold more than 10% of the issued capital of Ratel and Central Asia Minerals Limited ("CAML") an entity which the Hains Family hold, entered in an option agreement with Ratel (described in section 13(xvii) in May 2010 whereby Ratel acquired the option to purchase CAML Ghana Limited ("CAML Ghana"), a wholly owned subsidiary of CAML. In August 2010 Ratel exercised its option to acquire CAML Ghana subject to approval of the change of control of CAML Ghana by the relevant Ghanaian authority, if required. CAML Ghana holds a 51% interest in the Obuasi Farm-in and Joint Venture Agreement with Westchester Resources Limited.

Other than CGA and the Hains Family, no Director or Executive Officer of the Company, no person or company that beneficially owns or controls or directs, directly or indirectly, more than 10 percent of the Company's shares, and no associate or affiliate of the foregoing persons, has or had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

12. Transfer Agents and Registrars

The transfer agents and registrars for the Company are:

Computershare Trust Company of Canada
100 University Avenue
8th Floor
Toronto ON M5J 2Y1
Telephone: +1 (416) 263 9482
Facsimile: +1 (416) 981 9800

13. Material Contracts

Contracts entered into for the July 2009 to June 2010 Financial Year by Ratel or its subsidiaries which may reasonably be regarded as material, are:

(i) Agency Agreement between Ratel , CGA and Haywood

The Agency Agreement dated June 29, 2010 between Ratel and Haywood whereby Haywood is to act as broker to the initial public offering of up to 70,000,000 Ratel securities on a best efforts basis to raise up to C\$14M.

(ii) Consultancy Agreement between Ratel and Square Bolt Australia Pty Ltd (“Square Bolt”)

The Consultancy Agreement dated June 1, 2010 between Ratel and Square Bolt entered into whereby Geoffrey Jones provides executive services as Chief Executive Officer to Ratel.

(iii) Management Agreement between CGA and Ratel

The Management Agreement dated June 1, 2010 between CGA and Ratel entered into whereby CGA provides management services to Ratel.

(iv) Share Sale Agreement between CGX Holdings and Ratel

The Share Sale Agreement dated June 1, 2010 for the sale of shares in CGX Limited between CGX Holdings and Ratel.

(v) Share Sale Agreement between Zambian Holdings Pty Ltd and Ratel

The Share Sale Agreement dated June 1, 2010 for the sale of shares in Zambian Mining between Zambian Holdings Pty Ltd and Ratel.

(vi) Deed of Assumption between CGA, Ratel, TML and SGL

The Deed of Assumption dated June 25, 2010 between CGA, Ratel, TML and SGL in which Ratel assumes all the obligations of CGA pursuant to the Segilola JVA with effect from closing of the IPO in Ratel and to which TML consents to Ratel assuming the obligations of CGA . The obligations of CGA include the joint venture partners having access to the same management and technical skills that were held by CGA.

(vii) Deed of Assumption between CGA, Ratel, Katanga and SML

The Deed of Assumption dated May 24, 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 IPO in Ratel and to which AFE and Katanga consent to Ratel assuming the obligations of CGA. The obligations of CGA 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.

(viii) Zambian Loan Agreement between Ratel and Zambian Mining

The Zambian Loan Agreement dated June 1, 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").

(ix) Deed of Variation between Ratel and Zambian Mining

The Deed of Variation dated June 18, 2010 between Ratel and Zambian Mining whereby the Zambian Loan Agreement was amended.

(x) Deed of Novation between Zambian Mining, Ratel and CGA

The Deed of Novation dated June 1, 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.

(xi) Deed of Forgiveness between CGA and Ratel

The Deed of Forgiveness dated June 23, 2010 between CGA and Ratel whereby CGA agrees to forgive the debt owned by Ratel in connection with the Mkushi Copper Project.

(xii) CGX Loan Agreement between Ratel and CGX

The CGX Loan Agreement dated June 1, 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").

(xiii) Deed of Variation between Ratel and CGX

The Deed of Variation dated June 18, 2010 between Ratel and CGX whereby the CGX Loan Agreement was amended.

(xiv) Deed of Novation between CGX, Ratel and CGA

The Deed of Novation dated June 1, 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.

(xv) Deed of Forgiveness between CGA and Ratel

The Deed of Forgiveness dated June 23, 2010 whereby CGA agrees to forgive the debt owned by Ratel in connection with the Segilola Gold Project.

(xvi) Obuasi Option Agreement between Central Asia Minerals Limited ("CAML") and Ratel

The Obuasi Option Agreement dated May 27, 2010 with CAML to acquire a 100% interest in CAML Ghana Limited and obtain a 51% interest in the Obuasi Farm-in and Joint Venture Agreement with joint venture partner Westchester Resources Limited.

(xvii) **Deed of Assumption for Signature Bonus Payment between CGA, Ratel and SGL**

The Deed of Assumption dated July 15, 2010 between CGA, Ratel and SGL whereby CGA agreed to assume SGL's obligation to pay the sum of US\$400,000 being the remainder of the signature bonus payment due to TML prior to SGL exercising the 3rd option pursuant to the terms of the JV Agreement and as a condition precedent to the valid exercise of the 3rd option.

14. Interest of Experts

There are presently no material interests of experts.

Mr Alf Gillman of Odessa Resources Pty Ltd, a qualified person under NI 43-101, has verified the resource statement for the Segilola Gold Project as disclosed in this AIF, including sampling, analytical and test data underlying the estimate. Verification of the data included numerous site visits, database validation of historical drill results and review of sampling and assaying protocols. The qualified person was satisfied with the verification process.

With regard to the Mkushi Copper Project, Matthew Nimmo of Snowden Consulting is the qualified person under NI 43-101 and has verified the resource statement as disclosed in this announcement, including sampling, analytical and test data underlying the estimate. Verification of the data included numerous site visits, database validation of historical drill results and review of sampling and assaying protocols. The qualified person was satisfied with the verification process.

Ernst & Young is the auditor of the Company.

The aforementioned firms or persons held either less than one percent or no securities of the Company or of any associate or affiliate of the Company. None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

15. Promoter

CGA may be considered a promoter of Ratel by virtue of taking the initiative in incorporating and organizing the Company. As of the date of this Annual Information Form, CGA owns 17,500,000 common shares, being approximately 19.4% of the issued and outstanding common shares. Other than as set out in this Annual Information Form, nothing of value, including money, property, contracts, options or rights of any kind will be received by the promoter directly or indirectly from the Company.

16. Audit Committee

Audit Committee

The purpose of the audit committee of the Company is to provide assistance to the board of directors of the Company in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company and its subsidiaries. It is the objective of the audit committee to maintain a free and open means of communication among the board of

directors of the Company, the independent auditors and senior management of the Company.

The full text of the Charter of the Audit Committee is included as Schedule A to this AIF.

Composition of the Audit Committee

The Audit Committee is comprised of Ronald Clarke, Ian Fisher and Michael Carrick. Ronald Clarke and Ian Fisher are independent within the meaning of NI 52-110. Michael Carrick is an executive officer of CGA and is therefore not independent. Each of the members is financially literate under Section 1.5 of NI 52-110.

Relevant Education and Experience

Ronald Clarke – Chairman and Independent Director

Mr Clarke is a Certified Practicing Accountant, an Associate Member of the Chartered Institute of Management Accountants and an Associate Member of the Chartered Institute of Secretaries. 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 is chair of the Ratel Audit Committee.

Mr Clarke was appointed a Director of the Company on May 31, 2010.

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 was appointed a Director of the Company on May 31, 2010.

Michael Carrick – Non - Independent Director

Mr Carrick since January 2004 has served as CEO and a Director of CGA a mineral resource issuer listed on the TSX and ASX and a major shareholder 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 was appointed a Director of the Company on January 27, 2010.

Pre-Approval Policies and Procedures

The Audit Committee’s charter sets out responsibilities regarding the provision of non-audit services by the Company’s external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor’s independence and requires Audit Committee preapproval of permitted audit and audit-related services.

Reliance on Certain Exemptions

The Company’s Audit Committee has not relied on any of the exemptions under National Instrument 52- 110 during the most recently completed financial year.

External Auditor Services Fees

Audit Fees

The aggregate fees billed by the Company’s external auditor, Ernst & Young, for audit services for the fiscal year ended June 30, 2010 was \$10,000.

Audit Related Fees

No other fees were paid to the Company’s external auditor for fees reasonably related to the performance of the audit or review of the Company’s financial statements.

Tax Fees

The aggregate fees billed by the Company’s external auditor for professional services including tax compliance advice and tax planning in the fiscal year ended June 30, 2010 were \$24,014.

All Other Fees

\$62,916 in other fees were paid in the last fiscal year for other assurance services provided by the Company’s auditor.

ADDITIONAL INFORMATION

Copies of all materials incorporated by reference herein and additional information relating to the Company may be obtained on SEDAR, under the Company's profile, at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorised for issuance under equity compensation plans is contained in the Company's information circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Company's financial statements and Management and Discussion Analysis ("MD&A") for the year ended June 30, 2010.

Schedule A

AUDIT COMMITTEE CHARTER

By appropriate resolution of the Board of Directors of Ratel Gold Limited (“the Board”), the Audit Committee (the “Committee”) has been established as a standing committee of the Board with the terms of reference set forth below. Unless the context requires otherwise, the term “Company” refers to Ratel Gold Limited and its subsidiaries.

1. PURPOSE

- 1.1 The Committee is appointed by the Board of 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

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

This Charter was adopted by the Board on May 31, 2010 and the Committee shall review and update this Charter annually and present it to the Board for approval.