PROSPECTUS

RATEL GOLD LIMITED*

(a company incorporated in the British Virgin Islands and which is neither registered nor intended to be registered as a foreign company in Australia)

A prospectus for an offer to Eligible CGA Shareholders of 4,383,208 common shares in the capital of Ratel Gold Limited at an issue price of Cdn$0.20 per common share to raise up to Cdn$876,641 before the costs of this offer.

Important Notice

This is an important document that includes key risks of investing in Shares and should be read in its entirety. If you do not understand it, you should consult your professional advisers.

This issue is a speculative issue.

*Ratel Gold Limited is at the date of this Prospectus a wholly owned subsidiary of CGA Mining Limited

IMPORTANT INFORMATION

This Prospectus is dated 6 July 2010. A copy of this Prospectus was lodged with ASIC and ASX on 6 July 2010. None of ASX, ASIC, the Ontario Securities Commission nor the TSX takes any responsibility for the contents of this Prospectus.

The Company is incorporated in the British Virgin Island and is not registered nor does it intend to be registered as a foreign company in Australia. Ratel is a mining exploration company with projects in Africa. The Offer contained in this Prospectus, which is also called the Australian Priority Offer, is part of Ratel's attempt to raise a minimum of Cdn$8,000,000 and a maximum of Cdn$14,000,000 (the "Offering"). The Company has applied to list the Shares distributed under this Prospectus and the Shares to be issued as part of the Offering on the TSX. The Company does not intend to apply to have the Shares listed on the ASX. The Company is not subject to the provisions of the *Corporations Act 2001* (Cth) ("Australian Corporations Act") nor the ASX Listing Rules. The Australian Priority Offer is being made to CGA Shareholders resident in Australia and as that Offer does not fall within any of the exceptions in the section 708 of the Australian Corporations Act, the Company is required to issue this Prospectus in compliance with the Australian Corporations Act.

No shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

A copy of this Prospectus is available for inspection on CGA's website www.cgamining.com and at the corporate office of CGA in Australia at The BGC Centre, Level 5, 28 The Esplanade, Perth, Western Australia, during normal business hours. The copy on that website does not contain an Application Form and no securities in Ratel are being offered on the basis of that copy. The Company will provide a copy of this Prospectus to each Eligible CGA Shareholder with their Application Form attached.

Applications for New Shares can only be made by Eligible CGA Shareholders on the Application Form addressed to those Eligible CGA Shareholders, which forms part of this Prospectus.

No person is authorised to give any information or to make any representation in connection with this Australian Priority Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Australian Priority Offer.

The New Shares offered by this Prospectus should be considered speculative. Please refer to Section 5 for details relating to investment risks. Please pay particular attention to the risks described in Section 5.1 ("Transferability of New Shares"), Section 5.9 ("Joint Venture Agreement") and Section 5.16 ("Joint Venture Parties").

The Company currently only has a resource estimate on the Segilola Gold Project located in Nigeria and it has not completed the Feasibility Study on the project. Closing of the Offering (and the allocation of New Shares under this Prospectus) is dependent on SGL delivering the Feasibility Study (for the purposes of satisfying the minimum project parameters set out in the Segilola JV) to TML and the Feasibility Study will be subject to the usual requirements of obtaining all necessary licences and permits including TML securing the enlarged mining license area, which is expected on or before 31 December 2010. For clarification, the delivery of the Feasibility Study is not subject to TML securing the enlarged mining license area, but development of the project on the basis set out in the Feasibility Study will be. In the event TML is unable to secure the enlarged mining license area, Ratel will review the proposed development plan and make necessary changes. The project economics may be affected by such changes but Ratel is unable to determine what the effect is at this point in time and there is no certainty that the minimum throughput of 500,000 tonnes of ore or an internal rate of return of not less than 25% (the parameters for economic viability in the definition of Feasibility Study) will be obtained. Before deciding whether or not to apply for New Shares, Applicants should read the entire Prospectus. Investors should seek professional investment advice before deciding whether or not to accept this Australian Priority Offer.

Please refer to the Glossary of Terms that appears in Section 14 of this Prospectus, for terms and abbreviations used in this Prospectus.

OFFER RESTRICTIONS

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore such persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of New Shares in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

New Zealand Restrictions

This Prospectus has been prepared to comply with the requirements of the laws of Australia. This Prospectus is not a New Zealand prospectus or an investment statement and has not been registered, filed with or approved by any New Zealand regulatory authority or under or in accordance with the Securities Act 1978 (New Zealand) or any other relevant law in New Zealand. This Prospectus may not contain all of the information that an investment statement or a prospectus under New Zealand law is required to contain.

Securities are not being offered or sold to the public within New Zealand and no member of the public in New Zealand may accept the offers made under this Prospectus, other than persons to whom it is permissible for the offer under this Prospectus to be made to in reliance on the exemption from the New Zealand Securities Act 1978 (Securities Act (Overseas Companies) Exemption Notice 2002). This Prospectus does not constitute an offer to sell or the solicitation of any offer to buy, any securities in the US or to a US Person (or to any person acting for the account or benefit of a US Person), or in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

United States Restrictions

The New Shares have not been, nor will be, registered under the US Securities Act, or the securities laws of any state or other jurisdiction in the United States. The New Shares may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, US Persons, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a US Person, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Neither this Prospectus, nor the accompanying Application Form may be distributed to, or relied upon by, persons in the United States or who are, or are acting for the account or benefit of, US Persons.

United Kingdom Restrictions

For the purposes of United Kingdom legislation, this Prospectus is not an approved prospectus for the purposes of section 85 of the Financial Services and Markets Act 2000 ("FSMA") and has not been approved by the United Kingdom Listing Authority (or any other competent authority in any jurisdiction for the purposes of the Prospectus Directive) because the total consideration payable in respect of the securities included in the Offering being offered within the European Economic Area does not exceed €2.5 million (Two and a half million Euros). Accordingly, this Prospectus has not been prepared in accordance with the requirements of the Prospectus Rules made by the United Kingdom Listing Authority or any other such competent authority.

It should be further noted that by virtue of section 21 FSMA a person must not, in the course of business, communicate an invitation or inducement to engage in an investment activity ("the financial promotion restriction") unless the communication has been approved by an authorised person under FSMA or is made or directed at persons to whom it may be made or directed exempt under the FSMA 2000 (Financial Promotion Order) 2005 ("FP Order")).

This Prospectus has not been approved by an authorised person because it is exempt from section 21 of FSMA on the ground that it meets the criteria set out in article 67 of the FP Order; namely that it relates to shares which are to be listed on the Toronto Stock Exchange (which is a "relevant market" for the purposes of article 67 of the FP

Order), that it is permitted to be made available by the rules of that Exchange to the persons within the United Kingdom to whom it is being made available and that it otherwise complies with all applicable rules of that Exchange.

The securities described in this Prospectus may only be subscribed for by persons in the United Kingdom of the kind described in herein. If you are not such a person you must not subscribe for the securities described in this Prospectus and you will not be permitted to do so. You should return this Prospectus to Ratel Gold Limited, The BGC Centre, Level 5, 28 The Esplanade, Perth, Western Australia.

You may not reproduce, forward or distribute copies of this Prospectus or its contents, to any person except as permitted in accordance with FSMA. The transmission of this Prospectus or its contents, in any form to any other person in the United Kingdom may contravene FSMA.

Reliance on this Prospectus for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested.

If you are in any doubt about the contents of this Prospectus you should consult an authorised person specialising in investments of the kind described in this Prospectus.

PRIVACY DISCLOSURE

The Company collects information about each Applicant provided on an Application Form for the purposes of processing Application Forms, and, if the Applicant is successful, to administer the Applicant's share holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided on the Application Form for the purposes set out in this privacy disclosure statement, including to assess the Application and, for successful Applications, service shareholder needs, communications and related administration. The Company may disclose information provided on the Application Form for those purposes to the Company's share registries, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to the TSX, regulatory authorities, persons inspecting the register of members and to bidders for securities in the context of takeovers.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Prospectus constitute forward looking statements including, among others, statements made or implied relating to Ratel's objectives, strategies to achieve those objectives, Ratel's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward looking statements generally can be identified by words such as "objective", "may", "will", "expect", "likely", "intend", "estimate", "anticipate", "believe", "should", "plans" or similar expressions suggesting future outcomes or events.

Such forward looking statements are not guarantees of future performance and reflect Ratel's current beliefs based on information currently available to management. Such statements involve estimates and assumptions that are subject to a number of known and unknown risks, uncertainties and other factors inherent in the business of Ratel and other materials filed with the securities regulatory authorities from time to time which may cause the actual results, performance or achievements of Ratel to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Those risks, uncertainties and assumptions include, but are not limited to: the mining industry (including operational risks; risks in exploration, development and production; the uncertainties involved in the discovery and delineation of mineral deposits, resources or reserves; and the uncertainty of mineral resource and mineral reserve estimates); the risk of gold, copper and other commodity price and foreign exchange rate fluctuations; the ability of Ratel to fund the capital and operating expenses necessary to achieve the business objectives of Ratel; the uncertainty associated with commercial

negotiations and negotiating with foreign governments; the risks associated with international business activities; risks related to operating in Zambia and Nigeria; environmental risk; the dependence on key personnel; the ability to access capital markets; and the additional factors discussed under Section 5 of this Prospectus .

Although the forward-looking information contained in this Prospectus is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, prospective investors should not place undue reliance on forward-looking information. Such forward-looking information is made as of the date of this Prospectus and, other than as required by applicable securities laws, we assume no obligation to update or revise such forward-looking information to reflect new events or circumstances.

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CORPORATE DIRECTORY

DIRECTORS	Mr Mark Savage (Chairman) Mr Ian Fisher Mr Ron Clarke Mr Michael Carrick
CHIEF EXECUTIVE OFFICER	Mr Geoff G. Jones
COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER	Ms Hannah Hudson
CANADIAN SHARE REGISTRY	Computershare Investor Services Inc 100 University Avenue 11th Floor Toronto, Ontario M5J2Y1
REGISTERED OFFICE	Jayla Place Wickhams Cay I Road Town, Tortola British Virgin Islands
AUSTRALIAN LEGAL ADVISERS	Middletons Level 2 6 Kings Park Road West Perth WA 6005
AUDITORS	Ernst & Young 11 Mounts Bay Road Perth WA 6000

INDICATIVE TIMETABLE

Record Date to determine Eligible CGA Shareholders	11 June 2010
Lodgement of the Canadian Prospectus in Canada	5 July 2010
Lodgement of this Prospectus with ASIC	6 July 2010
Opening Date of the Australian Priority Offer	13 July 2010
Closing Date of the Australian Priority Offer	28 July 2010
Closing Date of the Offering	6 August 2010 (Vancouver time)
Anticipated date for despatch of certificates for the New Shares offered under this Prospectus	6 August 2010 (Vancouver time)

These dates are indicative only and may be subject to change. The Directors reserve the right to vary the dates. Nevertheless investors are encouraged to submit their Applications as early as possible.

EXCHANGE RATE INFORMATION

The following tables set out, for each of the periods indicated, the year end exchange rate, the average noon rate and the high and low noon exchange rates of 1 Canadian dollar in exchange for US currency and 1 Canadian dollar in exchange for Australian currency, as quoted by the Bank of Canada.

1 Canadian dollar to U.S. currency

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

On 5 July 2010, the noon rate quoted by the Bank of Canada was Cdn$1.00 equals US$0.94.

One Canadian dollar to Australian currency

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

On 5 July 2010, the noon rate quoted by the Bank of Canada was Cdn$1.00 equals A$1.12.

1. DETAILS OF THE CAPITAL RAISING AND THE OFFER

1.1 The Capital Raising

Ratel is seeking to raise approximately a minimum of Cdn$8,000,000 ("**Minimum Offering**") and a maximum of Cdn$14,000,000 ("**Maximum Offering**") through the Offering. The Minimum Offering consists of a total of 40,000,000 Shares at an issue price of Cdn$0.20 per Share to raise aggregate gross proceeds of Cdn$8,000,000 and the Maximum Offering consists of 70,000,000 Shares at an issue price of Cdn$0.20 per Share to raise aggregate gross proceeds of Cdn$14,000,000. Up to 60,000,000 New Shares will be offered to the public under the Canadian Prospectus subject to the Canadian Priority Offer and the Australian Priority Offer ("**Base Offer**"). Up to 10,000,000 New Shares will be offered pursuant to the Canadian Prospectus to a list of strategic investors, family members, friends and business associates of Ratel as determined by Ratel and the Agent ("**President's List Offer**").

1.2 The Canadian Priority Offer

Of the 60,000,000 New Shares being offered pursuant to the Base Offer, the Company will offer 53,312,446 of those New Shares on a priority pro-rata entitlement to Eligible Canadian CGA Shareholders at 5:00pm on the Record Date ("**Canadian Priority Offer**"). The Canadian Prospectus relates to the Canadian Priority Offer, the Base Offer and the President's List Offer.

1.3 The Australian Priority Offer

Of the 60,000,000 New Shares being offered pursuant to the Base Offer, the Company will offer 4,383,208 of those New Shares as a priority pro-rata entitlement to Eligible CGA Shareholders at 5:00pm on the Record Date ("**Australian Priority Offer**"). This Prospectus relates to the Australian Priority Offer.

All Eligible CGA Shareholders will be sent a copy of this Prospectus together with a copy of an Application Form.

The Australian Priority Offer to Eligible CGA Shareholders will be made pro-rata to the number of CGA Shares held by each Eligible CGA Shareholder as at the Record Date.

Applicants may not apply for New Shares in excess of their pro-rata entitlement pursuant to the Australian Priority Offer.

1.4 General Allocation Policy

All investors should note that the Directors of Ratel, in consultation with the Agent, retain an overriding right to accept any Application in full, accept any lesser number of New Shares or decline any Application.

Applicants must not assume that the New Shares they apply for, or any number of New Shares, will be issued to them in response to their Application. Before dealing in any New Shares, Applicants must satisfy themselves as to their actual holding of New Shares.

If any Application is rejected, in whole or in part, the relevant Application Money will be refunded without interest. Where the number of New Shares issued is less than the number applied for by the Applicant, the surplus Application Money will be returned by cheque within 30 days after the Closing Date. Where no New Shares are issued, the Application will be returned in full by cheque within 30 days after the Closing Date. Irrespective of whether an allotment of New Shares takes place any interest earned on the Application Money will not be paid to Applicants.

1.5 Use of Proceeds

The estimated net proceeds to be received by Ratel from the Offering are expected to be approximately as follows:

	Minimum Offering Cdn$	Maximum Offering Cdn$
Gross Proceeds	$8,000,000	$14,000,000
Agent's Fee	$400,000	$700,000
Estimated Expenses of the Offering	$400,000	$400,000
Net Proceeds	$7,200,000	$12,900,000

The net proceeds of the Offering will be used primarily for exploration and development activities, including costs in connection with the Feasibility Study on the Company's Segilola Gold Project, as well as the Mkushi Copper Project, general and administrative expenses and for working capital purposes. We intend to use the net proceeds as follows for the following 18 months:

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

CGA has agreed to provide additional funding as required to Ratel to enable it and its controlled entities to operate and meet their respective obligations for a period ending the earlier of 31 May 2011 or up to the date of the closing of the Offering. Ratel has agreed to repay CGA for the funds provided from 31 March 2010 until the date of the closing of the Offering.

The numbers in the table above include the amounts already funded by CGA. As at the expected closing of the Offering on or about 6 August 2010 in Vancouver, CGA estimates to have funded, and will be repaid from the net proceeds of the Offering the amounts set forth in the table below. These amounts include a total of Cdn$701,543 already funded as of 29 June 2010, relating to Cdn$76,956 for Mkushi site and office costs, Cdn$597,937 in relation to Feasibility Study costs and Cdn$26,650 in relation to site and office expenditure at the Segilola Gold Project. Optimisation drilling has not begun at the Mkushi Copper Project as at 29 June 2010, however we expect to pay a mobilisation fee to begin drilling in July 2010. There are also nil refunds allocated against the Ratel corporate and administrative expenses as whilst Ratel remains a 100% subsidiary of CGA, its corporate and administrative costs remain funded by CGA.

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

While we intend to spend these net proceeds as stated above, there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary or advisable. For instance, the results of the Feasibility Study may require further expenditure on the Segilola Gold Project, in which case a re-allocation of funds will be necessary. For a further description of the Company's investment policies and allocation of funds see Sections 4.5 and 4.6.

1.6 The Australian Priority Offer Period

The Opening Date for receipt of Applications is 9:00am WST on 13 July 2010. The last day for receipt of Applications will be the Closing Date. Those dates may be varied by the Directors in consultation with the Agent at their discretion and without prior notice.

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of seven days from the date of lodgement with ASIC. This period may be extended by ASIC for a further period of up to seven days.

The purpose of the Exposure Period is to enable the Prospectus to be examined by the market participants prior to the raising of funds. Potential investors should be aware that such examination may result in the identification of deficiencies in the Prospectus and in those circumstances any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for New Shares received during the Exposure Period will not be processed until the Exposure Period has expired and no preference will be given to persons who lodge their Application Forms during the Exposure Period.

1.7 Offer is Not Underwritten

The Offer is not underwritten.

1.8 Minimum Offering

The Minimum Offering for the Offering is Cdn$8,000,000. No New Shares will be allotted by the Company until the Minimum Offering has been subscribed for.

If the Minimum Offering amount is not reached within 4 months from the date of this Prospectus the Company will return all Application Monies in full, as soon as reasonable practicable, without interest, or will alternatively issue a supplementary prospectus. If a supplementary prospectus is issued the Company will allow Applicants one month to withdraw their Applications and be repaid their Application Monies, as soon as reasonably practical, after written notification to the Company, without interest.

1.9 Application Monies to be held on Trust

All Application Monies will be returned (without interest) if the New Shares are not allotted and issued. Interest earned on the Application Monies will be retained for the benefit of the Company.

1.10 Application Forms

An Application for New Shares by Eligible CGA Shareholders may only be made by completing and lodging the Application Form accompanying this Prospectus which is in the name of that Eligible CGA Shareholder.

A completed and lodged Application Form together with applicable Application Monies lodged with Computershare Investor Services Pty Limited of Level 2, 45 St Georges Terrace, Perth, Western Australia, constitutes a binding Application by an Eligible CGA Shareholder for the number of New Shares specified on the Application Form. The Application Form does not need to be signed to be a binding Application for New Shares. The Application Monies must be paid by either international bank draft or telegraphic transfer in accordance with the instructions set out in the Application Form. Eligible CGA Shareholders will need to contact their financial institution to make arrangements for the payment of the Application Monies.

If the Application Form is not completed correctly, it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe the Application Form is final.

An Application for New Shares may be accepted in full, or any lesser number, or rejected by the Company. If any Application is rejected, in whole or in part, the relevant Application Monies will be repaid without interest.

1.11 Allotments

The New Shares will be allotted and issued as soon as practicable after closing of the Offering, which is expected to occur on or around 6 August 2010 in Vancouver. Certificates of ownership for the New Shares will be despatched as soon as possible after the allotments. The closing of the Offering (and accordingly the issue of New Shares under this Prospectus) is conditional on SGL delivering the Feasibility Study to TML in accordance with the terms of the Segilola JV. If this condition is not met, no New Shares will be issued under this Prospectus and all Application Monies will be repaid without interest. For further information regarding the delivery of the Feasibility Study see Section 4.6 of this Prospectus.

1.12 TSX Listing

The Directors will not allot any New Shares offered under this Prospectus unless and until the TSX grants approval for the Company's Shares, the subject of the Canadian Prospectus and this Australian Prospectus, to be listed. An application has been made to TSX by the Company for its Shares to be listed and that application has been conditionally approved by the TSX subject to the Company fulfilling all of the requirements of the TSX on or before 22 September 2010, including the distribution of Shares to a minimum number of public shareholders and the Company amending its articles of association to the satisfaction of the TSX to provide shareholder protections consistent with the Canada Business Corporations Act. The fact that the TSX may admit the Company to its official list is not to be taken in any way as an indication by the TSX of the merits of the Company or the securities under this Prospectus.

If the TSX does not list the New Shares within three months after the date of this Prospectus, the Company will not allot or issue any New Shares, and will return all Application Monies as soon as practicable without interest.

Application Monies will be held in a separate bank account in trust for the Applicants until allotment occurs.

1.13 Risk Factors

Ratel's Common Shares are considered speculative due to the nature of Ratel's business and the present stage of its development. A prospective investor should carefully consider the risk factors set out in Section 5 of this Prospectus particularly under Section 5.1 ("Transferability of New Shares"), Section 5.9 ("Joint Venture Agreement") and Section 5.16 ("Joint Venture Parties").

1.14 Taxation Implications

The Directors do not consider that it is appropriate to give investors advice regarding the taxation consequences of subscribing for New Shares under this Prospectus.

The Company, its advisers and its officers, do not accept any responsibility or liability for any taxation consequences to Applicants. As a result Applicants should consult their professional tax advisers in connection with subscribing for New Shares under this Prospectus. The issue of the New Shares may affect the market price of Shares.

1.15 Withdrawal of Prospectus

The Directors may at any time decide to withdraw this Prospectus in which case the Company will repay, as soon as practicable and without interest, all Application Monies received pursuant to this Prospectus.

2. HOW TO APPLY FOR NEW SHARES

Applications for New Shares under the Australian Priority Offer can only be made by Eligible CGA Shareholders on the Application Form which accompanies this Prospectus. Payment for New Shares must be made in full at the price of Cdn$0.20 per New Share and such Application Monies are to accompany the Application Form.

Applicants should read the instructions on the Application Form before applying for New Shares. Completed Application Forms may only be lodged at any time after the Opening Date but no later than the Closing Date.

Application Monies must be received in Canadian Dollars. Payment of the Application Monies may be made by:

- international bank draft in Canadian Dollars made payable to "Ratel Gold Limited" which must accompany the Application Form; or

- via telegraphic transfer in accordance with the instructions for telegraphic transfer set out in the Application Form.

Eligible CGA Shareholders will need to contact their financial institution to make arrangements for the payment of the Application Monies.

Application Forms together with Application Monies should be sent to:

Computershare Investor Services Pty Limited

Level 2
45 St Georges Terrace
Perth WA 6000

Applications pursuant to this Prospectus will not be accepted after the Closing Date. Eligible CGA Shareholders are urged to make their Applications as soon as possible.

3. RATEL GOLD LIMITED OVERVIEW

3.1 The Corporation

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

3.2 Intercorporate Relationship

The Shares being offered under this Prospectus are being issued in connection with a series of restructuring transactions whereby Ratel, a wholly owned subsidiary of CGA prior to completion of the Offering will:

(a) acquire the Segilola Gold Project and Mkushi Copper Project; and

(b) be spun off from CGA.

Upon completion of the Offering, Ratel will no longer be a wholly owned subsidiary of CGA.

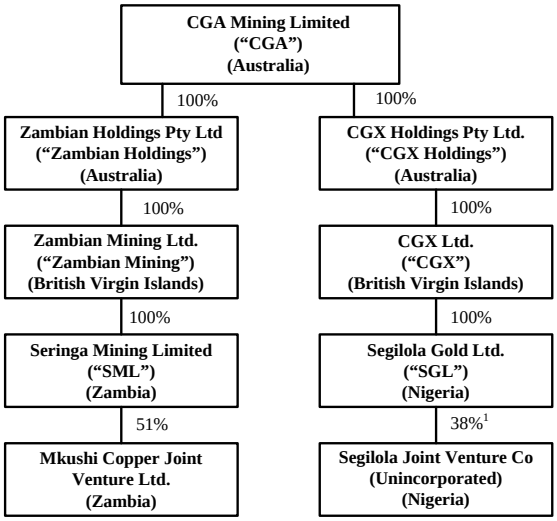
The spin off of Ratel from the CGA group of companies, by way of Ratel undertaking an initial public offering, has been approved by CGA Shareholders at a general meeting held on 2 July 2010. The rationale for the spin off is to enhance the ability of existing CGA Shareholders to realise value for the Segilola Gold Project and the Mkushi Copper Project and allow investors to choose between the various sovereign risk profiles in which CGA operates.

Prior to Ratel acquiring a 100% interest in Zambian Mining and CGX on 1 June 2010, these entities were held by Zambian Holdings and CGX Holdings (see Figure 1). The consideration paid by Ratel for Zambian Mining was US$2 and for CGX was US$2. In addition, Ratel assumed the liabilities owed by Zambian Mining and CGX to CGA and CGA will forgive these liabilities. The Company has elected to apply the "pooling of interest" method to account for the combinations.

Following completion of the acquisitions, but prior to completion of the Offering, Zambian Mining and CGX are held by Ratel, which remains a wholly owned subsidiary of CGA (see Figure 2).

Following the completion of the Offering (see Figure 3), Ratel will no longer be a wholly owned subsidiary of CGA, rather CGA will retain a minimum of a 20% interest assuming a Maximum Offering, or a 37% interest in Ratel, assuming a Minimum Offering.

Figure 1 – Organisational Structure prior to the acquisitions:



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

Figure 2 – Organisational Structure following the acquisitions

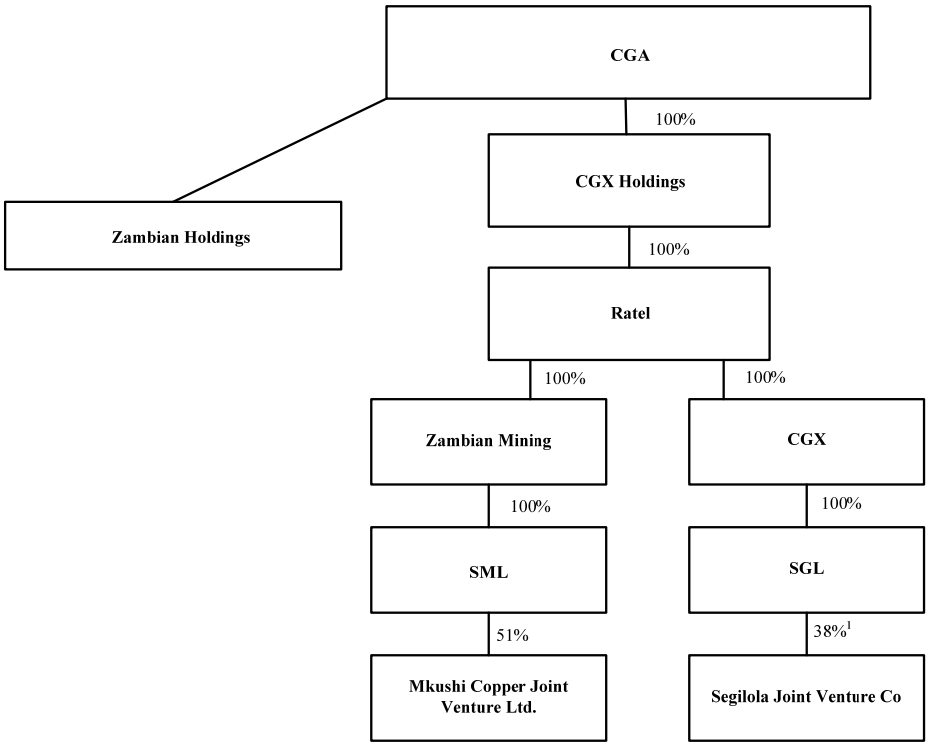


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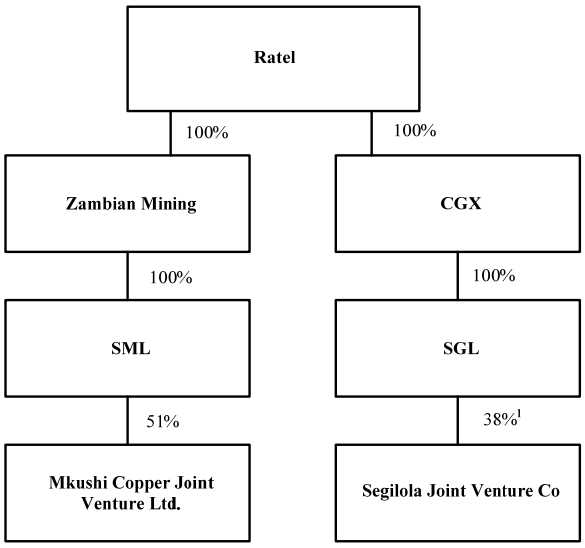
Figure 3 – Organisation Structure upon completion of the Offering



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

4. OUR PROJECTS

Ratel is a mining exploration company whose mission is to focus on the development of mining projects in Africa. We are actively engaged in exploring and developing mining projects and currently have a 38% interest in an advanced-stage exploration property in Nigeria with the Segilola Gold Project, currently the subject of the preparation of the Feasibility Study, and the Mkushi Copper Project in Zambia. Our current objective is to focus on a potential development of the Segilola Gold Project and acquire further projects as and when appropriate opportunities arise.

4.1 General Development

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

The net proceeds of the Offering will be used primarily for exploration and development activities, including the Feasibility Study costs, on the Company's Segilola Gold Project, as well as the assessment of other opportunities for the development of the Mkushi Copper Project, general and administrative expenses and for working capital purposes.

4.2 The Segilola Gold Project

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

See Section 12.2 of this Prospectus under the heading "Segilola JV" for a description of the terms of the Segilola JV and Section 5.9 and 5.16 of this Prospectus for a description of the risks associated with the Segilola JV.

An independent technical report on the Segilola Gold Project is included in Section 8 of this Prospectus.

Recent Activities

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

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

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

A baseline environmental study has been completed by Fugro. The study was carried out in compliance with the Nigerian national legislation and Fugro's corporate policies on environment. This was followed by an environmental

impact assessment which will be submitted along with the Feasibility Study for the required mining permit to operate.

R.W. Bourne & Associates, consulting metallurgists and Sedgman Metals Engineering Services have determined a suitable process flowsheet and have commenced the engineering work required to progress process plant design to a standard whereby capital and operating costs can be determined to the required level of accuracy.

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

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

As the existing ML 41 covers only a portion of the mineralisation with the balance located within the surrounding EL 39, an application to enlarge the existing ML 41 to encompass all of the mineralisation, infrastructure and utilities was lodged in January 2010 with the Federal Ministry of Mines and Steel Development, Mining Cadestre Office. Approval of this enlargement application is currently being considered by the Mining Cadastre Office and it is anticipated that a decision is imminent.

4.3 Mkushi Copper Project

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

Upon completion of the Offering, Ratel will, pursuant to a deed of assumption executed on 24 May 2010, replace CGA as a party to the Mkushi JV and assume all of the obligations of CGA pursuant to the Mkushi JV. CGA is released and discharged from all its obligations under the Mkushi JV and Ratel has indemnified CGA from any act or omission by Ratel in respect to of the obligations it has assumed.

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

A draft feasibility study was undertaken in October 2008 by SML. During the draft 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 31 July 2008 for a period of 25 years.

An independent technical report on the Mkushi Copper Project is included in Section 9 of this Prospectus.

Recent Activities

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

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

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

Metallurgical test work conducted by AMMTEC Limited was carried out to establish the design criteria for process and plant design. The results of the programme indicated a potential recovery in excess of 96% of contained copper using conventional copper sulphide flotation technology. The test work so far has shown that the process may generate a concentrate containing 30% copper and has indicated that there is a potential for economic extraction of the copper mineralization at the Mkushi Copper Project.

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

4.4 Other Properties

Pursuant to the Kankanfrasi Option, Ratel has the right to acquire 100% of CAML's interest in CAML Ghana Limited, the company holding a 51% interest in the Kankanfrasi Gold Project in Ghana. The Kankanfrasi concession, covering approximately 130 km^2, is located 13 km west of the Ashanti Gold Mine at Obuasi, in the highly prospective central Ashanti Province of Ghana.

See Section 12.2 of this Prospectus under the heading "Kankanfrasi Option" for a description of the terms of the Kankanfrasi Option.

The Kankanfrasi concession is an early stage exploration property in Ghana and CAML Ghana Limited has a commitment to spend approximately US$1.1 million on exploration activities in two stages, a portion of which has already been spent, and up to US$2.5 million on deferred purchase consideration, subject to satisfaction of various conditions.

4.5 Use of Proceeds

The current budgeted use of proceeds for the next 18 months will allow a working capital surplus of Cdn$2.113million (assuming a Minimum Offering) to Cdn$7.813million (assuming a Maximum Offering). The use of proceeds noted above allows for the completion of the Feasibility Study at the Segilola Gold Project, and additional exploration activities at the Mkushi Copper Project.

The additional exploration activities for the Mkushi Copper Project require a short diamond drilling program to follow up on previously discovered intersections of mineralisation outside of the present resource areas and are planned to occur during the first six months of the 2010-11 financial year, estimated to cost approximately Cdn$0.503million.

The Feasibility Study at the Segilola Gold Project is to be completed before closing of the Offering and within the Cdn$0.984million budget allocated to the Feasibility Study. The preliminary information to date indicates that the Feasibility Study at the Segilola Gold Project is positive and it is anticipated at this stage that the Project will progress to further development following the final results of the Feasibility Study. It is anticipated that this further development will include commencing design and construction of the mine for the Segilola Gold Project. The

preliminary results from work undertaken to date on the Feasibility Study are not yet conclusive enough to prepare an accurate estimate of the cost of development of the Project into a producing mine.

In the event that the Segilola Gold Project reaches development, it is anticipated that this would require further funding which may take the form of equity, debt or a combination of both. However, in the event that the results of the Feasibility Study do not warrant further development, the surplus working capital funds will be used towards indentifying and/or acquiring new resource opportunities.

The primary objective of Ratel's investment policies and decisions is to enhance shareholder value in the Company through the development of current assets and the identification, acquisition and development of new resource opportunities. The Company manages liquidity risk through maintaining sufficient cash or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. Maintaining surplus working capital in highly liquid short term deposits allows the Company to meet its primary objectives by being able to fund new development and acquisition opportunities at short notice.

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

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

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

4.6 Business Objectives and Milestones

Segilola Gold Project Development

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

Approval of the submitted Environment Impact Assessment and Management Plan and approval for the enlargement of ML41 are also expected to be completed by 31 December 2010. Closing of the Offering is dependent on SGL delivering the Feasibility Study (for the purposes of satisfying the minimum project parameters set out in the Segilola JV) to TML, and the Feasibility Study will be subject to the usual requirements of obtaining all necessary licences and permits including TML securing the enlarged mining licence area. For clarification, the delivery of the Feasibility Study is not subject to TML securing the enlarged mining licence area, but development of the project on the basis set out in the Feasibility Study will be. In the event TML is unable to secure the enlarged

mining licence area, Ratel will review the proposed development plan and make necessary changes. The project economics may be affected by such changes but Ratel is unable to determine what the effect is at this point in time and there is no certainty that the minimum throughput of 500,000 tonnes of ore or an internal rate of return of not less than 25% (the parameters for economic viability in the definition of the Feasibility Study) will be obtained. In order to exercise the third option SGL must, amongst other things, execute a production sharing contract, as required by the Segilola JV, by 26 April 2011 and, as at the date of this Prospectus, we are on track to achieve that deadline.

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

Mkushi Copper Project Exploration/Development

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

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

4.7 Social and Environmental Policies

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

The resulting Environmental Impact Assessment Plan, the Environmental Management Plan ("EMP"), the Social Management Plan ("SMP") and the Resettlement Action Plan ("RAP") have been approved by the Zambian government and will take effect if and when the Mkushi Copper Project is developed.

For the Segilola Gold Project the Environmental Impact Assessment Plan has been submitted for approval to the Nigerian Environmental Ministry.

Resettlement Action Plan

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

In summary in accordance with the RAP, MCJVL will:

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

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

- The remaining 2 households have agreed to be relocated to safe areas within the old Mkushi mine community and the houses will be constructed to an agreed layout by MCJVL. In conjunction with the community, MCJVL will also arrange farming fields for these households and help to prepare them for the first farming season. They will also be entitled to receive compensation for their other immovable assets such as fruit trees, banana suckers and destroyed crops, if any, in accordance with World Bank Guidelines.

- Build an improved modern school with 7 classrooms, a school house and adequate toilets.

- Sink a borehole closer to the school to replace the existing one.

- Liaise with the Ministry of Education on the issue of housing for teachers.

Environmental Management Plan

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

- Preparation of the open pit mine and the removal of commercial timber, vegetation and topsoil, contamination, public safety and waste generation.

- Waste rock dumping.

- Removal of commercial timber in the plant area, run of mine pad, processing facilities and the copper tailings storage facility.

- Activities such as the washing of mobile equipment and machine parts within the plant area workshop.

- Transport of hazardous materials within and around the mine site.

- Waste management procedures.

- Material handling and storage.

- Fuel handling and storage.

- Construction activities.

- Contractor activities.

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

Social Management Plan

The main objectives of the SMP are to:

- Preferentially maximise the use of local and provincial employment opportunities wherever possible and economically feasible.

- Encourage the economic expansion and diversification in Mkushi through provision of aid to third parties and to encourage diversification away from the mining sector.

- Implement an occupational health and safety policy and strive to ensure that all MCJVL employees are aware of the policy and their role within this policy.

- Ensure that any relocation of people is carried out to World Bank Guidelines and that the relocated population are satisfied with the process.

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

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

5. RISK FACTORS

The operations of the Company are speculative due to the nature of the business, the locations in which we operate and the present stage of growth. In evaluating the securities of the Company, the following factors, amongst others, should be considered.

5.1 Transferability of New Shares

Subscribers for New Shares offered by this Prospectus will be issued with a certificated holding. Investors should be aware that if they wish to sell their New Shares they will have to appoint either a Canadian Stock Broker or an Australian Stock Broker able to effect the sale of their New Shares. Any costs of doing so will be borne by the holder of those New Shares. The Company urges investors to seek their own advice about trading difficulties and delays that may be experienced and costs that may be incurred in trading in the New Shares on the TSX. The Company gives no advice to investors on any taxation matters and urges investors to seek their own taxation advice.

5.2 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 gold or copper 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.

5.3 Resource and Reserve Estimates

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource and reserve estimates may have to be adjusted and mining plans may have to be altered in a way that could adversely affect the Company's operations.

5.4 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 mining projects 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 are subject to 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 involve an exposure to security related issues such as rebel activity which may cause physical property or other damage to the assets of the Company or employees and others. The basis for this activity may be personally motivated by ideology or for commercial gain and the Company may have limited control over or warning (if any) of such actions. Such actions could have an adverse effect on the Company or perceptions.

The operations of the Company, if production commences, may have to be shut down or may otherwise be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, labour disputes, weather conditions, fire, explosions and other accidents at the mine, processing plant or related facilities beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of assets and property, including production facilities resulting in 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).

5.5 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.

5.6 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 a mining company.

5.7 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 affecting 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.

5.8 Payment Obligations

Under the exploration permits and licenses and certain other contractual agreements to which the Company (or its subsidiaries or affiliates) is or may in the future become party to, the Company is or may become subject to payment and other obligations. In particular, the licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the permits and licences. Failure to meet these work commitments may

result in the licence being cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Company.

5.9 Joint Venture Agreement

Pursuant to the Segilola JV, if SGL fails to exercise the third option (as stipulated by the Segilola JV and described in Section 12.2 below), which includes delivery of the Feasibility Study to TML by 24 August 2010 and amongst other things execution of a production sharing contract as agreed by TML and SGL by 26 April 2011 or such other date as agreed between the parties to meet the obligations under the Segilola JV, or, once the third option has been exercised, if SGL fails (a) to commence commercial production of gold on the Segilola Gold Project within a period of 21 months from exercising the third option or (b) to sustain commercial production of gold from the Segilola Gold Project for a continuous period of 6 months, the Segilola JV will terminate and SGL will automatically forfeit to TML its entire interest in the Segilola Gold Project. However, SGL, following exercise of the third option, will not have to forfeit its 51% interest where:

- the international gold price on the London Mercantile Exchange falls to such a level that the project accountant certifies that commercial production of gold at economic viability is unattainable; or

- the mining consultant certifies that the proven reserves have fallen to a level that can no longer sustain commercial production and that ongoing exploration activities are yet to establish proven reserves that can sustain commercial production.

Development of the project on the basis set out in the Feasibility Study is subject to TML securing the enlarged mining licence area. In the event TML is unable to secure the enlarged mining licence area, Ratel will review the proposed development plan in the Feasibility Study. The project economics may be affected by such changes but Ratel is unable to determine what the effect is at this point in time and there is no certainty that the minimum throughput of 500,000 tonnes of ore or an internal rate of return of not less than 25% (the parameters for economic viability in the definition of Feasibility Study) will be obtained. At the current time, Ratel only has a resource estimate on the Segilola Gold Project and no reserves have been established.

5.10 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, the Republic of Zambia or any other country in which the Company has an economic interest that affects mineral exploration activities, may affect the viability and profitability of the Company.

5.11 Environmental Risks

Gold and copper exploration projects in Nigeria and the Republic of Zambia 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 these countries 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.

5.12 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.

5.13 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.

5.14 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.

5.15 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.

5.16 Joint Venture Parties

The Company currently has joint venture partners in Nigeria and Zambia and there is a possibility that their interests 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 the Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on future cash flows, earnings, results of operations and financial condition; disagreement with joint venture partners on how to develop and operate mines efficiently; inability of joint venture partners to meet their obligations to the joint venture or third parties or under the joint venture agreements; or litigation arising between joint venture partners regarding joint venture matters. In particular, in order for SGL to exercise the third option under the Segilola JV and earn its 51% interest in the Mine Tenements, SGL must execute a production sharing contract which must be agreed and negotiated by SGL and TML by 26 April 2011 or such other date as agreed between the parties to meet the obligations under the Segilola JV.

5.17 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.

5.18 Access to Financing

When we identify a property that we may seek to acquire or to develop, a substantial capital investment often will be required. Our continued access to capital, through project financing or through credit facilities or other arrangements with acceptable terms is necessary for the success of our growth strategy. Our attempts to secure the necessary capital may not be successful on favourable terms, or at all. Market conditions and other factors may not permit future project and acquisition financings on terms favourable to us. Our ability to arrange financing on favourable terms, and the costs of such financing, are dependent on numerous factors, including general economic and capital market conditions, investor confidence, the continued success of current projects, the credit quality of the projects being financed, the political situation in the state in which the project is located and the continued existence of tax laws which are conducive to raising capital. If we are unable to secure capital through credit facilities or other arrangements, we may have to finance our projects using equity financing which will have a dilutive effect on existing shareholders' Shares. Any of these alternatives could have a material adverse effect on our growth prospects and financial condition.

5.19 Adverse Claims Against Our Title May Adversely Affect Our Business

Although we have taken reasonable precautions to ensure that legal title to our properties is properly documented, there can be no assurance of title to any of our property interests, or that such title will ultimately be secured. Our property interests may be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

5.20 Integration of Any New Acquisitions

Our business strategy is to expand in the future, including through acquisitions. Integrating acquisition targets is often costly and we may not be able to successfully integrate acquired companies or assets with our existing operations without substantial costs, delays or other adverse operational or financial consequences. Integration involves a number of risks that could materially and adversely affect our business, including:

- the failure of the acquired companies or assets 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.

5.21 Lack of Pre-Existing Public Market

Prior to the closing of the Offering, there has been no public market for the Shares. The Offering Price of the Australian Priority Offer, the Canadian Priority Offer, the President's List Offer and the Base Offer and the number of Shares to be issued have been determined by the negotiation among the Company and the Agent. The price paid for each Share may bear no relation to the price which Shares will trade in the public market subsequent to the Offering. The Company cannot predict at what price the Shares will trade and there can be no assurance that an active trading market in the Shares will develop or be sustained.

5.22 Market Fluctuation

In recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. The market price of the Shares could similarly be subject to wide fluctuations in response to a number of factors, most of which we cannot control, including:

- changes in securities analysts' recommendations and their estimates of our financial performance;

- the public's reaction to our press releases, announcements and filings with securities regulatory authorities and those if its competitors;
- changes in market valuations of similar companies;
- investor perception of our industry or prospects;
- additions or departures of key personnel;
- commencement of or involvement in litigation;
- changes in environmental and other governmental regulations;
- announcements by us or our competitors of strategic alliances, significant contracts, new technologies, acquisitions, commercial relationships, joint ventures or capital commitments;
- variations in our quarterly results of operations or cash flows or those of other companies;
- revenues and operating results failing to meet the expectations of securities analysts or investors in a particular quarter;
- future issuances and sales of our Shares; and
- changes in general conditions in the domestic and worldwide economies, financial markets or the mining industry.

The impact of any of these risks and other factors beyond our control could cause the market price of our Shares to decline significantly. In particular, the market price of our Shares may be influenced by variations in commodity prices. This may cause the Share price to fluctuate with these underlying commodity prices, which are highly volatile.

5.23 Dividend Policy

We have not declared or paid any dividends on our Shares. For the foreseeable future, we anticipate that we will retain future earnings and other cash resources for the operation and developments of our business. The payment of any future dividends will depend upon earnings and our financial condition, current and anticipated cash needs and such other factors as our Board considers appropriate.

5.24 Foreign Currency Exchange Rates

We maintain accounts in United States dollars and our operations in Nigeria and Zambia make us subject to foreign currency fluctuations. Foreign currency fluctuations are material to the extent that fluctuations between the U.S. dollar and/or U.S. dollar balances are material. We do not at present, nor do we plan to in the future, engage in foreign currency transactions to hedge exchange rate risks, but we do convert Nigerian and Zambian funds to U.S. dollars anticipating U.S. expenditures.

5.25 New Issue of Shares

We may issue equity securities to finance our activities in the future. In addition, outstanding options or warrants to purchase our Shares may be exercised, resulting in the issuance of additional Shares. Our issuance of additional equity securities or a perception that such an issuance may occur could have a negative impact on the trading price of our Shares.

5.26 Discretion in the Use of Proceeds

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company's results of operations may suffer.

6. THE BOARD AND MANAGEMENT

6.1 Board

Each of the Directors of the Company has significant business skills and experience. The Board is comprised of the following people.

Mr Mark Savage – Chairman and Non Independent Director

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

Mr Savage was born and educated in the United States of America where he received a business degree from the University of Colorado and was a senior executive for a number of US banks. He then joined an Australian based merchant bank and completed the Securities Institute of Australia course. Mr Savage has gained experience in the debt and equity markets as well as in the corporate advisory area.

Mr Ian Fisher – Independent Director

Mr Fisher is an independent director and a member of the Audit Committee. Mr Fisher was born and educated in Africa, where the Company's assets are all based, and has worked his whole life in business, often in senior positions. 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. Mr Fisher has, since February 2007, been an executive director of Erin Resources Pty Ltd, a gold exploration public company focused on Nigeria and since February 2000 has been a non-executive director of Carnegie Corporation Limited. Mr Fisher was a non-executive director of African Consolidated Resources, a resource company listed on the AIM with projects in Africa, from January 2003 to January 2007.

Mr Ron Clarke – Independent Director

Mr Clarke is an independent director of Ratel and a member of the Audit Committee. Mr Clarke is a Certified Practicing Accountant and he has held senior financial and executive positions within the resources sector, having previously been Company Secretary of Resolute Limited, a mineral resource company listed on the ASX, and Managing Director of Resolute (Tanzania) Limited, a mineral resource company and more recently, Mr Clarke has been 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 and 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 Michael Carrick – Non Independent Director

Mr Carrick is a Director of Ratel and since January 2004, he has also served as CEO and a Director of CGA. 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. 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 Limited, 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.

6.2 Senior Management

Mr Geoff G. Jones – Chief Executive Officer

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

Ms Hannah Hudson – Company Secretary & Chief Financial Officer

Ms Hudson is the Company Secretary and Chief Financial Officer of Ratel. Since August 2007, she has also served as Financial Controller and Company Secretary of CGA. Ms Hudson holds a Bachelor of Commerce and a Bachelor of Arts Degree from the University of Western Australia and is a member of the Institute of Chartered Accountants in Australia. She was formerly an auditor with Ernst & Young.

7. CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of Ratel. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision-making. The following is an overview of the Company's approach to corporate governance matters.

7.1 The Board

The Board of Ratel, at present, is composed of four directors, two of whom, Ian Fisher and Ron Clarke, are considered to be independent of management. An "independent" director is a director who has no direct or indirect "material relationship" with the company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment. On this basis, Mark Savage and Michael Carrick are not considered to be independent directors. Although the independent directors do not meet regularly without the non-independent members of the Board, the independent directors can request at any time a meeting be restricted to independent directors for the purpose of discussing matters independently of management. No such formal meetings were called during the most recently completed financial period.

The Board is responsible for managing the business and affairs of Ratel and, in doing so, must act honestly and in good faith with a view to the best interests of Ratel. The Board's mandate includes approving long-term goals and objectives for Ratel, ensuring the plans and strategies necessary to achieve those objectives are in place, and supervising senior management who are responsible for the implementation of long-term strategies and day-to-day management of Ratel. The Board retains a supervisory role and ultimate responsibility for all matters relating to Ratel and its business. The Board discharges its responsibilities both directly and through its Audit Committee discussed below. The Board may also appoint ad hoc committees periodically to address issues of a more short-term nature.

The following directors of the Company are also directors of other reporting issuers:

Director	**Name of Other Reporting Issuer**
Mr Mark Savage	CGA Mining Limited (ASX; TSX) Global Petroleum Limited (TSX; AIM) Tower Resources Limited (AIM)
Mr Michael Carrick	CGA Mining Limited (ASX; TSX)
Mr Ian Fisher	Carnegie Corporation Limited (ASX)

Board Mandate

The Board has overall responsibility for the business and affairs of Ratel. The Board has adopted a written mandate, being the Board Mandate. The Board will review and assess the adequacy of the Board Mandate at least annually or otherwise, as it deems appropriate, and make any necessary changes.

In accordance with the Board Mandate, the Board:

- will retain responsibility for managing its own affairs including determining its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation;

- may delegate to the Audit Committee and other committees as appropriate, matters that the Board is responsible for, including the oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities;

- may delegate to senior management the authority to enter into transactions, such as financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business, are reviewed by and are subject to the prior approval of the Board;

- is responsible for the identification of the principal risks of Ratel's business and ensuring the implementation of appropriate systems to effectively monitor and manage those risks with a view to the long-term viability of Ratel and achieving a proper balance between the risks incurred and the potential return to Ratel's shareholders;

- is responsible for ensuring that measures are taken to orient new directors regarding the role of the Board, its committees and its directors and the nature and operation of Ratel's business. The Board is also responsible for ensuring that measures are taken to provide continuing education for its directors to ensure that they maintain the skill and knowledge necessary to meet their obligations as directors;

- is responsible for approving the appointment of the officers of Ratel. The Board does not currently have written position descriptions for the Chair of the Board and the Chair of each Board committee and the Chief Executive Officer. However, the responsibilities of these positions are those generally accepted to fall within the functions of these positions; and

- is responsible for approving and monitoring compliance with all significant policies and procedures by which the Company is operated, and approving policies and procedures designed to ensure that the Company operates at all times within applicable laws and regulations. The Board is responsible for adopting a written code of ethical business conduct for the directors, officers and employees of Ratel and is responsible for establishing procedures to monitor compliance with the code and to encourage and promote a culture of ethical business conduct.

Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public company.

Ethical Business Conduct

The Board has adopted the Code outlining the principles of ethical conduct to which our directors, officers and employees are expected to adhere and establishing mechanisms to report unethical conduct. Ratel is committed to operating in a responsible manner that complies with applicable laws, rules and regulations, and providing full, fair, accurate, timely and understandable disclosure in reports and documents filed with any governing body or publicly disclosed. A copy of the Code is provided to each Director, officer and employee on an annual basis and such person is required to sign an acknowledgement form under which they acknowledge they have received and read the Code, and that they agree to adhere to the standards set forth in the Code. A copy of the Code is available on SEDAR at www.sedar.com.

The Code specifically addresses, among other things, conflicts of interest, confidentiality, compliance with laws, the reporting of unethical behaviour and the reporting of accounting irregularities. Any submission received pursuant to the provisions of the Code must be reviewed by the Board. The Board will then determine whether an investigation is appropriate. The Board and/or management will promptly investigate such submission and record the results in writing. All submissions must be treated confidentially to every extent possible, and the Board and any outside counsel must not reveal the identity of any person who makes the submission and asks that his or her identity remain confidential. The Code specifically provides that any submission may be made without fear of dismissal, disciplinary action, or retaliation of any kind.

Nomination of Directors

The Board is responsible for approving directors for nomination and election and filling vacancies among the directors. In connection with the nomination or appointment of individuals as directors, the Board will consider the competencies and skills required by the Board, the competencies and skills of the existing directors and the appropriate size of the Board. The Board does not have a formal process for identifying new candidates for Board nomination. When required, the Board intends to collaborate with management to assess the appropriate size of the Board, to identify the necessary qualifications and skills of the Board as a whole and of each director individually, to identify potential candidates and to consider their appropriateness for membership on the Board. The independent directors of the Company will be charged with the responsibility to review the qualifications of candidates for Board membership and the slate of candidates for directors to be nominated for election by shareholders.

Board Evaluation

The Board is responsible for assessing the effectiveness of the Board and its committee(s). The Board and its committee(s) will be assessed with reference to their respective mandate(s) or charter(s), while individual Directors will be assessed with reference to any applicable position descriptions, as well as the competencies and skills that each individual Director is expected to bring to the Board.

Compensation

The independent directors of the Company will be responsible to annually recommend to the Board the compensation levels of the Company's directors. The Board is responsible for determining all forms of compensation to be awarded to the CEO and CFO, as well as to its Directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. The independent directors of the Company will annually review the Company's compensation philosophy, policies, plans and guidelines and to recommend any changes to the Board.

Assessments

The Board does not formally review the contributions of individual Directors; however, it believes that its current size facilitates informal discussion and evaluation of members' contributions within that framework.

7.2 Audit Committee

The Board has established an Audit Committee. The information below summarizes the functions of the Audit committee in accordance with the Charter.

The Audit Committee has been structured to comply with the requirements of National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators ("NI 52-110"). The Board has determined that the Audit Committee members have the appropriate level of financial understanding and industry specific knowledge to be able to perform the duties of the position and, in particular, are "financially literate" as defined in NI 52-110.

In accordance with its Charter, the Audit Committee will periodically assess the adequacy of procedures for the public disclosure of financial information and review on behalf of the Board, and report to the Board, the results of its review and its recommendations regarding all material matters of a financial reporting and audit nature, including, but not limited to the following main subject areas:

- financial statements, including management's discussion and analysis thereof;
- financial information in any annual information form, management proxy circular, prospectus or other offering document, material change report or business acquisition report;
- reports to shareholders and others;

- annual and interim press releases regarding financial results or containing earnings guidance;
- internal controls;
- audits and reviews of financial statements of Ratel and its subsidiaries; and
- filings to securities regulators containing financial information.

The Audit Committee will ensure satisfactory procedures for receipt, retention and treatment of complaints and for the confidential, anonymous submission by employees regarding any accounting, internal accounting controls or auditing matters. The Board will be kept informed of the Audit Committee's activities by reports delivered to the Board.

At least annually, the Audit Committee will review the qualifications and performance of the lead partners of the Company's external auditors and determine whether it is appropriate to adopt or continue a policy of rotating the lead partner of the Company's external auditors. In addition, the Audit Committee will review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.

The Audit Committee will meet as many times per year as necessary to carry out its responsibilities but no less than once every quarter. The Audit Committee consists of three directors, of which Ian Fisher and Ronald Clarke are independent directors and Michael Carrick, a non-independent director, all of whom are "financially literate" as defined in NI 52-110. Mr Ronald Clarke is the chair of the Audit Committee.

Ratel has relied on section 3.2 of NI 52-110 which provides that if an issuer has filed a prospectus to qualify the distribution of securities that constitutes its initial public offering, the requirement to have every audit committee member independent does not apply for a period of up to one year commencing on the date of the receipt of the prospectus, provided that at least two members of the audit committee are independent.

Fees paid or accrued by Ratel for audit and other services provided by our auditors, Ernst & Young since its incorporation on 27 January 2010 are as follows:

	Period ended 31 March 2010 (A$)
Audit Fees	5,000
Audit Related Fees	85,000
Tax-Related Fees[(1)]	Nil
Other Fees	Nil
Total:	90,000

Note:
(1) Includes fees for professional services rendered for tax compliance, tax advice, tax planning and other related services.

8. SEGILOLA GOLD PROJECT – INDEPENDENT TECHNICAL REPORT

FORM NI43-101

TECHNICAL REPORT

Resource Estimate for the Segilola Gold Deposit, Osun State, Nigeria for Ratel Gold Limited

1 May 2010

Prepared for Ratel Gold Limited

Author: Alfred Gillman, BSc (Hons); FAusIMM, CP

NI 43-101 Report

Item 1

FORM NI43-101

TECHNICAL REPORT

Resource Estimate for the Segilola Gold Deposit, Osun State, Nigeria for Ratel Gold Limited

1 May 2010

Author: Alfred Gillman Director, Odessa Resources Pty Ltd

Date: 1 May 2010

Mr. Alfred Gillman
For and on behalf of:
Odessa Resources Pty Ltd

Item 2

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3.0 Summary (Item 3)

3.1 Project Summary

This report presents an initial classified resource estimate for the Segilola Gold Project to the standards required by both the Ontario Securities Commission Bulletin ("OSCB") National Instrument 43-101 ("NI 43-101") and the Joint Ore Reserve Reporting Committee ("JORC") of the Australian Institute of Mining and Metallurgy ("Aus. IMM"). The Segilola Gold Project is located in Iperindo-Odo in the Osun State in Nigeria and is a joint venture between Segilola Gold Limited ("SGL") and Tropical Mines Limited ("TML").

SGL is a wholly owned subsidiary of Ratel Mining Limited ("Ratel") who is a wholly owned subsidiary of CGA Mining Limited ("CGA"), an Australian Company. TML is a joint venture company between Nigerian Mining Corporation ("NMC") and Pineridge Nigeria Limited ("PNL"). NMC holds a 20% interest in TML and PNL holds the remaining 80% and is manager of TML. SGL is the Manager/operator of the joint venture activities on site. The Segilola Gold Project is the most advanced gold exploration project in Nigeria at present.

The Segilola Gold Project site is situated within 600 metres of a sealed road, 18 kilometres south of the nearest large town Ilesha, which has a population of 300,000. Ilesha itself, is located on a sealed dual carriage way, 230 kilometres north east of Lagos (the principal international entry port and major commercial centre of Nigeria with an estimated population of 16 million).

Officially recorded gold production in Nigeria commenced in 1913 and peaked in the period 1933-1943 when approximately 1.4 tonnes of gold were produced. Gold production declined during the Second World War and never recovered as mines were abandoned by mostly colonial companies whose management staff were conscripted for military duty and never returned. NMC started exploration for gold in Nigeria in the early 1980's but the initiative failed to be sustained due to lack of funds. The discovery of petroleum in 1956 and its subsequent domination of the Nigerian economy also resulted in little attention being paid to the country's solid mineral potential.

The project is the subject of a Mining Lease ("ML41") that covers an area of 46 hectares within an Exploration License ("EL39") covering 16 square kilometres. The current title holder, TML, has recently been granted an extended Exploration License area of 400 square kilometres surrounding the Segilola Gold Project area. The joint venture between SGL and TML has been registered with the relevant Nigerian governmental authorities in recognition of the SGL earnin of 51% following presentation of a Full Feasibility Study (FFS).

The Segilola deposit, formerly known as the Iperindo Reef, was first discovered during the working of eluvial deposits in 1945 and was later the subject of small scale open cut mining operation which is estimated to have produced approximately 2,000 ounces of gold.

During the mid-1980's, NMC conducted the first diamond drilling of the known gold mineralisation with the completion of 33 diamond drill holes located over a strike length of approximately 900 metres. The project subsequently passed to the joint venture company named TML, 80% owned by the private Nigerian company PNL and 20% held by NMC. In the mid-1990's an additional six diamond holes were drilled by a subsequently introduced new joint venture partner, Hansa GeoMin (Hansa). Preliminary resource estimates by TML and Hansa these companies ranged from 270,000 to 340,000 ounces at grades between 6.0 and 10.9 g/tAu.

In 2006 CGA identified the Segilola project potential for a medium to high grade open pit resource and in mid-2007, through a newly formed wholly-owned Nigerian subsidiary SGL, entered into a joint venture with TML. During the subsequent two years SGL has completed a total of 11,989 metres of diamond drilling in 119 holes.

This report states an initial resource estimate based on only the information obtained from the SGL drilling.

A review of tenement status with respect to any legal or statutory issues was not conducted. The CGA Group[1] have advised that there are no known title impediments to the operations and that all project tenements are in good standing.

3.2 Terms of Reference

The author originally prepared this report for CGA on 14 September 2009. CGA is based in Perth and listed on both the Australian Securities Exchange ("ASX") and the Toronto Stock Exchange ("TSX"). CGA is actively involved in the exploration for gold in Nigeria as part of their joint venture commitment to the Segilola Gold Project through their wholly owned Nigerian subsidiary, SGL.

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

CGA has commissioned Odessa Resources Pty Ltd ("Odessa") to calculate and report a classified Mineral Resource estimate for the Segilola Gold Project. This report outlines a Mineral Resource estimate for the Segilola Gold Project completed on the 10th August 2009. The estimate was conducted in accordance with both the Australian Code for the Reporting of Mineral Resource and Mineral Reserves (the JORC Code 2004) and the Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI_43_101).

Mr. Alfred Gillman, the Director of Odessa, is the independent Qualified Person ("QP") for preparation of the Segilola Mineral Resource estimate. He is a Fellow of the Australian Institute of Mining and Metallurgy (Aus.IMM).

3.3 The Property

Prior to the introduction of the new Mining Cadastre in 2007, the Segilola Gold Project comprised Mining Lease ML 19706 and Exclusive Prospecting License EPL 13205. Mining Lease ML 19706 covered an area of 0.188 km^2 (46.41 hectares) and was wholly contained within the larger Exclusive Prospecting License EPL 13205 which covered an area of 16.045km^2 (4,064 hectares).

With the introduction of the new Mining Cadastre the boundaries of ML 19706 and EPL 13205 were re-defined and the original tenement designations were changed to ML 41 and EL 39, respectively.

3.4 Ownership

The tenements, which underlie the resource, are registered to and owned by TML which is a joint venture company formed between PNL, 80% and NMC, 20%, - a parastatal mining corporation within the Ministry of Solid Minerals Development.

[1] References within this report to the CGA Group refers to information provided by CGA, SGL and its various subsidiaries in connection with the original report and this report.

On the 25 May 2007 SGL, a wholly-owned CGA subsidiary registered in Nigeria, entered into a Joint Venture Agreement with Tropical Mines Limited, to evaluate and develop the Segilola Gold Project.

The CGA Group have advised that recent notification has been received from the Ministry of Mines and Steel Development, Mines Cadastre Department, informing them that the licences are in good standing and are comprised of EL29 and ML41.

3.5 Geology

The project area is located in the crystalline Basement Complex rocks of southwestern Nigeria within one of the main "schist belts" know as the Ilesha Schist Belt. Schist belts in Nigeria occur as north-south trending domains of Upper Proterozoic meta-sedimentary, meta-volcanic and intrusive sequences that are oriented parallel to the boundary between the West African Craton and the Pan African province

3.6 Mineralisation

The mineralized lodes generally comprise highly silicified fine-grained foliated biotite gneiss typically intruded by both discordant and concordant pegmatitic quartz-feldspar veins.

Gold commonly occurs as either very fine disseminations in altered gneissic host rock or coarser, often visible, grains and in quartz-feldspar veins. Typical size of native gold blebs is about 10 microns.

3.7 Status of Exploration

The focus on the recent exploration program (2007-2009) has been to test the strike length of known mineralization on mostly 25m-spaced drill sections with the objective of producing a definitive resource estimate. In addition, drilling was completed on the northern and southern extremities to expand the resource in these directions. Limited trenching was also completed to identify the surface expression of the mineralized shear. At the time of this resource estimate the results had been received for all holes drilled numbered up to SGD119.

3.8 Mineral Resource Statement

The Mineral Resource estimate for the Segilola Gold Project has been classified as either Indicated or Inferred according to the JORC Code 2004 and CIM code. The classification is based on consideration of the continuity of geology and mineralisation and on the quality, quantity and distribution of the drillhole sampling.

A tabulation of the resource above a 0.5g/tAu cut-off is shown in Table 1.

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

Inferred		
Tonnes	**Grade (g/t Au)**	**Ounces (Au)**

747,590	4.0	96,445

Table 1: Segilola Classified Mineral Resource Estimate (0.5g/tAu cut off)

3.9 Results

The systematic diamond drilling completed since 2007 is sufficient to support a geostatistically derived estimation of a Mineral Resource for the project. A total of 119 drillholes (plus two abandoned holes) representing 11,989 m intersect the resource on a nominal grid of either 25m by 50m or 25m by 25m.

The resource has a steep west-dipping tabular geometry and strikes at 010º. The drill spacing is sufficient to define the continuity of geology and mineralisation with a high level of confidence. The quality assurance and quality control data show that the drillhole gold assays and density measurements are accurate with high precision. The level of confidence in the Mineral Resource estimate for the Segilola resource is consistent with the definition of either an Indicated or Inferred Mineral Resource according to both the JORC 2004 and CIM codes.

3.10 Independence

Odessa does not have and has not previously had any material interest in either Ratel or the CGA Group or any other related entities or interests. Odessa's relationship with Ratel and the CGA Group is solely one of professional association between client and independent consultant.

This report is prepared in return for fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

Mr Alfred Gillman meets the requirements of a QP as defined by National Instrument 43-101. The author has over 25 years experience in the mineral industry with most of the last 15 years being in resource estimation work. The author is both a Chartered Professional and Fellow of The Australian Institute of Mining and Metallurgy and has experience in numerous styles of gold mineralization throughout the world. The author is familiar with the style of gold mineralization at the Segilola Gold Project but has relied mostly on data and information supplied by staff of the CGA Group.

3.11 Disclaimer

The author is familiar with the TSX rules and the overall purpose of this Technical Report, and consent to this report being used in its entirety in accordance with the TSX requirements.

This report is based on reports and data prepared by the CGA Group and/or its consultants and historic data. Many of these reports were written prior to implementation of the standards set out in National Instrument 43-101. However, they were written by professionals and are considered accurate. The author has compiled information contained in this report from these sources, and understands that the CGA Group has agreed to make full disclosure of all information that is material for a National Instrument 43-101 report.

Odessa has used reasonable efforts to review and validate the data provided. However, it should be noted that:

- the author has not independently verified ownership and current standing of the mining tenements collectively forming the Segilola Gold Project and is not qualified to make legal representations in this regard; and

- the author has not undertaken an audit of the environmental issues associated with the Segilola Gold Project.

3.12 Legal Issues - Land Tenure, Surface Rights, Access and Permits

The author has not reviewed any legal issues regarding land tenure, surface rights, access and permitting nor independently verified the legal status or ownership of the Property or the Joint Venture agreement between SGL and TML and has relied upon information supplied by the CGA Group. The author has viewed copies of original validation for ML 19706 and EPL 13205, and the more recent validation for the name change of the licence areas of ML41 and EL39, issued by the Nigerian Ministry of Mines and Steel Development. The CGA Group has stated that to its knowledge there are no known issues with the current licences. The surface rights are locally owned and permission to access the licence area has been obtained, and this is a requirement when lodging a licence application. All necessary permits are in place for the current activities being carried out. There is currently no known reason why permits and approvals for future activities, including mining operations, will not be granted.

3.13 Environmental issues

The author is not an expert in the assessment of potential environmental liabilities associated with the Segilola Gold Project. Accordingly, the QP has not reviewed issues regarding environmental aspects of the Property and no opinion is expressed in this regard with respect to the Property.

It has been reported by the CGA Group that there are no known environmental issues currently associated with the licence areas and none are expected in the future. A baseline environmental study has been completed by Fugro Consultants Nigeria Ltd, an ISO 9001:2000 & ISO 14001:2004 certified quality, health, safety and environmental consulting and laboratory services company. The study was carried out in compliance with the national legislation and Fugro's corporate policies on environment.

An environmental impact assessment will be carried out should the project proceed.
All drill sites in the project area have been rehabilitated and the collars of the drill holes secured.

3.14 Historical Information

Information relating to historical production, previous exploration and known mineral occurrences has been derived from information provided by the CGA Group.

The results and opinions expressed in this report are based on the author's field observations and assessment of the technical data supplied by the CGA Group. The author has visited the Property and can verify the existence of the identified prospects and has noted evidence of the historic open cut, the exploration adit and historic drillhole collars.

3.15 Geology and Mineralisation

Description of the Property geology and mineralisation was compiled from the author's own observations; data supplied by the CGA Group and published scientific documents.

3.16 Exploration and drilling

Information and data regarding exploration and drilling on the Property was supplied by the CGA Group. The Qualified Person has undertaken sufficient checks to verify the accuracy and correctness of this data.

3.17 Mineral Resources

The Qualified Person preparing this technical report is qualified under the JORC Code 2004 and CIM as an expert in the assessment of Mineral Resources.

The Qualified Person has prepared the Mineral Resource estimate for the Segilola Gold Project on behalf of CGA in August 2008. The estimate was based on the drilling data and geological interpretations provided by the CGA Group. The Qualified Person has reviewed this data and considers it to be suitable for Mineral Resource estimation.

3.18 Metallurgical and Processing Information

No information was provided to the author and no comments on this aspect of the resource are included in this document. From information provided by the CGA Group, preliminary test work carried out by SGS Laboratory Services GH Ltd has indicated that very good recoveries over 90% can be obtained from a simple cyanidation process.

3.19 Recommendations

The CGA Group has advised the author that a full feasibility study ("FFS") has been planned and budgeted to progress the Segilola project towards the commissioning of an operating mine. The author has reviewed the key items and costings of the planned FFS and considers the program to be sufficient. There has been an allocation for additional diamond drilling to obtain both the necessary geotechnical information and to provide samples for metallurgical testwork. Excluding any contingency, the total FFS is expected to cost approximately C$1,179,000 (Appendix 5). The author recommends the following:

- Implementation of the FFS
- Drill- testing of the soil geochemical anomaly located to the north of the know resource
- Additional drilling at depth to upgrade the inferred resource to indicated category

4.0 Introduction (Item 4)

This technical report has been prepared for Ratel Gold Limited. The purpose of this report is to document the initial mineral resource for the Segilola Gold Project. Information relied upon in preparing this report has been provided by the CGA Group.

The author of this report, Mr. Alf Gillman, has visited the Segilola site on three occasions and is familiar with the general setting and operational and sampling procedures that apply to the project area.

5.0 Reliance on Other Experts (Item 5)

The author is familiar with the style of gold mineralization at Segilola but has relied mostly on data and information supplied by the CGA Group. The author worked closely with the SGL geological staff during the development of the geological model.

6.0 Property Description and Location (Item 6)

6.1 Location

The area of Ilesa is located at 7°20' N and 4°45' E within the tropical zone of Nigeria (Figure 1). The Segilola Gold deposit is located some 18km south-east of the town of Ilesa, between Odo Ijesha and Iperindo villages in Atakunmosa East Local Government area of Osun State, in the south-western region of Nigeria (Figure 2). Osun State is endowed with several mineral resource deposits including

talc, kaolin, granite, clay, gold and feldspar. There are also indications of the occurrence of cassiterite, columbite, aquamarine and mica in the State. Traditionally, the people of the State engage in agriculture while a reasonable number of them are traders and artisans. Other occupations of the people include making of hand-woven textiles, tie and dye clothes, leather work, calabash carving, soap making, wood carving and mat-weaving. The population census of 1991 put the population of the State at 2.2 million.

The surrounding settlements which consist of three villages are inhabited by about 10,000 people. The villages are linked by minor roads and footpaths. The inhabitants of the villages are mainly farmers with family holdings.

Figure 1: Nigeria Location Map

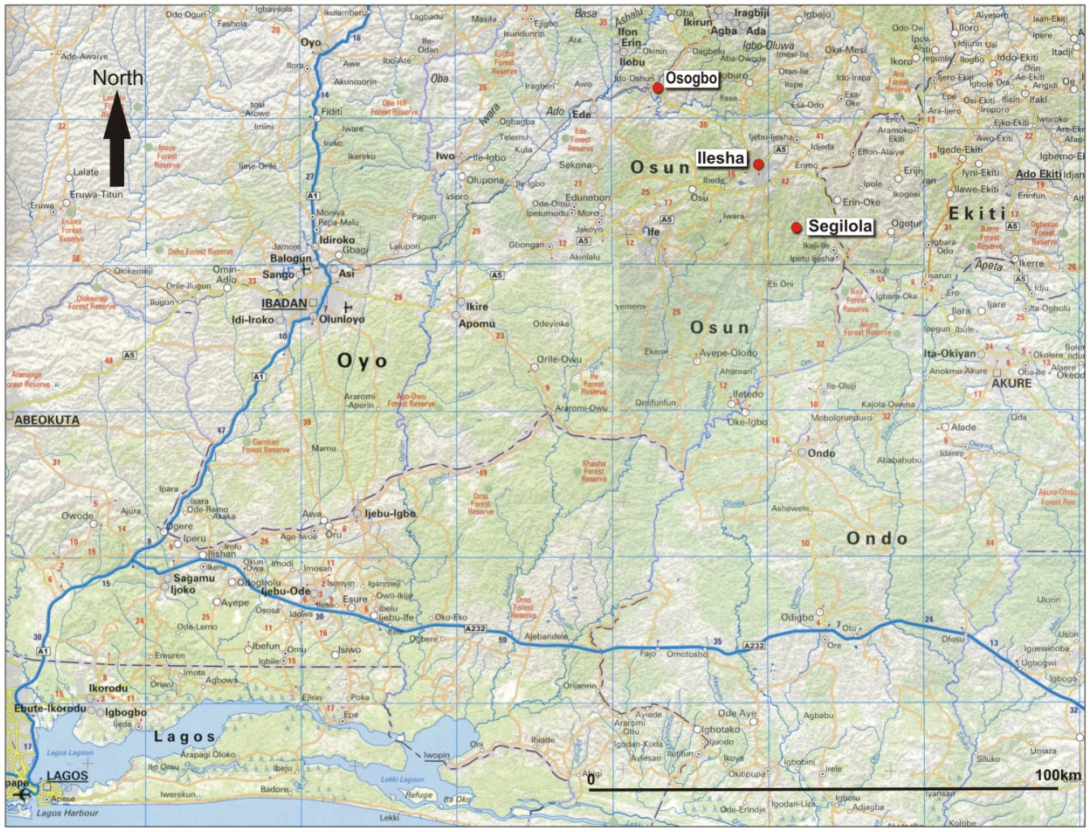


Figure 2: General Location Map

6.2 Claims, Title and Tenure

The Segilola Gold Project comprises Mining Lease ML 19706 (now ML 41) and Exclusive Prospecting License EPL 13205 (now EL3 9), refer to Figure 3. The Mining Lease ML 19706 (ML 41) covers an area of 0.188 km^2 (46.41 hectares) and is wholly contained within the larger Exclusive Prospecting License EPL 13205 which itself, covers an area of 16.045km^2 (4,064 hectares), whilst the revised EL 39 licence covers a larger area of approximately 43.8km^2.

ML 19706 was a rectangular lease measuring 460m by 1,000m with the longer side angled 9° towards the east and was granted to Tropical Mines Ltd for a period of 21 years on 29th September 1995. The original south western corner (LB or origin) of ML 19706 is located 1,560m as measured on a bearing of 9 degrees from the fixed nail-marker in the main round-about in Iperindo township. This site was visited by the author.

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

Both tenements were established prior to introduction of the new Mining Cadastre or graticular tenement system whereby the tenement boundaries are defined by regularized eastings and northings.
Since the introduction of the new Mining Cadastre in 2007 the boundaries of ML 19706 and EL 13205 have been re-defined and the original tenement designations have changed to ML41 and EL 39 respectively.

In the new graticular system the origin or LB point of ML 19706 (ML 41) has remained in its original position. However, the tenement boundaries have rotated 9° towards the west so that the western boundary is aligned in a northerly direction along longitude 4° 48" E. This has not affected the positioning of the active exploration area as being within the mining license ML 41.

6.3 Ownership and Joint Venture Agreement

Subject to the expenditure and reporting requirements of the Ministry of Mines and Steel Development, the tenements are registered to and owned by TML which is a joint venture company formed between PNL, 80% and NMC, 20%, - a parastatal mining corporation within the Ministry of Mines and Steel Development.

On the 25 May 2007 SGL, a wholly-owned CGA subsidiary registered in Nigeria, entered into a Joint Venture Agreement with Tropical Mines Limited, to evaluate and develop the Segilola Gold Project.

Subject to the terms and conditions of the Joint Venture Agreement (JVA), TML granted to SGL the sole and exclusive right to options to earn up to a 51% interest in the "Mine Tenements" (ML41 and EL39).

Under the terms of Joint Venture Agreement and within three years of the JVA formation, SGL are to carry out and solely fund exploration and other activities within the Mine Tenements that cover the Segilola deposit. As of 6 November 2008 SGL had acquired a 25% undivided interest in the Mine Tenements.

SGL may earn an additional 13% interest after demonstrating the existence of a JORC-compliant Indicated Resource in excess of 400,000 ounces of gold. SGL may earn a further 13% interest by completing a full feasibility study.

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

6.4 Permits and Approvals

The Mines Department of the Ministry of Mines and Steel Development is the Federal Government's agency for policy making, implementation of laws and regulations governing solid minerals exploration, exploitation use or exportation.

The operators are therefore expected to maintain safety and environmental standards at all times and keep all records required of them in accordance with regulations.

The author has not reviewed any legal issues regarding land tenure, surface rights, access and permitting nor independently verified the legal status or ownership of the Property or the Joint Venture agreement between SGL and TML and has relied upon information supplied by the CGA Group. The author has viewed copies of original validation for ML 19706 and EPL 13205, and the more recent validation for the name change licence areas of ML41 and EL39, issued by the Nigerian Ministry of Solid Minerals Development (the precursor of the Ministry of Mines and Steel Development). The CGA Group has stated that to its knowledge there are no known issues with the current licences. The surface rights are locally owned and permission to access the licence area has been obtained. This is in fact a requirement when lodging a licence application. All necessary permits are in place for the current activities being carried out. There is currently no known reason why permits and approvals for future activities, including mining operations, will not be granted.

6.5 Environmental Liabilities

The author is not aware of any material environmental issues that may impact development of the Property. However, Odessa is not, qualified in this regard and has not undertaken a review of environmental aspects.

Land use is mainly tribal farmland with agricultural crops such as cocoa and banana. Due to human population pressures there are no endangered animals and plants. In September 2008 SGL engaged Fugro Nigeria Ltd to undertake an Environmental Baseline Study of EL39/40.

The author is not an expert in the assessment of potential environmental liabilities associated with the Segilola Gold Project. Accordingly, the QP has not reviewed issues regarding environmental aspects of the Property and no opinion is expressed in this regard with respect to the Property. It has been reported by the CGA Group that there are no known environmental issues currently associated with the license areas and none are expected in the future. A baseline environmental study has been completed by Fugro Consultants Nigeria Ltd, an ISO 9001:2000 & ISO 14001:2004 certified quality, health, safety and environmental consulting and laboratory services company. The study was carried out in compliance with the national legislation and Fugro's corporate policies on environment.

An environmental impact assessment will be carried out should the project proceed. All drill sites in the project area have been rehabilitated and the collars of the drill holes secured.

6.6 Encumbrances, royalties and taxes

The author has been advised of the following in connection with general or specific encumbrances, royalties and taxes that may materially impact development of the Property.

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

Minerals obtained in the course of mining or exploration are subject to the payment of royalty at a rate yet to be prescribed by regulations. The minister may waive payment of royalty for any mineral exported solely for the purpose of analysis or experiment or as a scientific specimen. Also, the minister may, upon the approval of the Federal Executive Council, defer payment of any royalty on any mineral for a specified period.

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

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

A tax exemption for the first three years of operation, which period may be extended for another two years;

- capital allowance of 95 per cent of qualifying capital expenditure incurred in the year of investment;
- annual indexation of the unclaimed balance of capital expenditure by 5 per cent (only applicable to mines that commence production within five years of enactment of the Act);
- carry-over of losses indefinitely;
- deduction of the mine reclamation costs and pension contributions from assessable profits;

- exemption from customs and import duties on approved plants and machinery, equipment and accessories imported specifically and exclusively for mining operations;
- subject to the prior permission of the CBN, retention of a portion of earned profits in an external account for use in acquiring spare parts and other inputs required for its mining operations where such equipment will not be readily available without the use of such earnings;
- expatriate quota and resident permit in respect of the approved expatriate personnel;
- personal remittance quota for expatriate personnel, free from any tax imposed by any enactment for the transfer of external currency out of Nigeria;
- free transferability of dividends or profits, payments in respect of servicing a foreign loan and foreign capital in the event of sale or liquidation of mining operations in any convertible currency;
- freedom from expropriation, nationalization or acquisition by any government of the federation unless the act is in the national interest or for a public purpose and under a law that makes provision for payment of fair and adequate compensation and a right of access to the courts for the determination of the investors' interest or right and the amount of compensation to which he or she is entitled; and
- the right to a dispute settlement procedure under UNCITRAL Rules.

6.7 Location of Development Infrastructure

The mineral resource is located wholly within ML41 and E39 (Figure 3). The location of mining infrastructure and facilities such as plant, tailings dam and waste dumps are likely to be located in the immediate vicinity of the resource and hence up to 2,000m from the nearest tenement boundary.

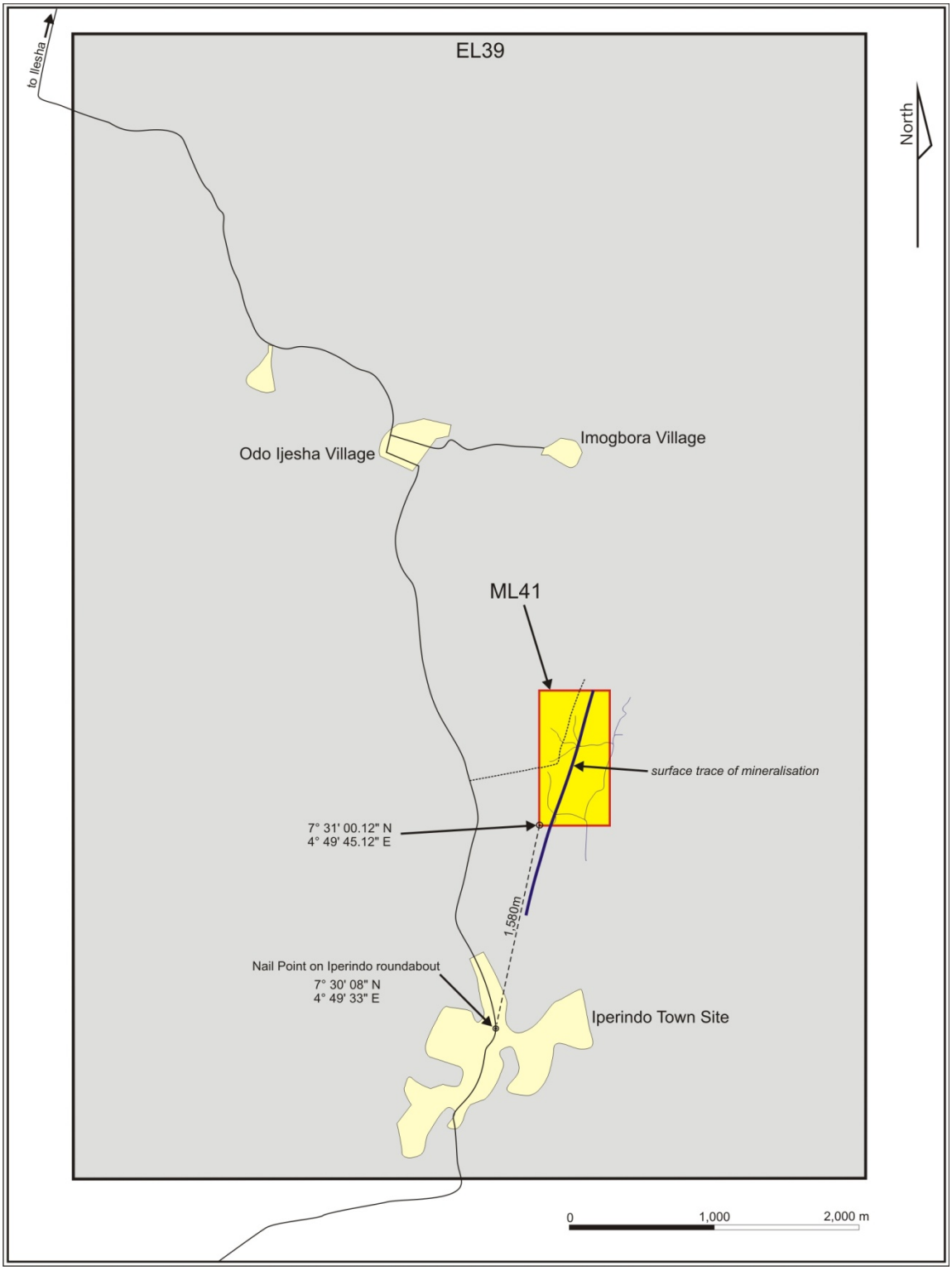


Figure 3: Tenement Location Plan

7.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography (Item 7)

7.1 Access

The project site is situated within 600m of a sealed road, 18km south of the regional centre Ilesha, with a population of 300,000, which is itself located on a sealed dual carriage way, 230 road kilometres north east of Lagos (the principal international entry port and major commercial centre of Nigeria, estimated population, 16 million). The old mine site with only a core shed remaining is just 600 meters from the tarred road and can be reached from the tarred road by foot or by four wheel drive vehicles throughout the year.

7.2 Topography

The general area topography is undulating with elevations ranging between 300m and 580m above mean sea level. Locally, north north-easterly striking steep valley incisions are developed. Within the exploration permit area the topography shows a generally slope towards the south. The lowest levels within the permits are within the area of the village Iperindo. The topographic relief within the nearer Segilola Gold deposit area on EL 39 is gently undulating with 30m range in elevation.

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

7.3 Climate and Operating Season

A humid tropical climate predominates with a mean average annual rainfall in excess of 1434mm which is concentrated in the rainy season from March to November with a break during August. The mean maximum and minimum temperatures across the project region are over 34°C (in the month of February) and 18°C (in the month of December) respectively. The highest relative humidity range within the project area is between 81% and 87% corresponding to the wettest months (April through October).

The south western region of Nigeria, where Segilola is located, has a very similar climate and rainfall season to south west Ghana where numerous open cut gold mines operate continuously throughout the year. Future mining at Segilola is not expected to be interrupted on account of the weather conditions and hence is likely to be a continuous year-round operation.

Although situated in a zone of tropical rain forest, the vegetation is mainly moderate to dense secondary forest and bush re-growth, due to intensive farming.

7.4 Hydrogeology

The project area lies within the crystalline Basement Complex rocks of southwestern Nigeria. Groundwater availability in the Basement Complex is very unpredictable. The crystalline rocks by their nature are impervious but fracturing, fissuring, jointing and weathering may impose secondary aquifer characteristics on these rocks, thus making them favorable to groundwater storage (Akinde, 2009).

Recoverable groundwater often occurs in the weathered mantle covering the basement. Groundwater in Basement Complex is essentially unconfined and water table is restricted to sub-basins, which may be locally hydrological isolated. Borehole yields vary widely in this area, the average safe yield of the successful ones being in the order of only a few hundred liters per hour (Nigeria Atlas, 1978).

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

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

7.5 Services and Infrastructure

An office, accommodation, core logging and sample preparation facility are all housed within a single secured compound on the outskirts of the town of Ilesha which is located approximately 18km north of the Segilola Gold Project area.

8.0 History (Item 8)

8.1 General

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

From 1949 to 1969, the reef was worked by small scale local operators in an open cast down to a depth of about 5 metres from the surface and 300 metres along strike. However, a yearly production of only 220 ounces is confirmed for 1969 in the official records. The operators processed the ore with a second-hand stamp mill together with a ball mill and tables acquired from Ghana. The recovery of gold was very low. This accounts for the prospects of additional gold recovery from the tailings and ore dumps, which are about 40,000 tonnes with an average grade of 0.3 oz/t.

Geological exploration on the Segilola tenements has been carried out at various times and stages by:

- BRGM, France 1976
- Polish Engineers and Geologists 1981
- Nigerian geologists and surveyors 1981 - 1983
- Dr. R.W. Boyle (A Canadian gold specialist) 1984
- Nigerian Mining Corporation 1984 - 1987
- Nigerian Mining Corporation (core drilling) 1987 - 1992
- Pineridge Nigeria Ltd. (clearing and resampling old adits) 1992 – 1996.

8.2 Exploration History

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

In 1996 Hansa GeoMin negotiated and signed agreements with Tropical Mines Ltd and Pineridge Nigeria Ltd for a joint-venture based on the exploration and the development of five Exclusive Prospecting Licences (EPL) and one Mining Lease (ML). The EPLs cover the known gold deposits of Ilesa-Iperindo and neighbouring areas. The rediscovered Ilesa-Iperindo lode gold deposit was renamed as Segilola.

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

Hansa drilled 3 types of holes:

- Twinned holes: To compare and check results of the old-boreholes.
- Deep holes: To demonstrate the vertical extent of the mineralisation and intersect the ore body at around 130m depth
- New holes: To step-out of the drill-hole covered zone of the Segilola Gold deposit to clarify the lateral extension of the mineralisation

The core drilling program totalling 895m was completed in September 1998.

During this period Hansa GeoMin also resurveyed and relogged the available core for the original NMC holes. HGC re-numbered the original holes with BH prefixes. The assay results of three of their twinned holes compared very well to those of the respective NMC holes. Unfortunately, as a result of the re-sampling, little of the ore intersection core remains.

9.0 Geological Setting (Item 9)

9.1 Regional Geology

The project area is located in the crystalline Basement Complex rocks of southwestern Nigeria within one of the main “schist belts” know as the Ilesha Schist Belt. Schist belts in Nigeria occur as north-south trending domains of Upper Proterozoic (Eburnean 2,000Ma) meta-sedimentary, meta-volcanic and intrusive sequences that are oriented parallel to the boundary between the West African Craton and the Pan African Province (Figure 4). These schist belts are deeply infolded into a migmatite-gneiss-granite basement of Archean to Lower Proterozoic age and have been intruded by granitoids of the Pan African (600Ma) orogenic suite.

Primary gold mineralization in the schist belts commonly occur in quartz veins within several lithologies. In the Ilesha district mineralized lodes occur in fractures, folds and foliation planes at the lithological contact of amphibolites, talc tremolite schists and biotite schists. Quartz veins are

foliated and commonly contain interleaved mica and feldspar with minor amounts of pyrite, pyrrhotite, chalcopyrite, magnetite and limonite.

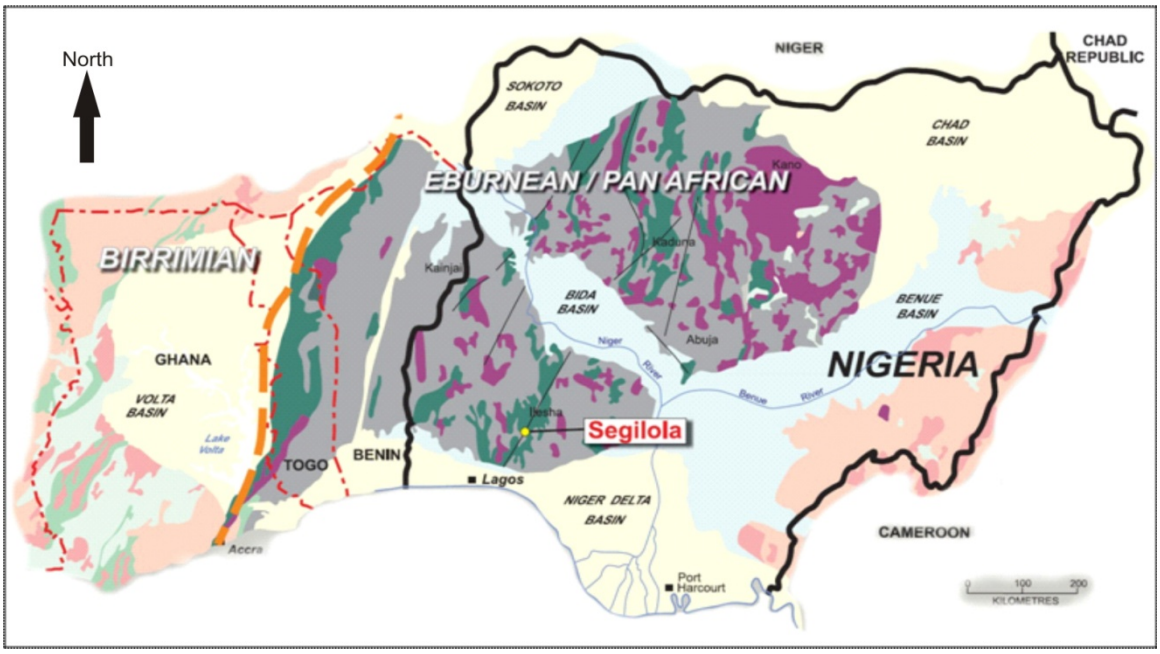


Figure 4: Generalized Regional Geology Map

9.2 Local Geology

The lithological units within the general Ilesha area include; variably migmatised gneiss, biotite and biotite-hornblende-gneiss with intercalated amphibolites, coarse porphyritic biotite-and biotite-hornblende-granite and quartzites.

The acidic biotite-and biotite-hornblende-gneiss rock is mineralogically similar to coarse-porphyritic biotite and biotite-hornblende gneiss mentioned above. The basic amphibolites occur mainly as lenses and inclusions in the migmatite gneiss.

The stratigraphy of the project area consists of the quartzite schists, the gneissic sequence and of the surficial Quarternary and alluvial sediments.

The geneissic sequence is subdivided into

- undifferentiated para-gneisses
- orthogneisses

The orthogneisses underlie topographic highs with rounded tops which are often poor in vegetation. These tops can be easily identified on aerial photos and satellite images and due to their rounded shapes some of them can be even identified on the topographic map. These orthogneisses dominate the western parts of the EL 39 but they are also found in the Kajola Ridge at the eastern margin of the EL.

The orthogneisses are located below the quartzite schists. The northernmost outcrops of this unit have been found at the lower eastern side of Kajola Ridge. In the area of Kajola, the orthogneisses are building up the whole eastern flank of the ridge.

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

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

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

10.0 Deposit Types (Item 10)

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

11.0 Mineralisation (Item 11)

The mineralized lodes generally comprise highly silicified fine-grained foliated biotite gneiss typically intruded by both discordant and concordant pegmatitic quartz-feldspar veins.

Minor sulphides, typically pyrite, are associated with the lode. Macroscopic observations show that sulphide grains and blebs are often aligned with foliation, commonly following either biotite-rich laminae or near pegmatite boundaries.

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

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

12.0 Exploration (Item 12)

The bulk of the recent exploration activities undertaken on the site comprise diamond drilling as documented below. In addition to the drilling, soil geochemical and trench sampling was also completed. The soil geochemical program was designed to assess the broader potential of the known mineralized structure while the trenching was carried out over the known mineralized strike length in order to gain a better understanding of the geology to enable effective drill placement. A total of 531 samples were collected on thirteen east-west oriented 100m to 200m spaced lines with sampling on 20m-spaced points along each line. The soil geochemical program covered the known mineralized strike together with a 700m extension to the north. The highest soil value of 71.1g/tAu was obtained 600m directly along strike from the last drilling line. This area has yet to be drill tested. The data suggest that there is potential for the mineralised structure to extend further north within the limits of the tenement boundary. Both programs were conducted by the Segilola Gold Ltd.

The interpretation of the exploration information by this author indicates the following:

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

13.0 Drilling (Item13)

13.1 General

The Segilola deposit has been drilled systematically over a strike length of over 1500m. The average strike of the lodes is 010° with an average dip to the west of 70° . Holes are located on mostly 25m spaced sections (Figure 5). Where possible, the holes were inclined at -60° to the east. However, due to access problems many holes, particularly towards the south, were inclined up to -90° in order to intersect the lode.

Diamond drilling from surface, using mainly NQ diameter equipment, was selected by CGA as the appropriate method of sampling the mineralization.

A single track-mounted diamond rig from the Turkish-based drilling company, Spektra Jeotek Sanayi Ve Ticaret A.S. (Spektra), was used for the duration of the program from April 2008 to July 2009.
A total of 11,989m was completed in 199 holes, excluding two abandoned holes, ranging in depth from 40m to 220m. Holes were numbered SGD001 to SGD119.

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

13.2 Drillhole Database

The analytical database was provided by the CGA Group in Excel spreadsheet format. Database tables provided comprised several tables as shown in Table 3.

Table	No. Records
Collar	121
Downhole Survey	435
Assay (Au, Au-R, Au-S)	6,191
Lithology	1,024
Geotechnical (Recovery/RQD)	6,763
Density	1,072

Table 2: Drilling Database Statistics

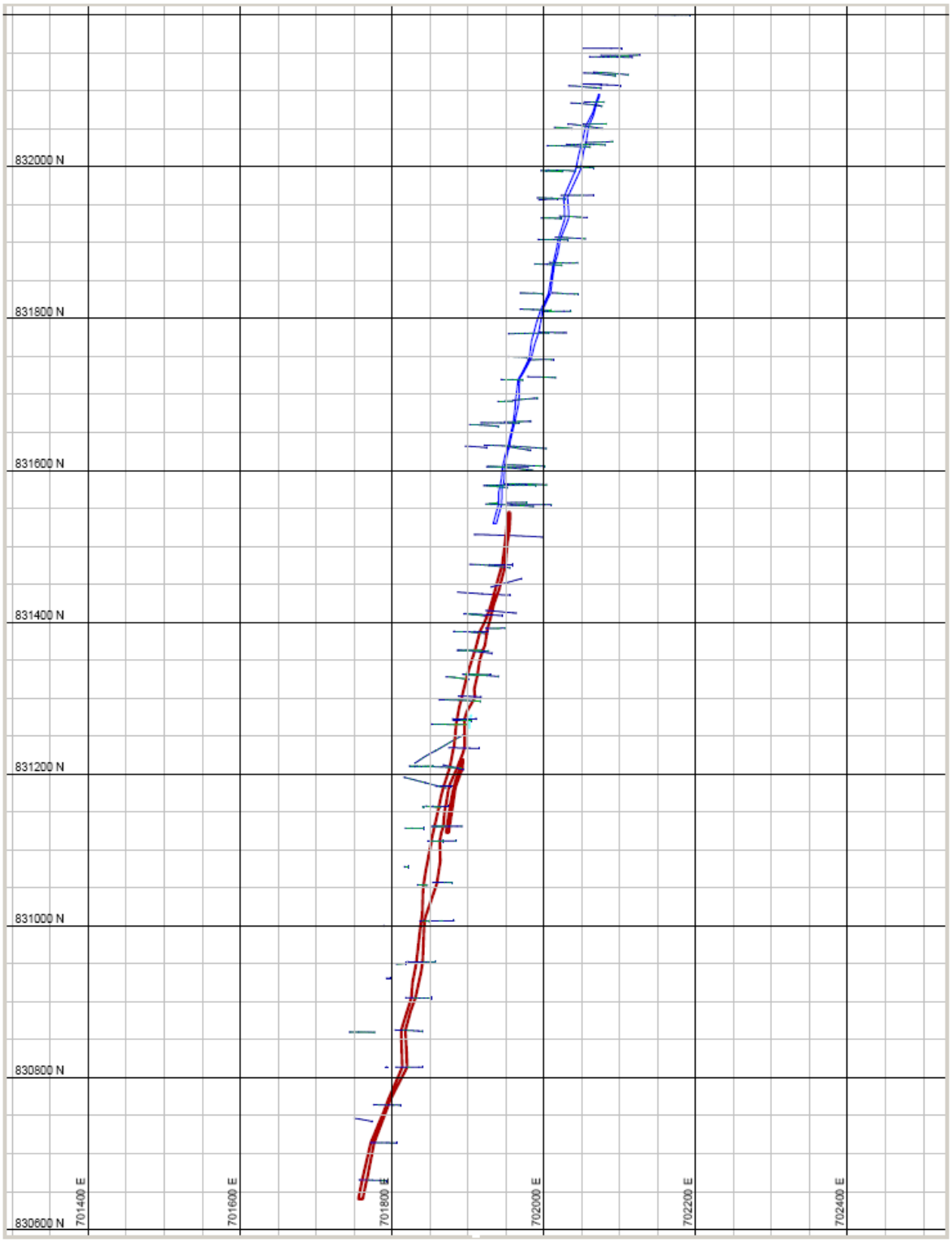


Figure 5: Drillhole Location Plan

13.3 Data Security

Geological data is captured on paper logs and then transcribed into Excel spreadsheets in the Exploration Office located in Ilesha. The paper logs, sample submission sheets and other associated paperwork are then filed in this office. Although this office is located in a secured compound, a system of sending paper back-up copies to the CGA Group head office in Perth is being implemented.

Back-up copies of all electronic data are sent to the CGA Group head office. This data is stored in both the raw data form and in a relational Gemcom database.

13.4 Collar Markout and Survey

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

Two control points with iron pegs set in concrete have been established on the Property. Validation checks of the control points are routinely undertaken along with some earlier surveyed holes.

Approximately one in ten existing drillholes have been resurveyed with the same instrument as a check on a prior field surveys. Results indicate accuracy of the collar locations is within ±0.3 m for Eastings, Northings and RLs.

All drillhole collar coordinates are recorded in X,Y,Z using WGS84, UTM Zone 31N .

13.5 Downhole Surveys

Downhole survey measurements were made in each drillhole to determine the spatial position and bottom of the hole.

Downhole surveys were carried out by Spektra personnel using a Flexit Smart equipment.
Surveys were generally acquired at 25m spaced intervals downhole.

13.6 Core Recovery

Core recovery during the drilling program was measured systematically for all core. The average core recovery from within the resource wireframes is 88%.

13.7 Summary and Interpretation of the Drilling Results

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

An earlier-phase, vertical normal fault, which is interpreted to intersect the lodes at a very oblique angle, truncates the lodes at depth. This is most apparent toward the northern portion of the southern 100 lode. A continuation of the lode at depth on the down-throw side of the fault is postulated (Figures 11 and 12).
The southern 100 lode is up to 14m in true width, whereas the northern 200 lode attains a maximum thickness of 6m. Two minor hanging-wall lodes, 300 and 400 are developed at the southern extremity of the drilling area.

14.0 Sampling Method and Approach (Item 14)

14.1 Core Sampling Procedures

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

The following procedures as developed and documented by the CGA Group were followed:

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

Once intervals for sampling are recognized these intervals are noted on the drill log. An aluminum tag (or a core marker) showing the sample number and depth from and to, is then fixed in the core tray at the start of the interval.

Before the core is cut it is turned to ensure that the veins are cut at the optimum angle. If there is more than one vein set and these are at different orientations then the core is turned to allow cutting of the main auriferous veins at the optimum angle. If the core is relatively soft, friable or likely to shatter it is wrapped in masking tape to ensure that the sample does not disintegrate under the core saw. The core is then cut down the orientation line.

14.2 Core Recovery

Rock type, texture, veining, weathering, alteration and structure were recorded on paper logs then later transferred to Excel spreadsheets.

Core recovery and RQD data was recorded for all diamond holes and was entered into an Excel spreadsheet. Core recoveries within the mineralized intersections are generally 90-100%. Such core recoveries are unlikely to have material impact on the accuracy and reliability of the assay results.

14.3 Drill Sample Composites

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

Hole ID	From (m)	To (m)	Interval (m)	True Width (m)	Grade (g/tAu)
SGD001A	28	30	2	1.4	18.58
SGD001A	32	49	17	11.9	2.19
SGD002	20	22	2	1.4	1.52
SGD002	30	32	2	1.4	1.06
SGD002	34	36	2	1.4	1.98
SGD002	46	48	2	1.4	1.67
SGD002A	28	30	2	1.4	3.86
SGD002A	32	34	2	1.4	1.08
SGD002A	38	39	1	0.7	1.56
SGD002A	45	48	3	2.1	5.75
SGD003	31	35	4	2.8	4.97
SGD004	29	36	7	4.9	0.75
SGD005	28	32	4	2.8	1.72
SGD005	35	37	2	1.4	1.52
SGD005	45	48	3	2.1	15.40
SGD006	46	51	5	3.5	15.22
SGD007	17	19	2	1.4	3.44
SGD008	0	1	1	0.7	1.31
SGD008	22	30	8	5.6	3.42
SGD008	34	39	5	3.5	4.36
SGD009	54	58	4	2.8	9.72
SGD010	22	25	3	2.1	29.60
SGD011	20	31	11	7.7	4.66
SGD011	35	40	5	3.5	5.96
SGD014	12	23	11	7.7	2.02
SGD014	27	33	6	4.2	6.35
SGD015	19	40	21	14.7	4.48
SGD015	34	36	2	1.4	14.52
SGD016	22	25	3	2.1	21.27
SGD017	4	6	2	1.4	2.66
SGD018	21	24	3	2.1	6.28
SGD019	12	16	4	2.8	3.26
SGD022	63	67	4	2.8	8.18
SGD024	27	29	2	1.4	3.04
SGD024	31	32	1	0.7	1.24
SGD024	35	43	8	5.6	6.42
SGD024	46	48	2	1.4	2.56
SGD025	52	60	8	5.6	4.47
SGD025	62	66	4	2.8	6.10
SGD026	51	58	7	4.9	7.87
SGD028A	23	26	3	2.1	3.18
SGD028A	27	29	2	1.4	1.17
SGD028A	32	33	1	0.7	1.32
SGD028A	34	35	1	0.7	2.22
SGD028A	39	41	2	1.4	1.44
SGD028A	42	44	2	1.4	30.15
SGD029	18	21	3	2.1	1.89
SGD029	22	23	1	0.7	1.80

SGD029	26	27	1	0.7	1.70
SGD030	18	19	1	0.7	2.00
SGD030	22	24	2	1.4	3.91
SGD031	18	19	1	0.7	3.42
SGD033	63	64	1	0.7	4.87
SGD033	68	69	1	0.7	1.15
SGD033	70	71	1	0.7	2.71
SGD033	73	84	11	7.7	4.84
SGD033	88	94	6	4.2	8.36
SGD034	83.15	87	3.85	2.695	5.35
SGD034	89	95	6	4.2	19.09
SGD034	99	105	6	4.2	13.28
SGD035	79.55	93.6	14.05	9.835	2.25
SGD035	95.25	96.9	1.65	1.155	2.11
SGD035	102	103	1	0.7	1.25
SGD036	47	49.6	2.6	1.82	0.94
SGD036	54	55	1	0.7	8.01
SGD037	2	3	1	0.7	**81.00**
SGD037	27	29.8	2.8	1.96	19.98
SGD038	64	65.05	1.05	0.735	3.62
SGD038	66.75	68.75	2	1.4	1.37
SGD038	71.1	73.1	2	1.4	4.91
SGD039	26	27.8	1.8	1.26	3.38
SGD040	25.5	26.5	1	0.7	5.61
SGD041	28.4	30	1.6	1.12	1.99
SGD042	25.8	28.3	2.5	1.75	4.00
SGD042	33.1	36	2.9	2.03	5.43
SGD042	44	45	1	0.7	0.76
SGD043	48.2	56.3	8.1	5.67	12.37
SGD044	20	23	3	2.1	6.86
SGD044	21	22	*1*	0.7	7.68
SGD044	25.8	26.8	1	0.7	1.30
SGD044	27.5	29	1.5	1.05	3.40
SGD045	33.5	34.5	1	0.7	18.40
SGD045	34.5	35.05	0.55	0.385	16.30
SGD045	37	40	3	2.1	9.45
SGD045	42	43	1	0.7	1.48
SGD046	55.9	61.1	5.2	3.64	9.95
SGD048	88	93	5	3.5	8.40
SGD049	82.9	87	4.1	2.87	5.13
SGD050	93	97.5	4.5	3.15	4.34
SGD051	65.40	70.00	4.60	3.22	34.61
SGD052	62.00	64.00	2.00	1.4	3.12
SGD053	68.40	69.45	1.05	0.735	2.30
SGD053	91.00	92.00	1.00	0.7	0.94
SGD054	63.90	65.10	1.20	0.84	1.67
SGD055	68.60	71.20	2.60	1.82	1.77
SGD055	77.30	82.00	4.70	3.29	3.14
SGD056	64.30	66.00	1.70	1.19	4.34
SGD057	70.75	72.00	1.25	0.875	1.64
SGD058	75.00	77.30	2.30	1.61	2.18
SGD059	20.00	22.00	2.00	1.4	1.25
SGD059	24.20	28.00	3.80	2.66	14.21
SGD060	42.30	46.00	3.70	2.59	0.75
SGD061	20.00	24.00	4.00	2.8	13.64
SGD062	42.00	44.00	2.00	1.4	25.79
SGD071	17.00	18.00	1.00	0.7	1.40
SGD072	38.00	43.00	5.00	3.5	3.89
SGD074	43.00	47.50	4.50	3.15	22.47
SGD075	*70.3*	*71.3*	*1*	0.7	*13.75*
SGD077	63.00	68.70	5.70	3.99	25.15
SGD078	56.40	62.00	5.60	3.92	2.97
SGD078	64.00	74.70	10.70	7.49	6.55

SGD078	78.00	82.00	4.00	2.8	7.49
SGD079	94.00	108.00	14.00	9.8	2.25
SGD079	110.60	114.00	3.40	2.38	21.73
SGD080	102	103	1	0.7	1.05
SGD080	107.7	115	7.3	5.11	8.99
SGD081	30.00	44.40	14.40	10.08	2.53
SGD081	50.00	53.00	3.00	2.1	5.46
SGD082	*34*	*35.7*	*1.7*	1.19	*1.96*
SGD083	*65.35*	*68.35*	*3*	2.1	*42.51*
SGD084	*41*	*47.4*	*6.4*	4.48	*1.44*
SGD084	*52.4*	*55*	*2.6*	1.82	*6.20*
SGD084	*58.4*	*59.9*	*1.5*	1.05	*7.44*
SGD085	*23.7*	*26*	*2.3*	1.61	*1.42*
SGD088	*162*	*163*	*1*	0.7	*25.90*
SGD088	*178*	*179*	*1*	0.7	*1.19*
SGD091	30	32	2	1.4	2.18
SGD092	37	41	4	2.8	0.65
SGD093	48.1	49	0.9	0.63	9.61
SGD099	20.7	22.5	1.8	1.26	3.16
SGD099	36	40	4	2.8	2.41
SGD100	37.9	40.5	2.6	1.82	1.77
SGD100	44	45	1	0.7	1.59
SGD100	49	50.8	1.8	1.26	0.95
SGD101	*36*	*42*	*6*	4.2	*0.63*
SGD103	*16*	*18*	*2*	1.4	*1.45*
SGD105	59	67	8	5.6	1.81
SGD105	72.2	80	7.8	5.46	5.71
SGD105	87.25	90	2.75	1.925	15.40
SGD106	52	53	1	0.7	1.27
SGD106	58.9	64	5.1	3.57	1.79
SGD106	72	73	1	0.7	1.99
SGD107	87	92	5	3.5	4.64
SGD107	102	117	15	10.5	3.88
SGD107	118.5	131	12.5	8.75	9.95
SGD108	101.3	112	10.7	7.49	7.29
SGD108	115	117	2	1.4	7.00
SGD108	118	124	6	4.2	11.58
SGD109	88.7	100	11.3	7.91	6.59
SGD109	103	106	3	2.1	2.93
SGD109	110	113.6	3.6	2.52	14.33
SGD110	111.65	130	18.35	12.845	3.71
SGD110	137	147	10	7	7.25
SGD111	152.4	157	4.6	3.22	1.19
SGD111	169	171.4	2.4	1.68	2.53
SGD112	81.6	82.6	1	0.7	1.06
SGD112	100	106.6	6.6	4.62	2.60
SGD112	111	113	2	1.4	4.44
SGD112	123	135	12	8.4	2.08
SGD112	141.4	149	7.6	5.32	2.82
SGD113	35	36	1	0.7	2.73
SGD113	87	88	1	0.7	3.43
SGD113	98	106	8	5.6	3.30
SGD114	89	126	37	25.9	1.24
SGD115	88.2	130	41.8	29.26	3.76
SGD116	25	26	1	0.7	12.60
SGD116	74.3	75	0.7	0.49	2.26
SGD116	82	83	1	0.7	0.84
SGD117	52	53	1	0.7	0.77
SGD117	65.1	67	1.9	1.33	1.93
SGD117	72.6	76	3.4	2.38	2.81
SGD117	79.5	81.5	2	1.4	8.84
SGD117	83.2	87	3.8	2.66	6.99
SGD118	30	31	1	0.7	15.10

SGD118	53	54	1	0.7	8.06
SGD118	60	61	1	0.7	1.08
SGD118	80	95	15	10.5	5.38
SGD119	28	32	4	2.8	105.15
SGD119	***31***	***32***	***1***	0.7	***15.60***
SGD119	57.85	60	2.15	1.505	5.23
SGD119	63	64	1	0.7	0.86
SGD119	72	73	1	0.7	0.82
SGD119	80	93	13	9.1	2.59

Table 3: Drillhole Mineralised Intersection Listing

14.3 Statement on the adequacy of sampling method and approach

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

15.0 Sample Preparation, Analyses and Security (Item 15)

15.1 Sample Dispatch

Drill samples were submitted to the laboratory as loose pieces of core contained within appropriately numbered plastic bags. Aluminium tags with sample identification details were put inside the plastic bags before the latter were stapled shut. The following procedures as developed and documented by the CGA Group were followed:

- Consolidate all samples for one hole at site. Place the sample numbers under one submission form only (i.e. one submission number).
- Weights are recorded for individual samples which are then are put into manageable loads of large polyweave sacks.
- SGL personnel transported the sample batch to DHL couriers in Lagos for delivery to SGS Laboratory in Ghana.
- DHL packages the polyweave sacks and sends them by air to Accra, Ghana.
- CGA send copies of Waybill and Sample submission to SGS office in Accra
- SGS office in Accra forwards samples to SGS Tarkwa Laboratory after customs clearance

15.2 Sample Security

Prior to dispatch the diamond core is stored at the CGA Group exploration office in Ilesha. The office and sampling facilities are located within a single, walled compound which has a gated entrance manned continuously by a security guard.

Samples are packed onto an independently owned and operated vehicle by the CGA Group technicians under the supervision of the CGA Group geologists. The samples are driven by the CGA Group personnel directly to DHL in Lagos.

15.3 Gold Analyses

All sample preparation and analyses were undertaken by SGS Laboratories in Tarkwa, Ghana (Table 4).

This laboratory, which was visited and inspected by the author, meets 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). Refer to Figures 6 and 7.

Elements	Method	SGS Code	Detection Range
Au	Fire Assay	FAA 505	0.01-100ppm
Ag, Cu, Pb, Zn, As, Mo, Sb	Aqua Regia	ARA 155	

Table 4: Analytical Methods

A total of 6,191 gold (Au1) and silver analyses were reported. Only Au1 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.

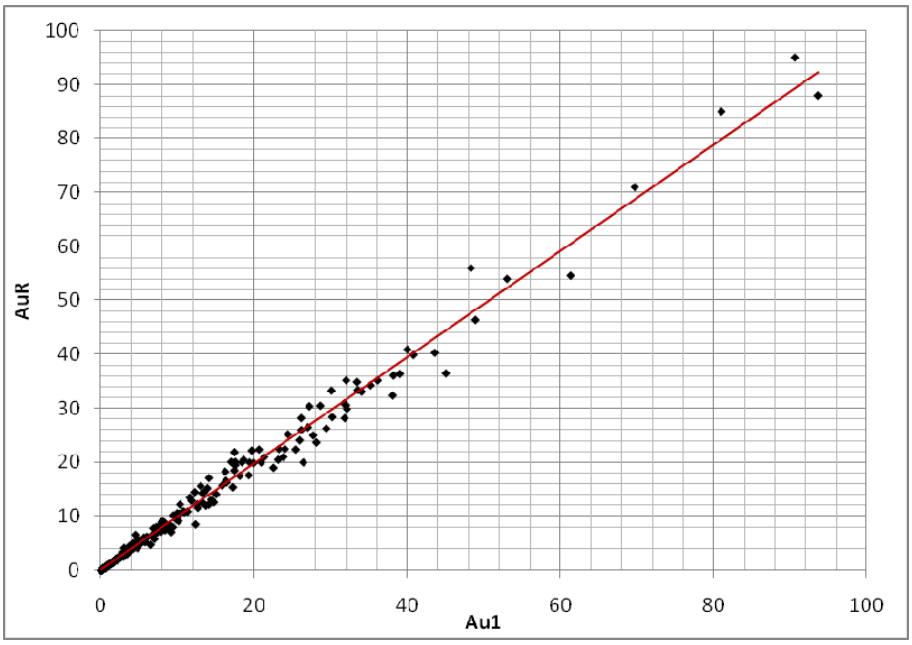


Figure 6: Scatter Plot of Laboratory Check Assays (Au1 versus Au-R)

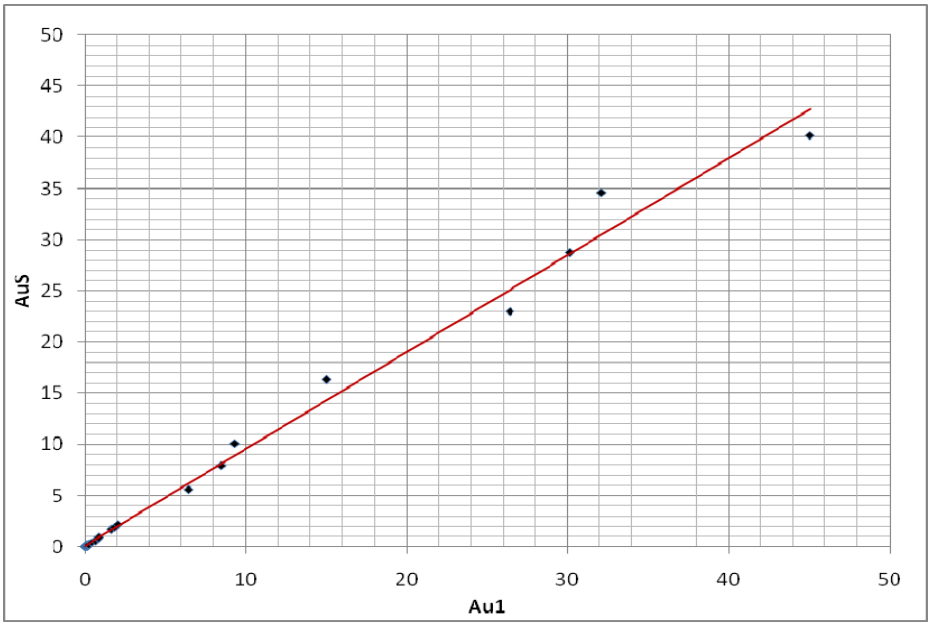


Figure 7: Scatter Plot of Laboratory Check Assays (Au1 versus Au-S)

15.4 Density Measurements

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

Figures 8 and 9 show the distribution and range of the bulk density sampling.

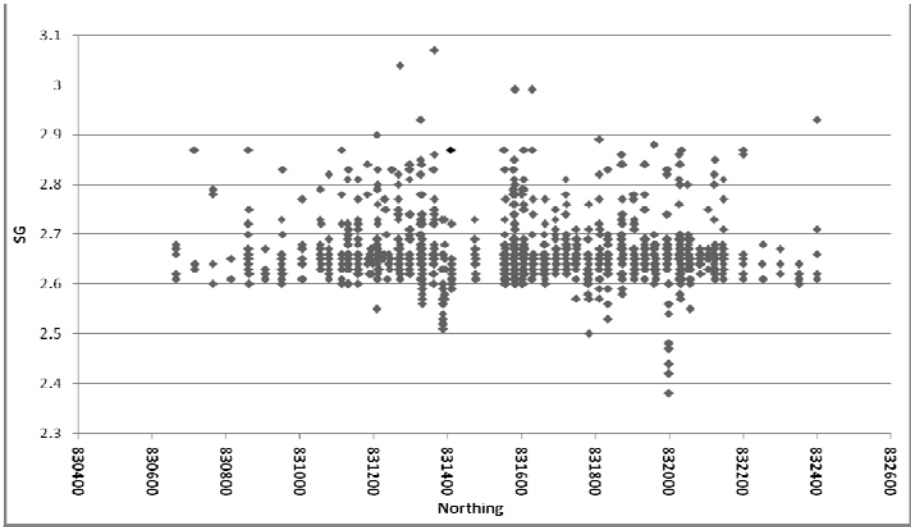


Figure 8: Variation in Bulk Density along Strike

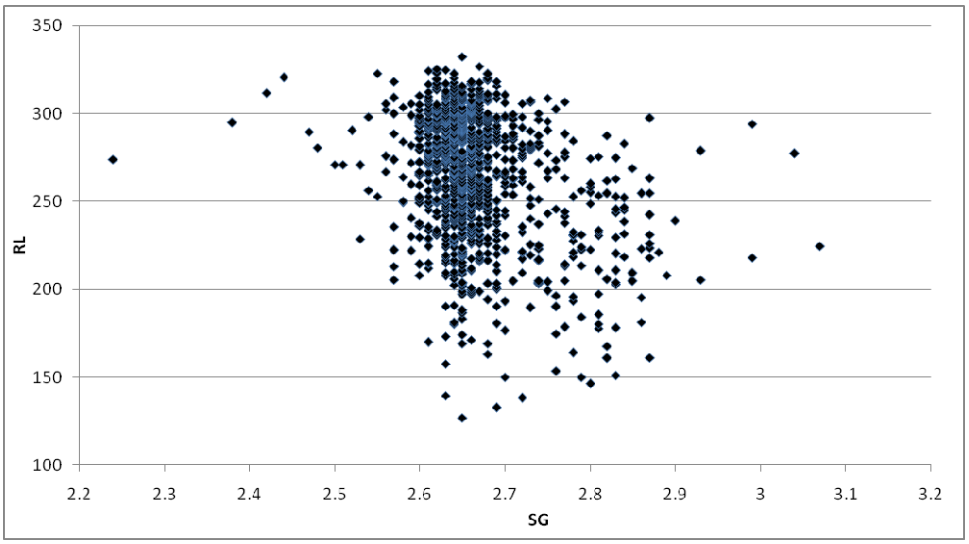


Figure 9: Variation of Bulk Density with Depth

16.0 Data Verification (Item 16)

16.1 Sampling QAQC

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

16.2 Gold Assay QAQC

Quality control procedures have been in place for the duration of the drilling program.

The QAQC programs in place include the following:

- A total of 158 standards submitted on a routine basis in the sample stream
- A total of 183 blanks submitted on a routine basis in the sample stream
- Inter-laboratory checks of pulps

For controlling the quality of performance of the principal laboratory ie., SGS Laboratories, Tarkwa, Ghana, standard samples were added to each batch of samples. Standards were inserted into the sample stream at typically 30m intervals.

The standard used was a certified standard prepared by Geostats Pty Ltd of Western Australia (Table 5). The assayed values were generally close to the nominal values with the exception being a large negative bias at low grade and a slight high bias at medium grade.

ID	Std Au (FA)	Std Au (AR)	Number	SGS Assay	Variance	% Bias
G905-1	1.61	1.14	27	1.2	-0.4	-26
G904-3	13.66	13.73	26	14.6	0.9	7
G306-4	21.57	21.73	24	21.8	0.2	1
G907-5	1.34	1.32	27	1.3	0.0	-1
G905-6	5.96	5.86	27	6.2	0.3	5
G399-9	6.27	6.08	26	5.8	-0.4	-7

Table 5: List of Standards

The quality of the sample preparation process was controlled by adding blank samples to batches of samples. The blanks were prepared by the CGA Group from samples taken from a construction quarry located near Ibadan between Ilesha and Lagos. The rocks comprised mainly granites and gneissic granites and were assayed beforehand to confirm that they were free of any gold or base metal mineralisation. Blanks were inserted into the sample stream at between 4 and 20m intervals.

Of the 183 blanks a total of 134 were at or below detection, while 43 ranged between 0.01 and 0.09ppm Au (detection limit 0.01ppmAu).

Five blanks reported greater than the detection limit ranging from 0.15 to 0.93ppmAu.

The inter-laboratory checks were carried out at Genalysis Laboratories located in Tarkwa, Ghana. The CGA Group provided data for 31 check assays (Table 6). This limited amount of checks indicates no systematic bias in the SGS assays (Figure 10).

Hole-Id	Sample No	SGS		Genalysis		
		Au	Au(r)	Au	AuDR	AuR
SGD001A	SX070802	32		29.35	23.2	
SGD001A	SX070805	0.69		0.65	0.89	
SGD007	SX070127	1.31	-	1.75	1.91	
SGD013	SX070465	0.14	0.16	0.13	0.15	
SGD018	SX070681	9.3	10.1	10.2	12.12	9.7
SGD019	SX070713	12.3	8.5	7.04	7.57	
SGD020	SX070777	0.13		0.17	0.16	0.22
SGD026	SX071104	22.5	-	14.06	14.47	
SGD029	SX071242	3.74	4.51	1.94	2.19	2.04
SGD029	SX071243	0.67		0.71	0.8	
SGD030	SX071285	6.93	5.8	6.85	7.25	
SGD031	SX071361	3.42		3.18	3.16	
SGD033	SX071512	22.5	19	14.94	20.54	16.52
SGD039	SX071878	0.96		0.99	1.08	
SGD042	SX071984	1.62		1.48	1.52	
SGD043	SX072018	28.6	30.5	43.7	30.12	
SGD045	SX072110	18.4	20	26.88	22.39	
SGD046	SX072153	30.1	33.3	44.1	38.12	
SGD052	SX072406	0.21		0.21	0.3	0.2
SGD052	SX072409	1.04	0.88	1.16	0.9	0.9
SGD053	SX072449	2.3		2.15	2.75	1.82

SGD061	SX072769	27.7	25	26.72	23.29	24.78
SGD062	SX072842	33.4	34.9	30.89	34.02	58.12
SGD078	SX073657	27.2	30.4	22.55	25.17	25.79
SGD083	SX074007	24.4	25.2	27.41	26.01	25.99
SGD084	SX074099	11.8	12.9	15.54	13.68	
SGD088	SX074610	28.1	23.7	20.73	16.88	18.74
SGD091	SX074879	2.95	2.82	2.54	2.58	
SGD092	SX074899	0.73	-	1.33	1.2	
SGD093	SX074706	10.1	9.11	10.26	11.25	
SGD101	SX075108	0.75	-	0.5	0.43	

Table 6: Inter-Laboratory Assay Data

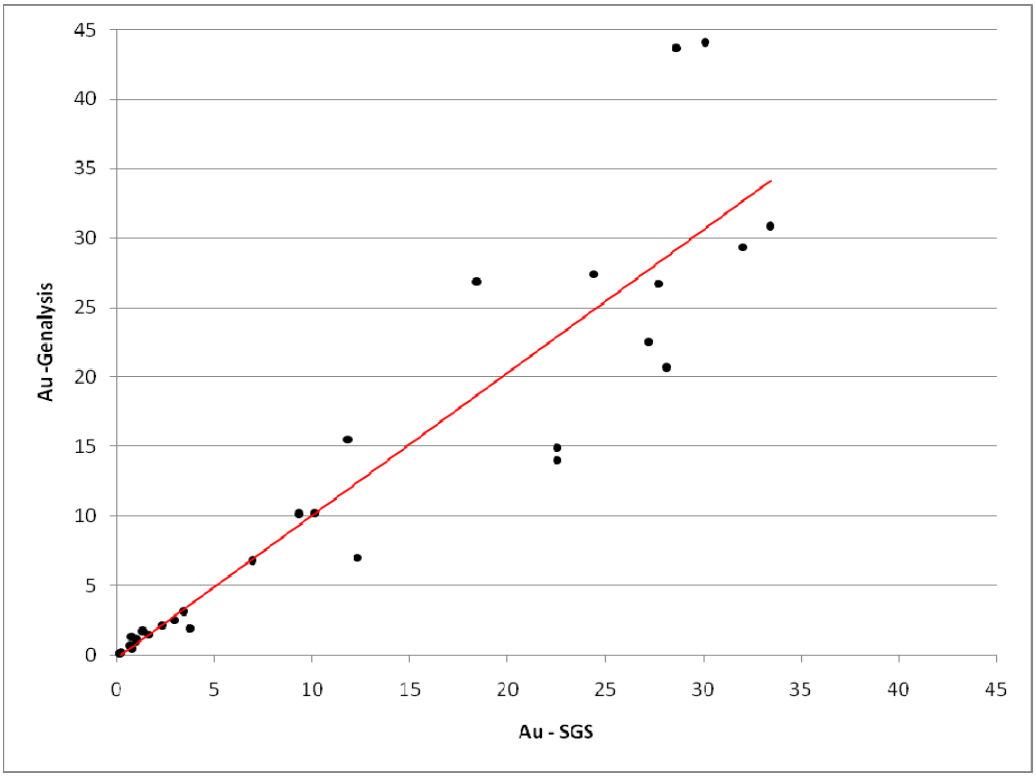


Figure 10: Scatter Plot of CGA Inter-laboratory Check Assays

16.3 Density QAQC

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

16.4 Database Validation

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

Several minor errors were detected and then corrected on the advice of the CGA Group.

- Azimuth and/dip errors

- Collar location and elevation

To check the integrity of the electronic drilling database, a series of holes were selected for validation against original records. The holes were selected to cover the extent of the deposit.

For the drill holes reviewed, all data was considered valid.

16.5 Quality Control Measures

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

Results of the analysis of the certified reference material and blanks show that the laboratories are producing mostly accurate assays with no evidence of significant and systemic contamination. A number of isolated contamination issues were evident but they are not considered to be serious enough to have any material effect on the resource estimation.

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

On the basis of the various data and from direct observations, the author concludes that the CGA Group has adopted a thorough QAQC sampling procedure that ensures assay and density data quality. The chain of custody, as currently set up, does not allow for any unwarranted handling and contamination of the samples.

Any potential errors in the bulk density determination procedure that may arise from rock porosity are considered by the author to be minimal due to the high crystallinity of the rock and hence would not materially affect the tonnage calculation. However, independent laboratory density check-determinations are recommended in any future work.

The author considers that sample preparation and analytical procedures comply with the required industry standards and that the data received from the laboratory provides a reliable and accurate basis for the resource estimation.

17.0 Adjacent Properties (Item 17)

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

18.0 Mineral Processing and Metallurgical Testing (Item 18)

No mineral processing or metallurgical testwork had been carried out prior to the date of this report.

19.0 Mineral Resource and Mineral Reserve Estimates (Item 19)

19.1 Overview

The aim of this resource estimate is to provide the first resource estimate of the Segilola deposit, incorporating all the assays from exploration work completed by the CGA Group between January 2007 and July 2009. Mineral resources were estimated in accordance with CIM Definitions for Standards of Mineral Resources and Reserves (CIM 2004).
The resource estimate is based on a Gemcom drillhole database, and 3D geological wireframes of the lode domains (100,200,300 and 400). The estimate is constrained by wireframes that form hard boundaries between the respective composite assay data files. Of the 121 drillholes available 30 did not intersect the lode and hence were not used in the interpolation. To maintain geological continuity, hole SGD054 was included despite recording "no data" in the lode position.

The work undertaken included the following:

- Upload and validation of new drillhole data;
- Compositing of Au assay intervals;
- Statistical analysis of Au composites, including top-cut determinations;
- Geostatistical analysis;
- Interpolation by inverse distance squared of Au composites;
- Validation of the resultant block model; and
- Classification and reporting of results.

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

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

19.2 Wireframe Construction

The Segilola deposit was interpreted by the author, in conjunction with inputs from the CGA Group geological staff, using 44 east-west oriented cross sections. The database validation, wireframe development and resource estimate were carried out using GEMS version 6.1 software provided by the CGA Group.

The resource wireframe is defined by a nominal lower grade cut-off of 0.5g/tAu. However, in several places a slightly lower cut-off was allowed to maintain geological continuity. Generally, there a sharp transition between background or below detection levels to >0.5g/tAu. Due to the varying hole inclinations, the allowed amount of internal dilution was set nominally at 2.5m true width or less.

The following techniques were employed while interpreting the mineralisation:

- Each cross section or plan was displayed on screen with a clipping window equal to a half distance from the adjacent sections of levels,

- All interpreted polylines (strings) were snapped to the corresponding drillhole intervals
- Internal waste within the mineralised envelopes was included in the interpreted envelopes.
- The interpretation was extended perpendicular to the corresponding first and last interpreted cross section to the distance equal to a half distance between the adjacent exploration lines;
- If a mineralised envelope did not extend to the adjacent drillhole section, it was projected half way to the next section and terminated. The general direction and dip of the envelopes was maintained, and
- If mineralised lode was at the topographic surface, it was extended above the surface and then later clipped.

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

19.3 Geology and Resource Geometry

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

An earlier-phase, vertical normal fault, which is interpreted to intersect the lodes at a very oblique angle, truncates the lodes at depth. This is most apparent toward the northern portion of the southern 100 lode. A continuation of the lode at depth on the down-throw side of the fault is postulated (Figures 11 and 12).

The southern 100 lode is up to 14m in true width, whereas the northern 200 lode attains a maximum thickness of 6m. Two minor hanging-wall lodes, 300 and 400 are developed at the southern extremity of the drilling area.

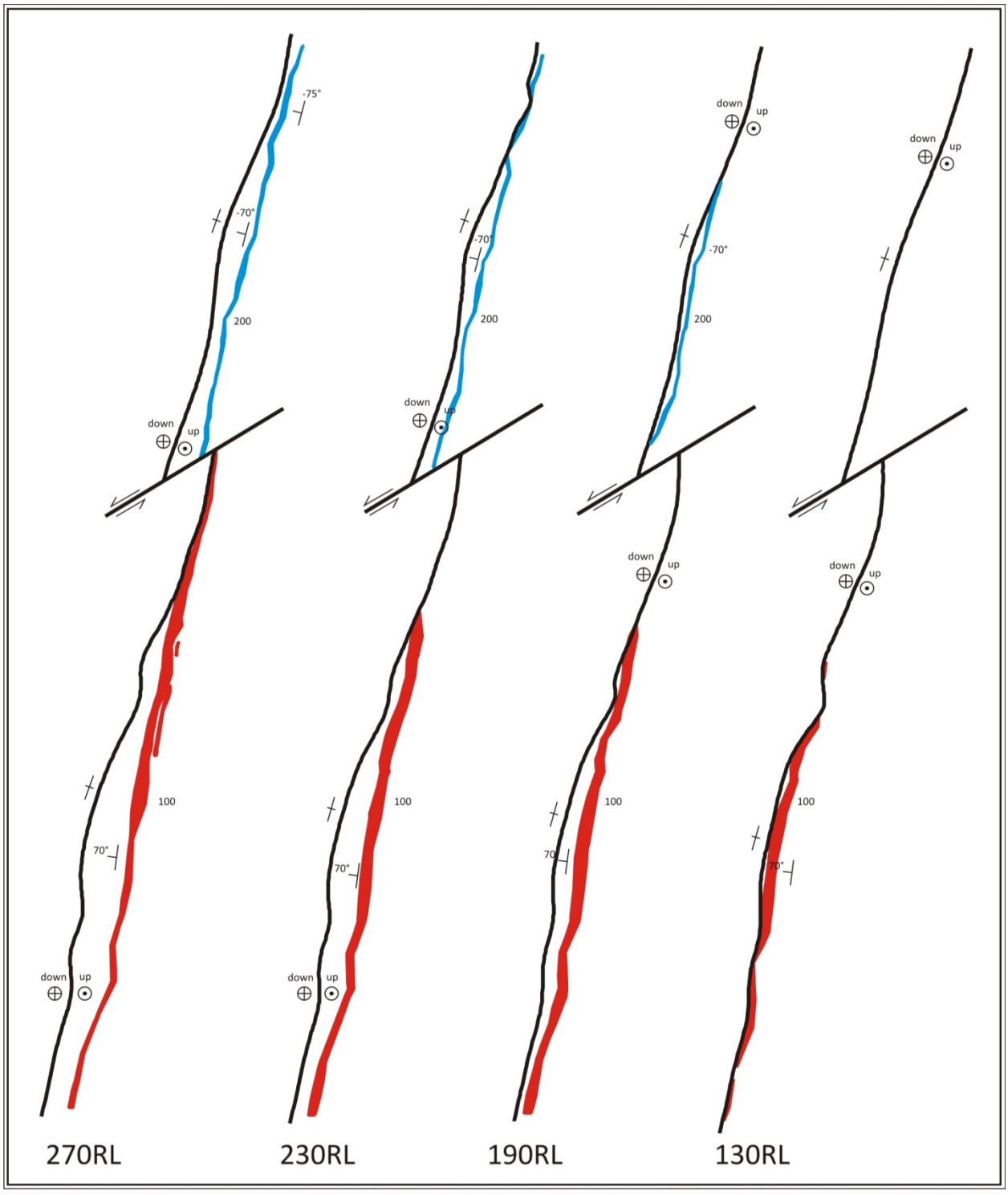


Figure 11: Composite Plans showing intersection of lodes and faults at different RL's

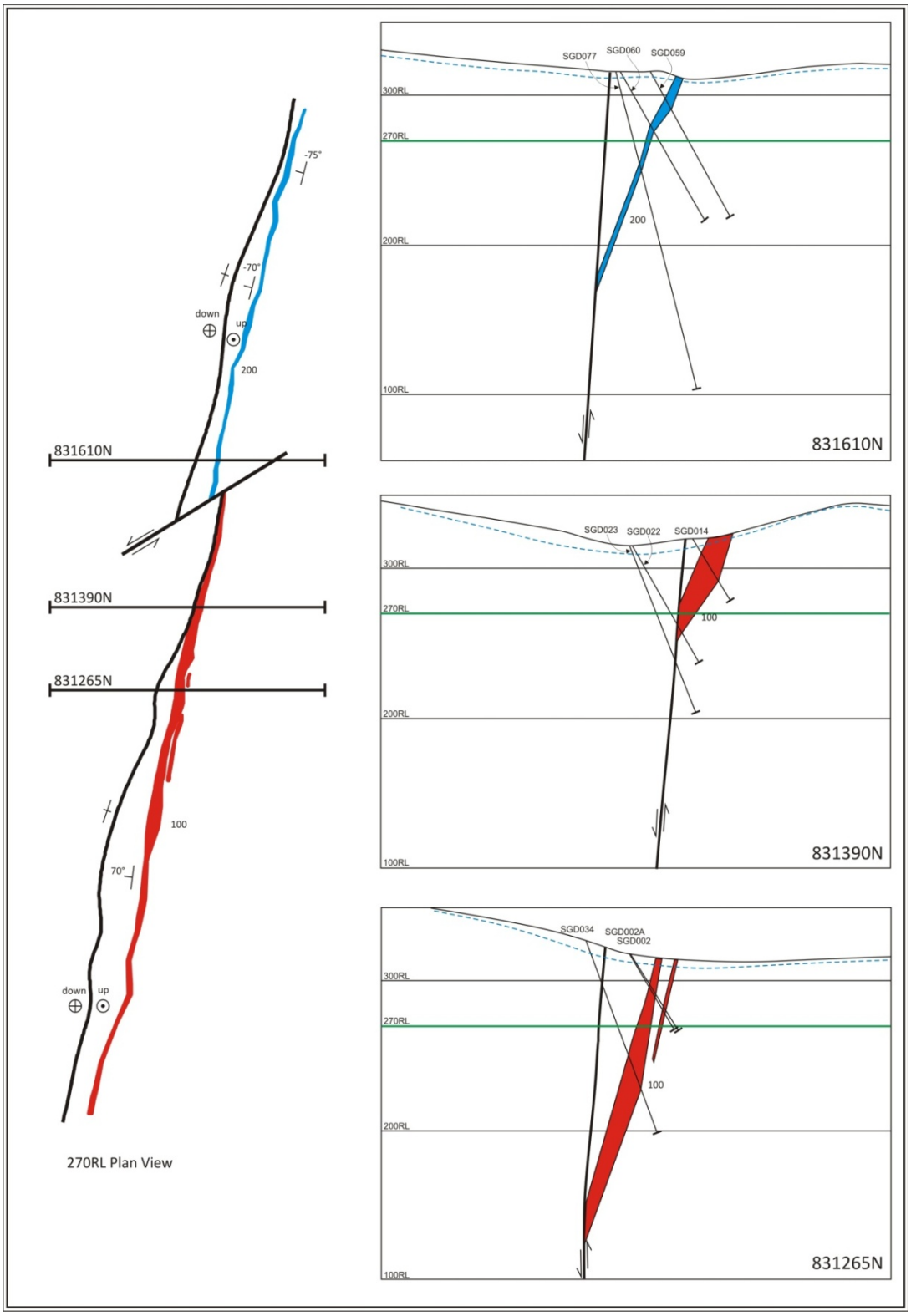


Figure 12: Cross Section Views of Lode Geometry

19.4 Compositing & Statistics

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

Statistics were run within the drillhole database for all constrained uncut composite data, and are presented in Table 7 and Figure 13, 14 and 15. Other mineral indicators, were not used as data was extracted from within wireframes. A plot of gold grade (>1.0g/t) versus silver and the base metal suite did not reveal any correlation between these elements content and hence neither silver nor Cu, Pb, Zn were modeled.

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

Table 7: Univariate Statistics

19.5 Top Cut Selection

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

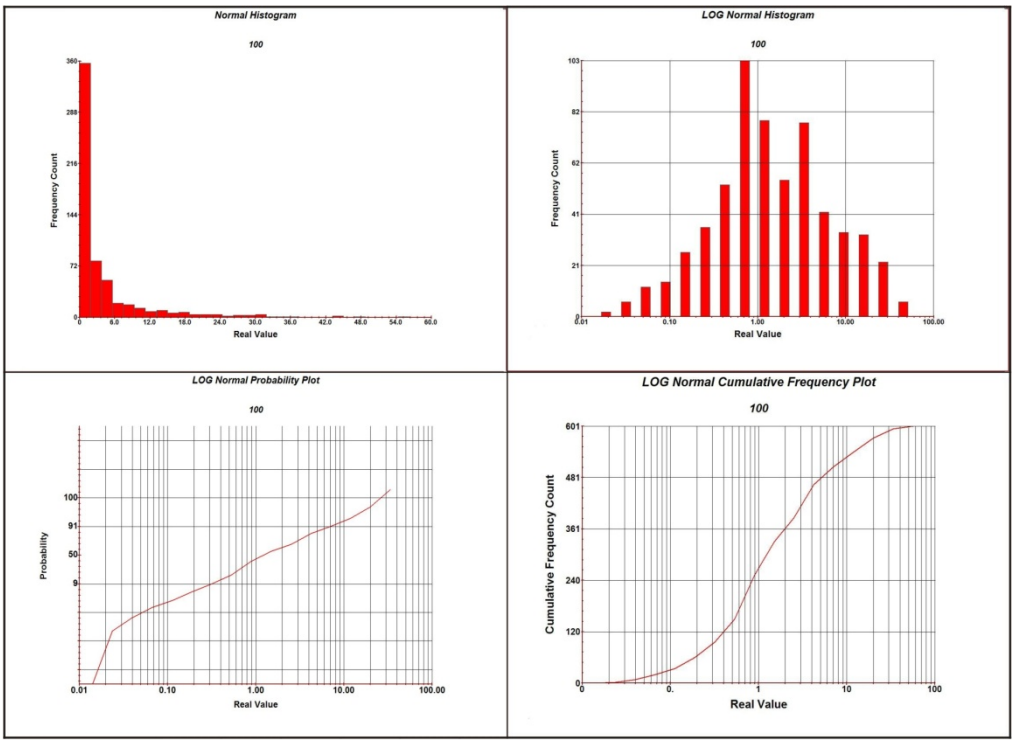


Figure 13: Univariate Statistical Plots of Composited Assay Data 100 Lode

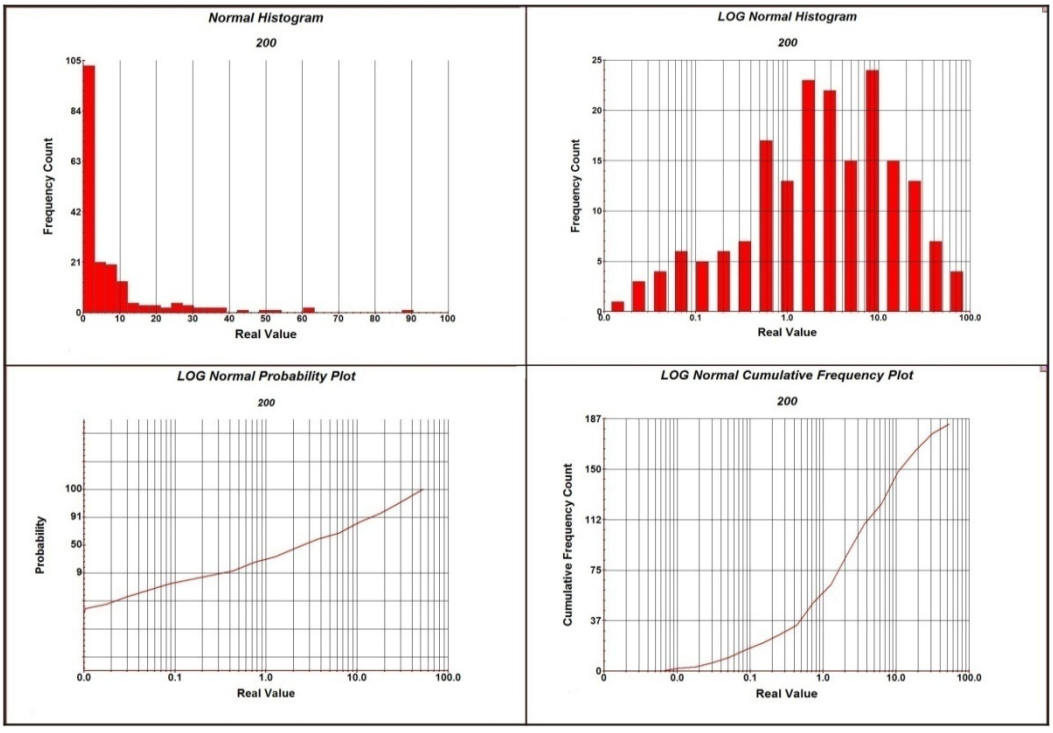


Figure 14: Univariate Statistical Plots of Composited Assay Data 100 Lode

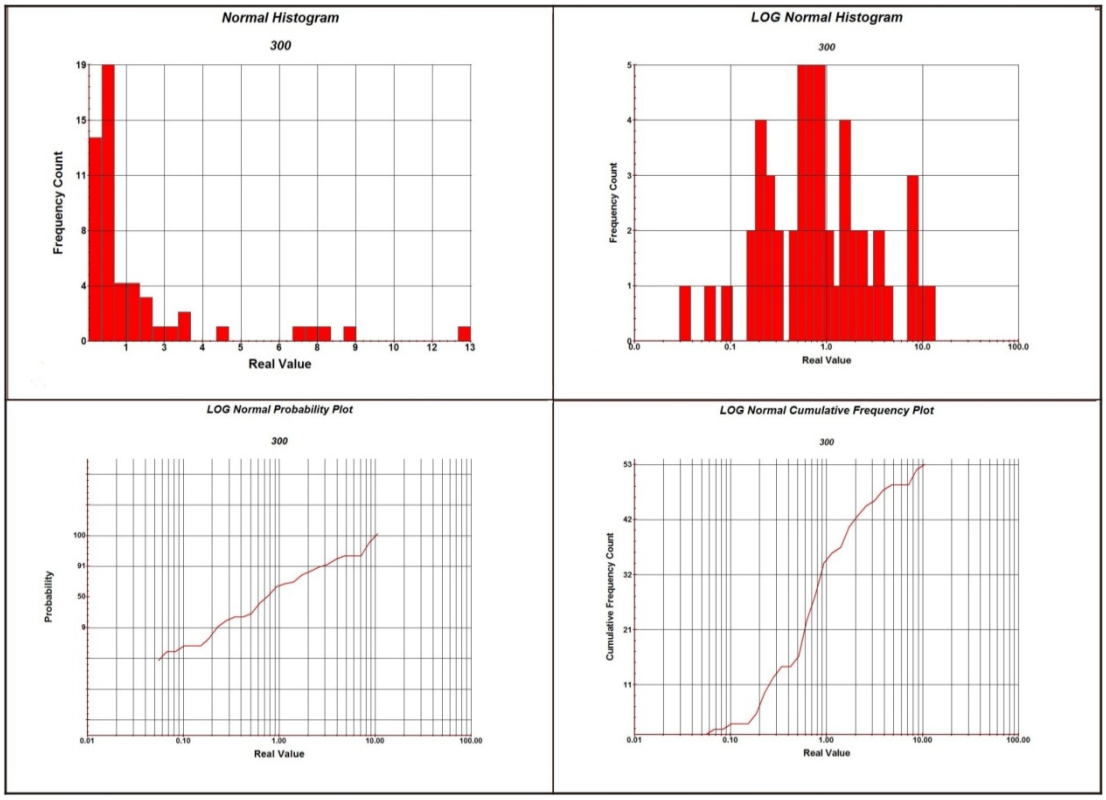


Figure 15: Univariate Statistical Plots of Composited Assay Data 100 Lode

19.6 Block Model and Grade Interpolation

A 3D block model was generated software with origin, extents and attributes defined below in Table 8. An associated percentage model was also generated. The solid wireframes were used to limit the blocks available for grade interpolation, with block centroid locations used to define the blocks and sub-blocks for interpolation.

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

Table 8: Block Model Parameters

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

Two interpolation passes were conducted for each wireframe. Search ellipse parameters (Table 9) were guided by using double the average section spacing used in the initial pass of the interpolation so that the equivalent of a maximum three sections of composites were available, but limited by a maximum of 12, for informing the blocks. For the second interpolation pass, search ellipses were increased, to ensure that all blocks unfilled by the first pass were interpolated by the second pass, and grades estimated from the first interpolation pass were left unchanged.

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

Table 9: Interpolation Search Ellipse Parameters

19.7 Model Validation

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

- on-screen visual validation via vertical sections and plan views, showing block grades against input composites (Figure 17 and 18),
- global statistical comparisons of average input composites and tonnage-weighted block grades, and

- local grade/northing relationship plots.

A global grade validation was conducted by comparing input average top-cut ungrouped composite grades with mean block grades by vein wireframe, with results tabulated in Table10.

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

Table 10: Global Statistical Validation of Interploated Au Grade

Both input average composite data and tonnage-weighted mean model grade data were averaged within 40m northing slices for each lode wireframe, and plotted together with the number of composites to assess the reliability of the block model. Model and composite grade/northing relationships were compiled for the lode wireframes and are presented in Figure 14 .

Comparisons of model grades with composite grades for all lodes illustrate a relatively good overall reconciliation, with model grades reproducing the fluctuations in composite grades with respect to northing. Deviation of modeled grades from composite grades occurs between sections 831020N and 831180N where the grades from adjacent and deeper high-grade areas influence several sections on which the corresponding lower grade composites are located at higher RL's. The results from the validation showed that the resource model honours the underlying composite data well with no obvious bias (Figures 15 and 16).

To test the overall robustness of the resource estimate an ordinary kriged estimate was also completed (Appendix 1). The results showed a good overall correlation between the inverse distance squared and ordinary kriged methods with the typical over-smoothing and slight decrease in grade in the kriged estimate (Figure 16). Data from Lode 400 is excluded so as not to mask detail in the other lodes.

19.8 Analytical Volume

The precise volume of the resource wireframes are presented in Table 11 for comparison with the volumes/tonnage reported from the volumetrics reporting. The variance between the analytical volume/tonnage and the reported volume/tonnage of 0.015%, which is due to errors inherent in the needling process of the volumetrics reporting function, is considered to be inconsequential.

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

Table 11: Resource Wireframe Analytical Volumes

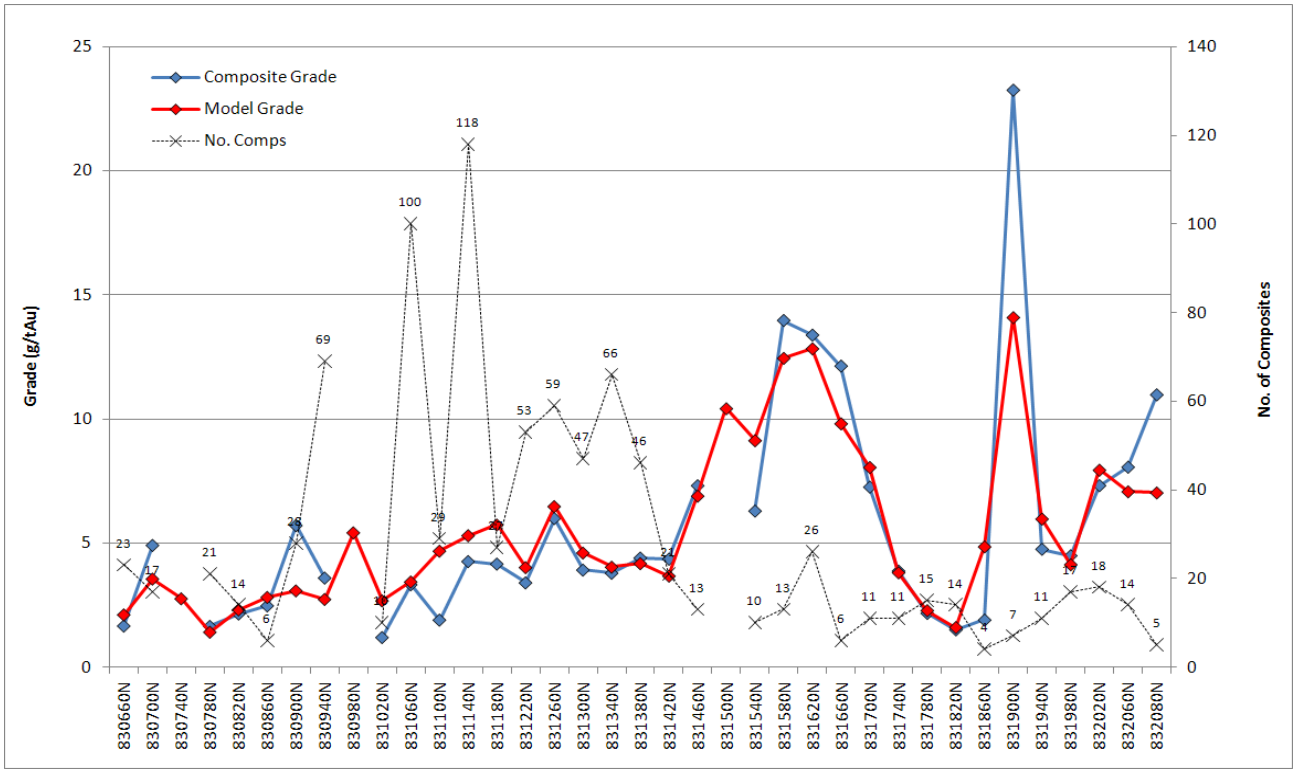


Figure 15: Validation Plot by Section showing Block Model Grade Compared with Composite Grade

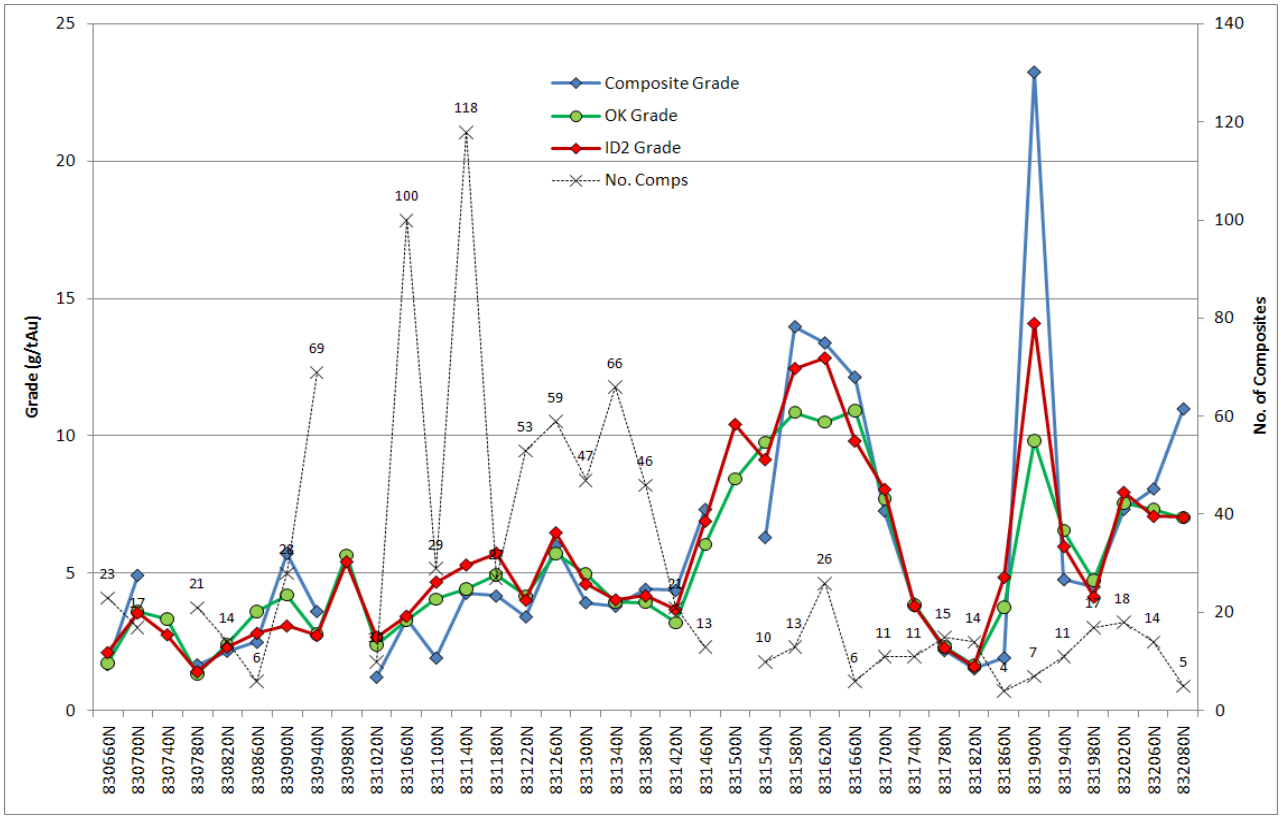


Figure 16: Validation Plot by Section showing ID2 and OK Block Model Grade Grades

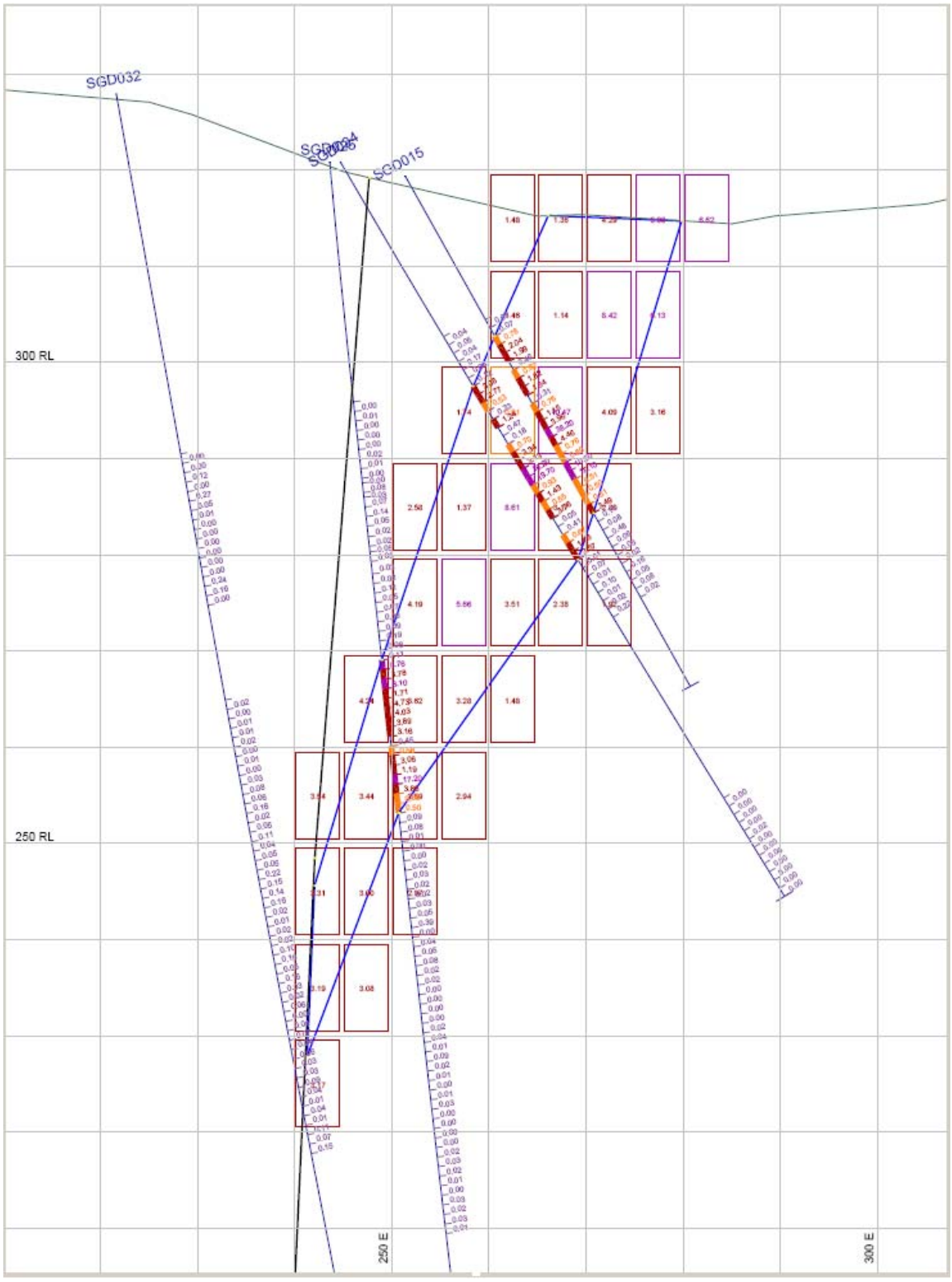


Figure 17: Section 831310N showing Inverse Distance Squared Interpolated Block Model Grades

Figure 18: Section 831310N showing Ordinary Kriged Interpolated Block Model Grades

19.9 Resource Classification

The resource classification strategy utilized in this report is based primarily on the search ellipse parameters, and also on the number of samples available to inform each block. The specific requirements concerning the minimum number of samples used for grade interpolation for each block were applied, and are shown in Table 12.

Figure 18 illustrates the different resource categories as applied to the Segilola deposit.

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

Table 11: Resource Classification Parameters

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

The Inferred portion of the resource largely represents the poorly drilled, down-dip and down-plunge extent of the deposit (Figure 19). It is defined by broadly spaced drilling, however the geological interpretation of that drilling is consistent with the better defined portion of the deposit, and hence the Inferred classification is appropriate. Lodes 300 and 400 were manually assigned as all inferred.

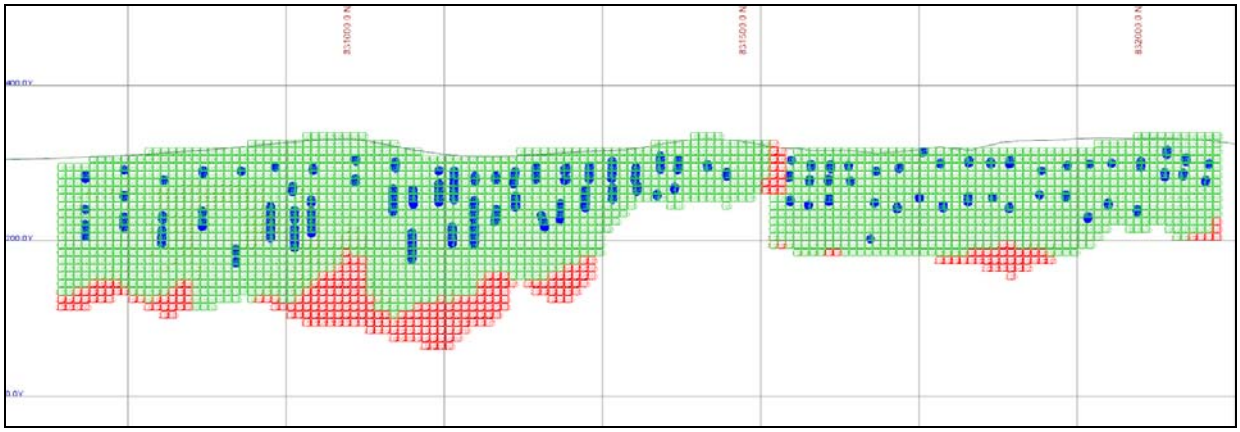


Figure 19: Long Section View Showing Classified Resource Blocks (Indicated - green; Inferred - red, composites - blue)

19.10 Resource Statement

The classified Mineral Resource for the deposit is based on the estimated grades in the block model spatially constrained by geological and statistical parameters. The summarised Resource Report for all mineralised zones combined is given in Table 13 at a gold cut off grade of 0.5 g/t Au and subdivided into resource categories.

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

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

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

Table 12: Segilola Classified Mineral Resource Estimate (0.5g/tAu cut off)

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

The mineral resource categories are reported separately. A mineral reserve is not stated as this is not applicable to this report. The extent to which this mineral resource may be materially affected by mining, metallurgical, infrastructure and other related factors will most likely be dealt with in the feasibility study that is currently being prepared by the issuer. Observations by this author indicate the following:

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

This author has not undertaken an economic anaylsis on the resource as this report is a mineral resource estimate – not a statement of reserves. Reporting of metal equivalents are not relevant to this report.

The resource has not been depleted for the shallow historic trench excavations. This tonnage is estimated to be less than 5,000 tonnes.

The author has been advised by the CGA Group that there are no environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other issues that may affect the estimate of the mineral resource.

The resource is represented in Figures 20 to 30. Minor lode 400 is not represented due to its unusually high average grade.

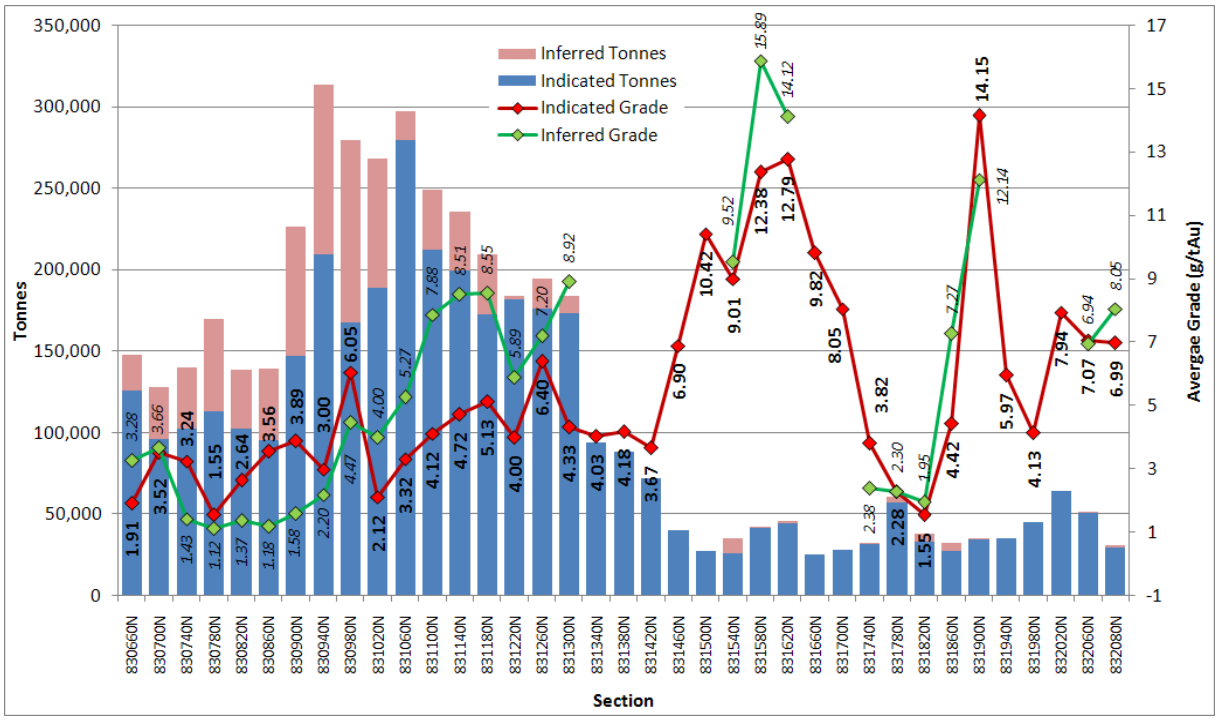


Figure 20: Variation of Tonnes and Grade by Northing

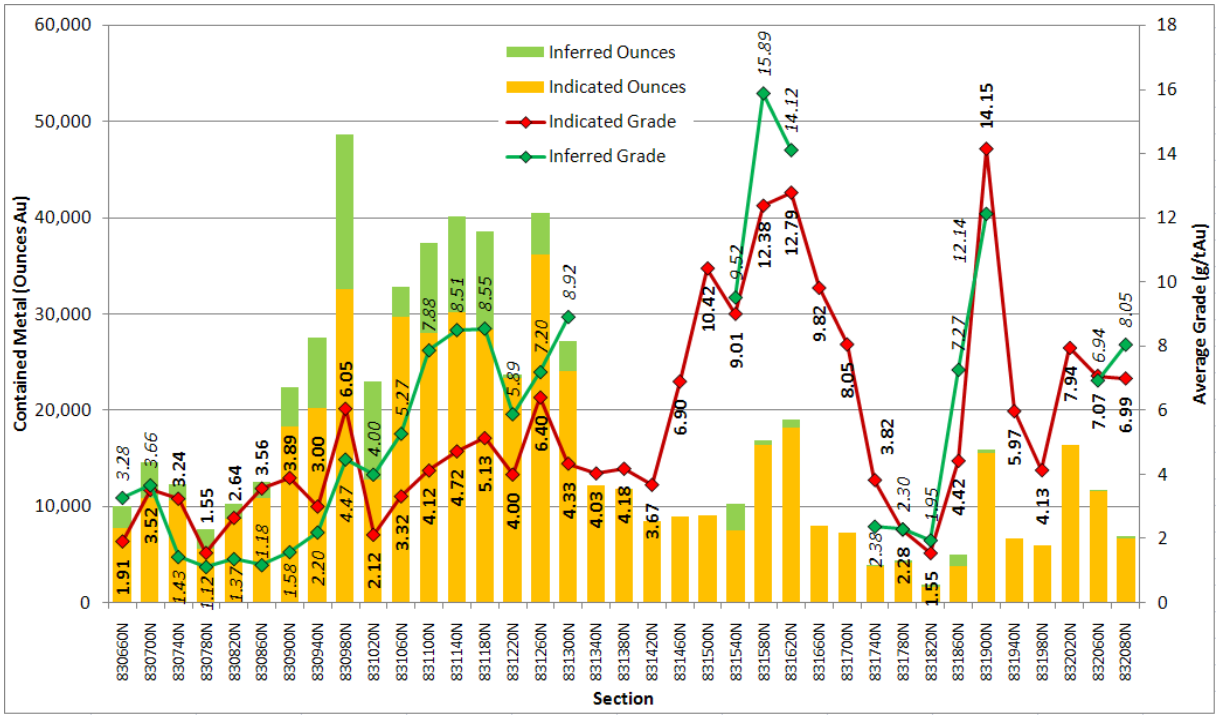


Figure 21: Variation of Contained Metal and Grade by Northing

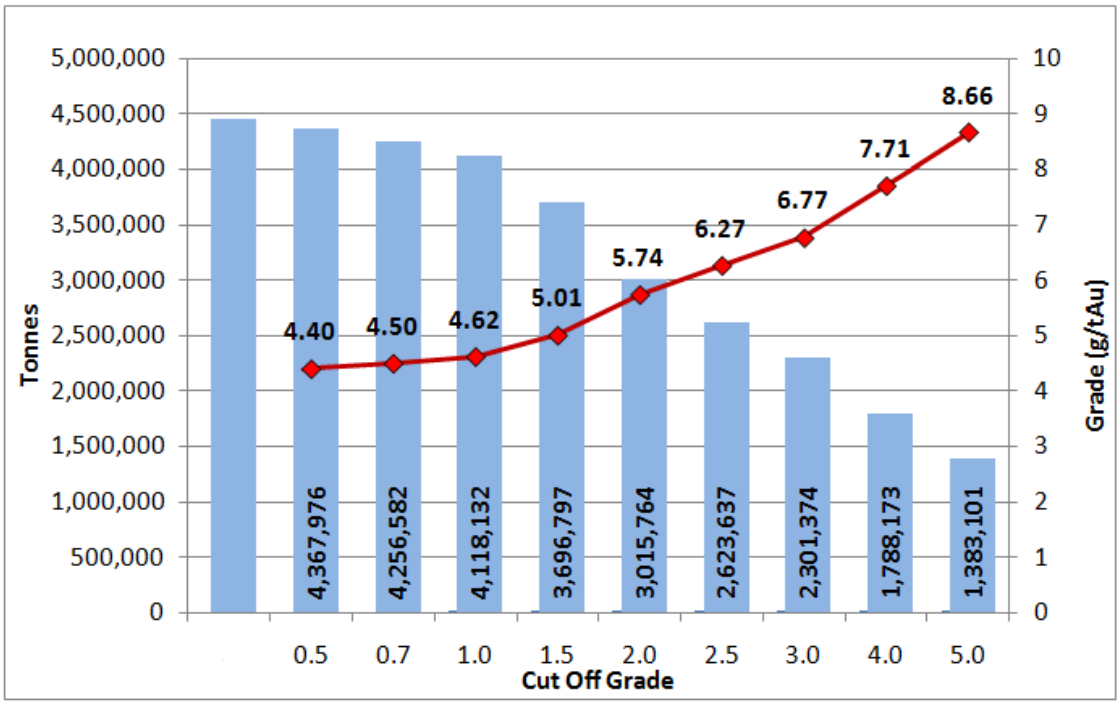


Figure 22: Grade Tonnage Curve, Variation of Total Tonnes and Overall Grade with Lower Cut-off

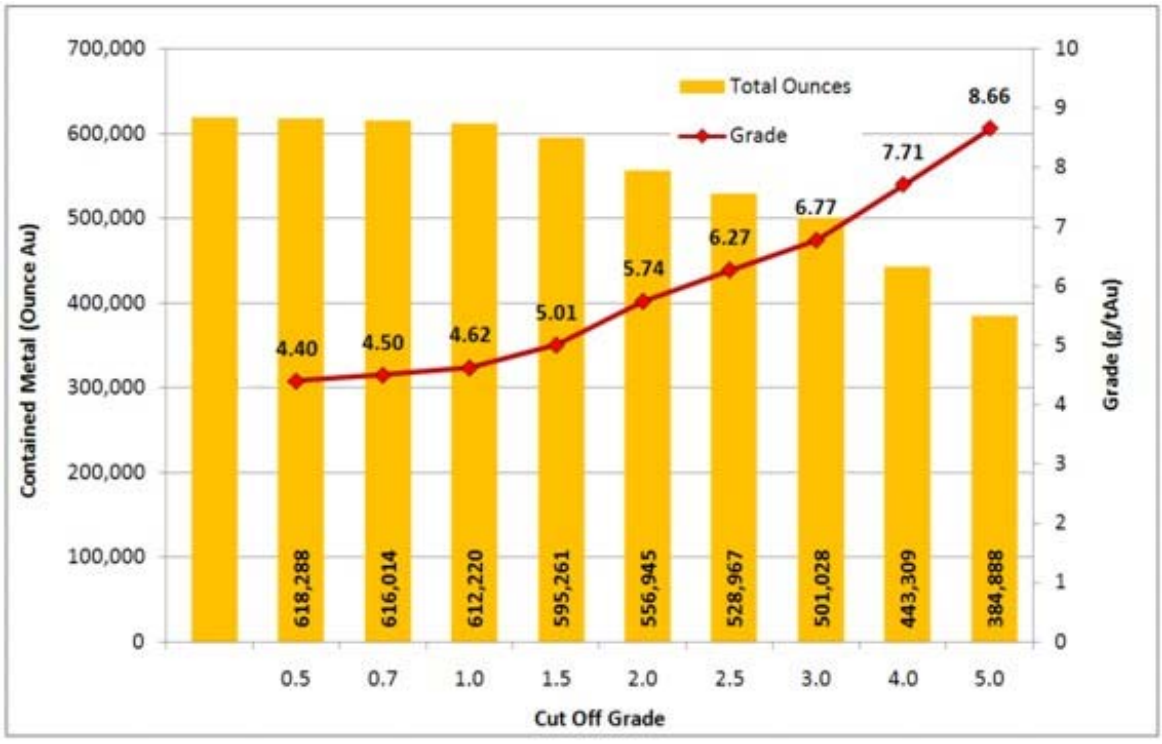


Figure 23: Variation of Total Metal and Overall Grade with Lower Cut-off

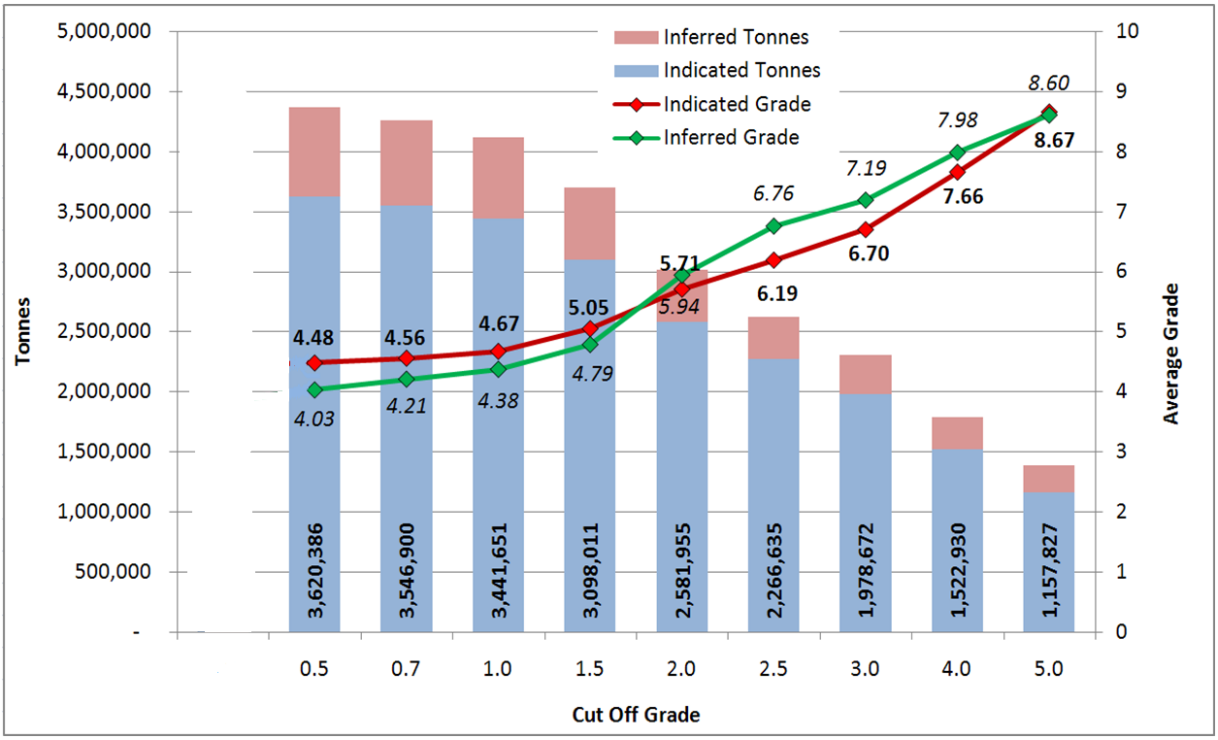


Figure 24: Grade Tonnage Curve, Variation of Indicated and Inferred Resource Tonnes and Grade with Lower Cut-off

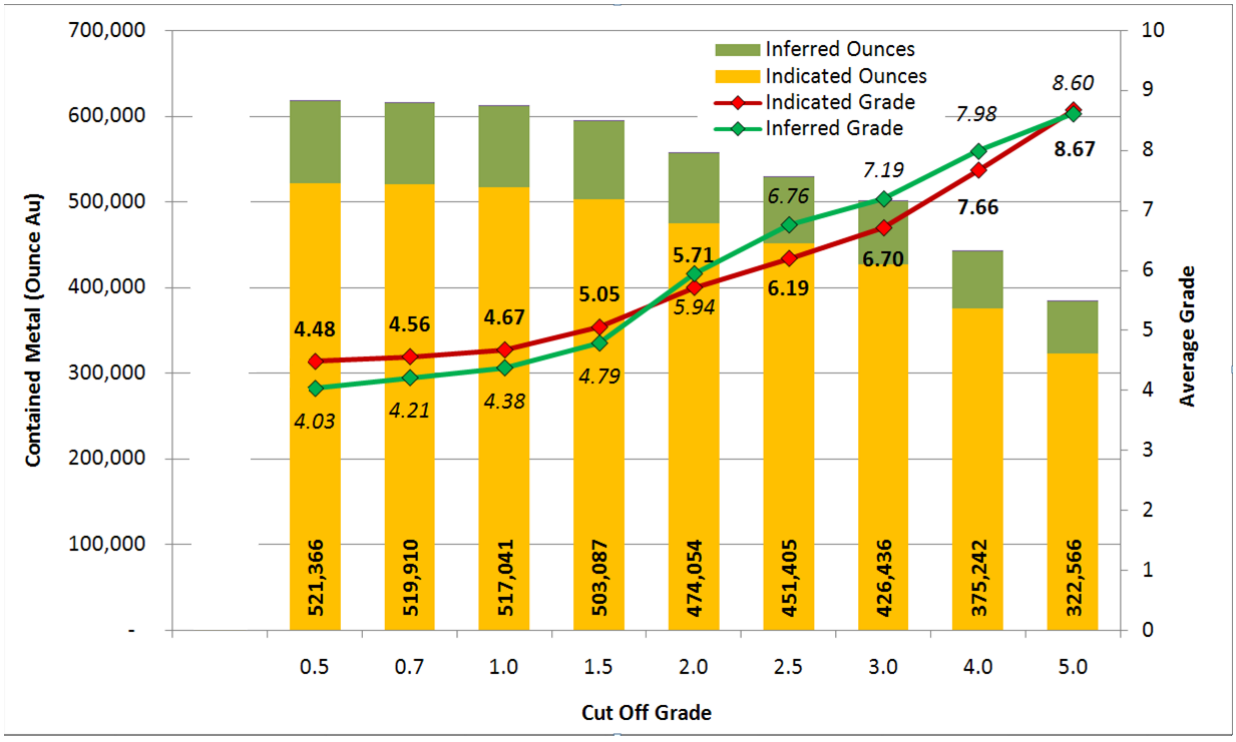


Figure 25: Variation of Indicated and Inferred Metal and Overall Grade with Lower Cut-off

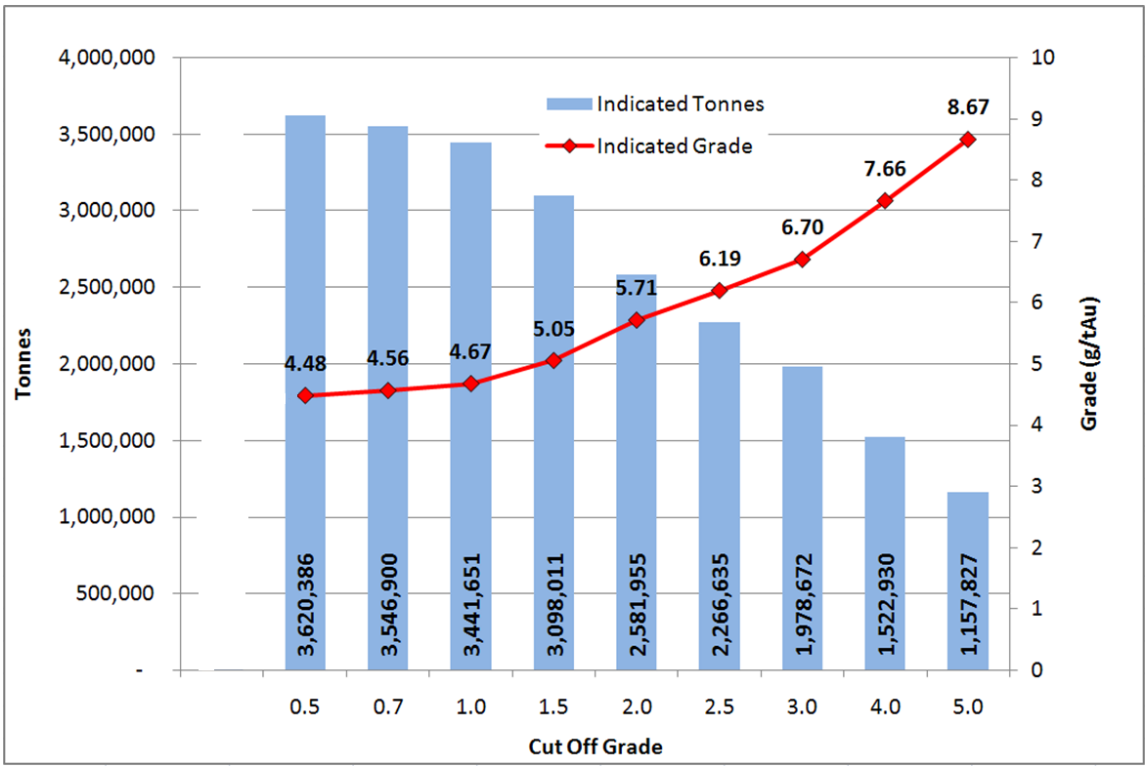


Figure 26: Grade Tonnage Curve, Variation of Indicated Resource Tonnes with Lower Cut-off

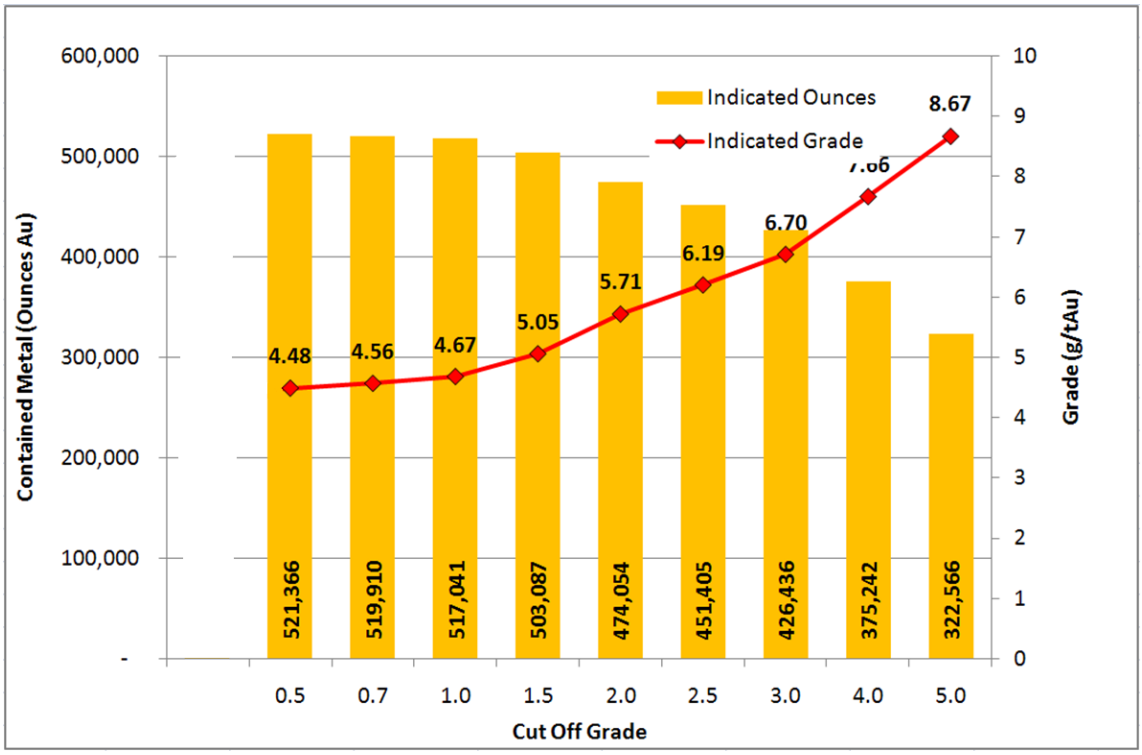


Figure 27: Variation of Indicated Metal and Grade with Lower Cut-off

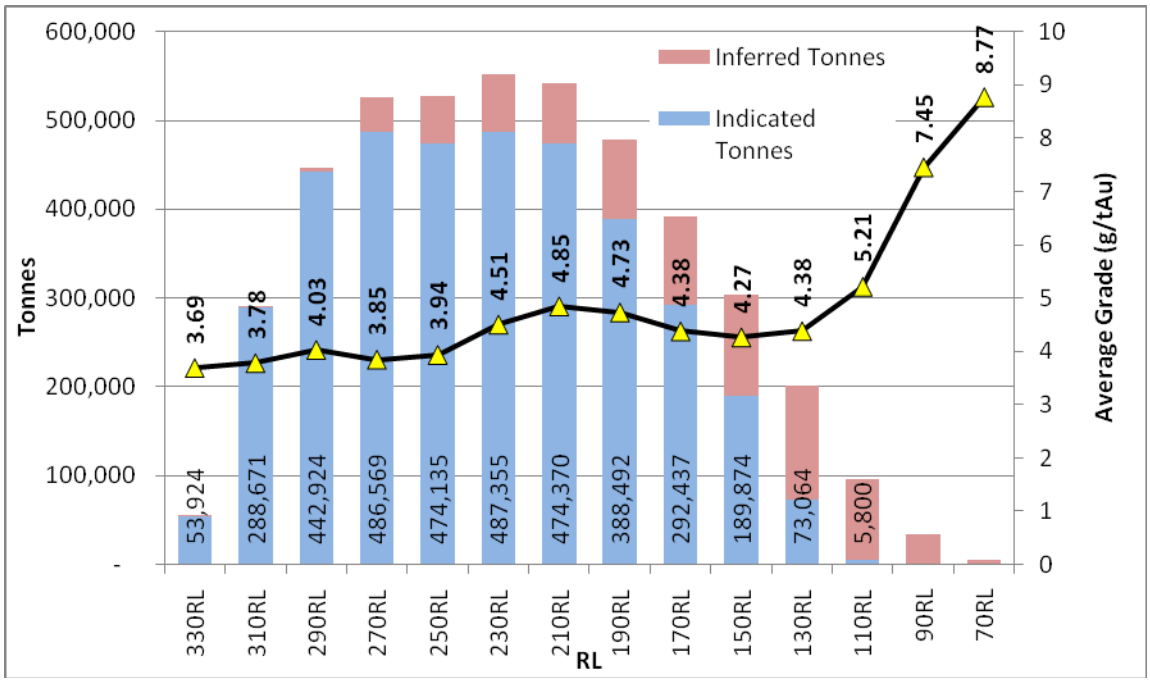


Figure 28: Variation of Combined Grade and Classified Tonnes with RL

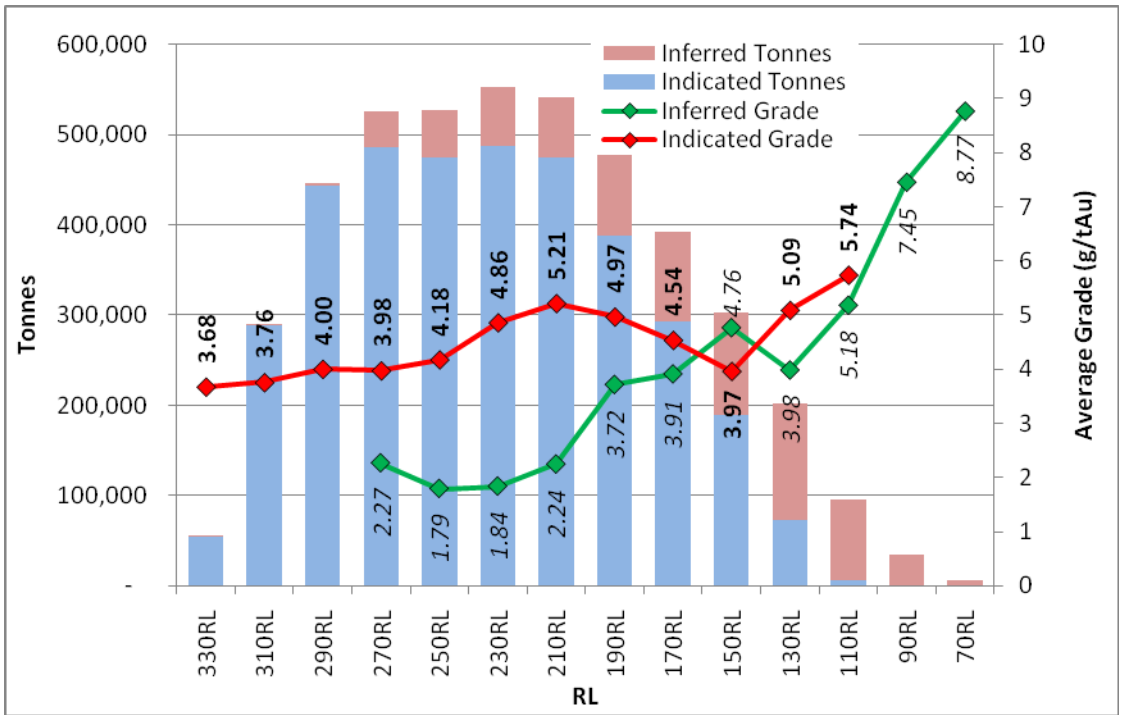


Figure 29: Variation of Classified Tonnes and Grade with RL

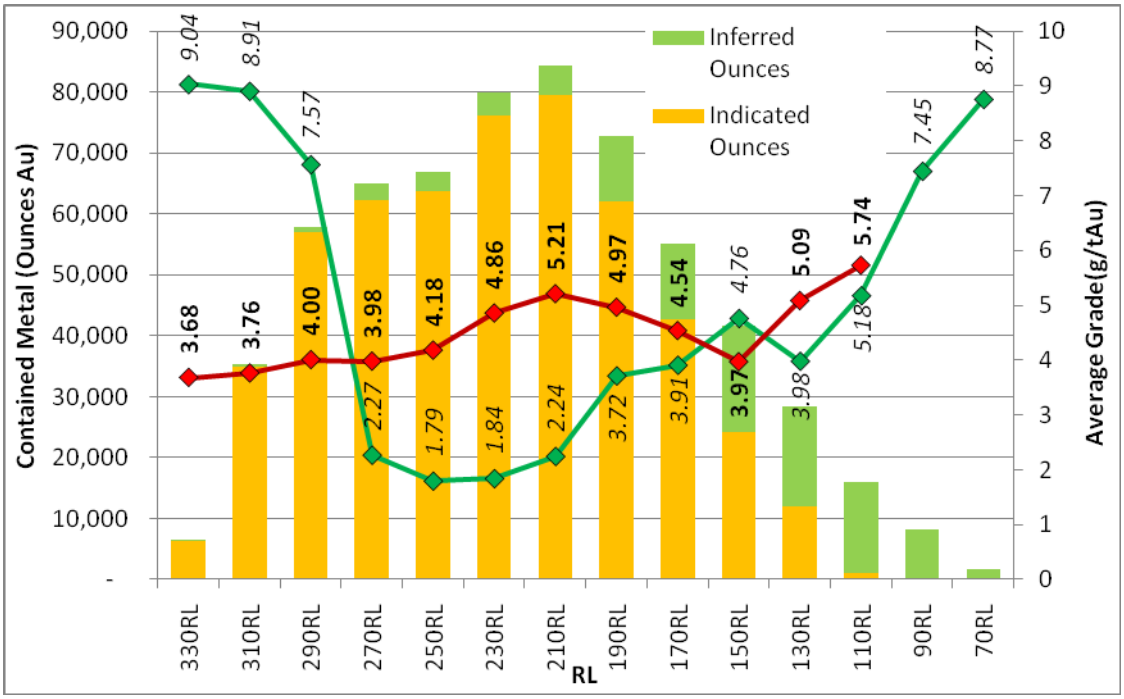


Figure 30: Variation of Classified Metal and Grade with RL

20.0 Other Relevant Data and Information (Item 20)

All relevant data and information has been incorporated into this report.

21.0 Interpretation and Conclusions (Item 21)

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

On the basis of the various data and from direct observations, the author concludes that the CGA Group has adopted a thorough QAQC sampling procedure that ensures assay and density data quality. The chain of custody, as currently set up, does not allow for any unwarranted handling and contamination of the samples.

Any potential errors in the bulk density determination procedure that may arise from rock porosity are considered by the author to be minimal due to the high crystallinity of the rock and hence would not materially affect the tonnage calculation. However, independent laboratory density check-determinations are recommended in any future work.

The author considers that sample preparation and analytical procedures comply with the required industry standards and that the data received from the laboratory provides a reliable and accurate basis for the resource estimation.

The resource geometry is well defined by a systematic section-based diamond drilling that provides the sample density from which to derive a classified resource estimate. The raw grades are highly

constrained within 3D modeled wireframes and there has been minimal application of geostatistical interpolation methods. By adopting an inverse distance squared methodology the modeled grades are more closely correlated with the assay data.

22.0 Recommendations (Item 22)

The CGA Group has advised the author that a full feasibility study ("FFS") has been planned and budgeted to progress the Segilola Gold Project towards the commissioning of an operating mine. The author has reviewed the key items and costings of the planned FFS and considers the program to be sufficient. There has been an allocation for additional diamond drilling to obtain both the necessary geotechnical information and to provide samples for metallurgical testwork. Excluding any contingency, the total FFS is expected to cost approximately C$1,179,000. The author recommends the following:

- Implementation of the FFS
- Additional exploration with drill-testing of the soil geochemical anomaly located to the north of the know resource
- Additional drilling at depth to upgrade the inferred resource to indicated category

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

Table 12: Recommended Exploration and Feasibility Program

23.0 References (Item 23)

Environmental Baseline Study of EL39/40 Gold Exploration Project, Iperindo-Odo Ijesha, Report No: S-0817; Akinde, T., 2009

23.0 Date and Signature Page

(a) I, Alfred Gillman, Managing Director of Odessa Resources Pty Ltd, 20B Cook St, Crawley, Western Australia , do hereby certify that:

(b) I am the author of the technical report titled "Form NI 43-101 Technical Report, Resource Estimate for the Segilola Gold Deposit, Osun State, Nigeria for Ratel Gold Mining, May 2010" and dated 1 May 2010 and prepared for Ratel Gold Limited.

(c) I graduated with a Bachelor of Science with Honours from the University of Western Australia, in 1981.

I am a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy. I have worked as a geologist continuously for a total of 27 years since my graduation from university including as a geologist for Metana Minerals (1991 to 1997), exploration manager for Hill50 Gold NL (1997 to 2001), Harmony Gold Australia Ltd (2001 to 2005), CAG Ltd (2005 to 2006) and as director of the consulting Company Odessa Resources Pty Ltd (2006 to present).

I have read the definition of 'qualified person' set out in National Instrument 43101 ('the Instrument') and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements of a 'qualified person' for the purposes of the Instrument. I have been involved in resource evaluation consulting practice for 4 years. During my working career I have been involved with exploration, resource delineation, and Mineral Resource evaluation of gold, base metal and uranium deposits for 27 years.

(d) I visited the Segilola Gold Project three times during my employment with CGA as Business Development Manager the last being between 12 December 2006 and 19 December 2006 for a duration of seven days. I have recently visited the CGS Laboratories in Ghana where the sampled core from the Segilola Gold project was assayed. IN April 2007 I resigned from my position with CGA subsequent to which I established Odessa Resources Limited.

(e) I am responsible for the preparation of all sections of the Technical Report.

(f) I am independent of the issuer as defined in section 1.4 of the Instrument.

(g) I have had prior involvement with the project in my capacity as an employee of CGA. This involvement was to undertake due-diligence reviews of the Hansa and PNL technical data, inspections of the site, inspection of the available diamond core (as collected by Hansa and SGL) and to ensure drilling and sampling procedures were established to acceptable industry standard.

(h) I have read the Instrument and Form 43101F1, and the Technical Report has been prepared in compliance with that instrument and form.

(i) As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all the scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated at Perth, Western Australia, this 1st day of May, 2010

Appendix 1

Inverse Distance Squared Volumetrics Reports

Report 2: Incremental

GRADEGROUP	ROCKGROUP	Volume	Density	Tonnage	AU	AU_P	PASS	PASS_P	KV	KV_P
		M**3 x 1000	T per M**3	T x 1000	Grade	Product	Grade	Product	Grade	Product
IND	100	1163.603	2.670	3106.820	3.93	12223101.1	1.0	3106820.2	0.00	0.0
	200	206.291	2.670	550.797	7.28	4007133.7	1.0	550796.9	0.00	0.0
	300	0.000	0.000	0.000	0.00	0.0	0.0	0.0	0.00	0.0
INFER	100	176.725	2.670	471.856	5.14	2424533.8	2.0	943711.7	0.00	0.0
	200	7.642	2.670	20.404	6.54	133466.4	2.0	40808.5	0.00	0.0
	300	111.567	2.670	297.884	1.60	476016.4	2.0	595768.3	0.00	0.0

Inferred:

GRADEGROUP	ROCKGROUP	Volume	Density	Tonnage	AU	AU_P	PASS	PASS_P	KV	KV_P
		M**3 x 1000	T per M**3	T x 1000	Grade	Product	Grade	Product	Grade	Product
	400	9.334	2.670	24.921	11.06	275658.5	2.0	49841.7	0.00	0.0
Total		9.334	2.670	24.921	11.06	275658.5	2.0	49841.7	0.00	0.0

Report 2: Incremental

GRADEGROUP	PLANE	Volume	Density	Tonnage	AU	AU_P	GRADEGROUP	PLANE	Volume	Density	Tonnage	AU	AU_P
		M**3 x 1000	T per M**3	T x 1000	Grade	Product			M**3 x 1000	T per M**3	T x 1000	Grade	Product
IND	330RL	20.196	2.670	53.924	3.68	198,333.4	INFER	330RL	0.048	2.670	0.129	9.04	1,162.5
	310RL	108.117	2.670	288.671	3.76	1,085,340.2		310RL	0.477	2.670	1.274	8.91	11,359.5
	290RL	165.889	2.670	442.924	4.00	1,773,825.7		290RL	1.125	2.670	3.002	7.57	22,743.4
	270RL	182.236	2.670	486.569	3.98	1,934,882.0		270RL	14.820	2.670	39.571	2.27	89,670.7
	250RL	177.579	2.670	474.135	4.18	1,981,167.2		250RL	20.116	2.670	53.711	1.79	96,262.0
	230RL	182.530	2.670	487.355	4.86	2,368,778.6		230RL	24.261	2.670	64.778	1.84	118,997.0
	210RL	177.667	2.670	474.370	5.21	2,473,274.9		210RL	25.131	2.670	67.099	2.24	150,541.4
	190RL	145.503	2.670	388.492	4.97	1,929,425.5		190RL	33.507	2.670	89.463	3.72	332,360.9
	170RL	109.527	2.670	292.437	4.54	1,326,918.3		170RL	37.171	2.670	99.246	3.91	388,095.1
	150RL	71.114	2.670	189.874	3.97	753,259.1		150RL	42.403	2.670	113.216	4.76	539,454.9
	130RL	27.365	2.670	73.064	5.09	371,766.7		130RL	48.267	2.670	128.873	3.98	513,197.6
	110RL	2.172	2.670	5.800	5.74	33,263.1		110RL	33.721	2.670	90.036	5.18	466,353.4
	90RL	0.000	0.000	0.000	0.00	0.0		90RL	12.720	2.670	33.964	7.45	253,120.8
	70RL	0.000	0.000	0.000	0.00	0.0		70RL	2.166	2.670	5.783	8.77	50,697.3
	50RL	0.000	0.000	0.000	0.00	0.0		50RL	0.000	0.000	0.000	0.00	0.0

Appendix 2

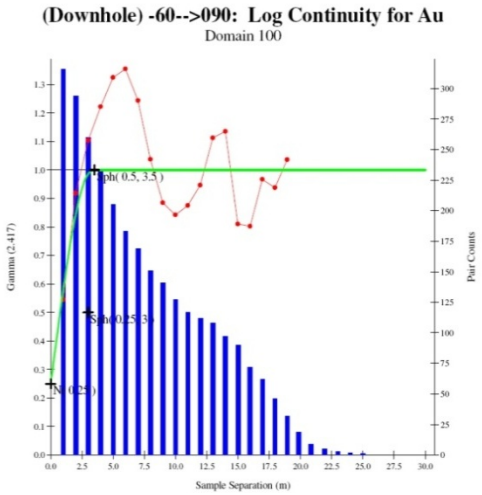
Ordinary Kriged Validation Model

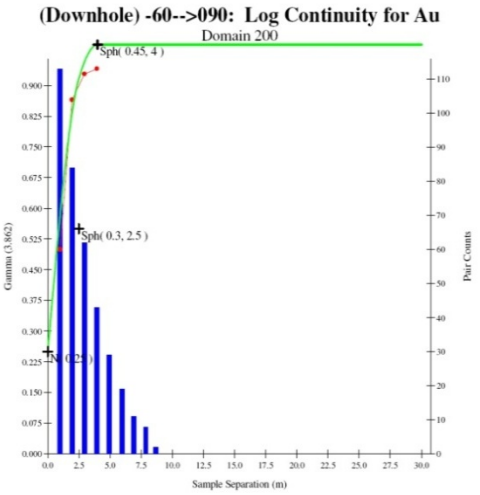
Variography

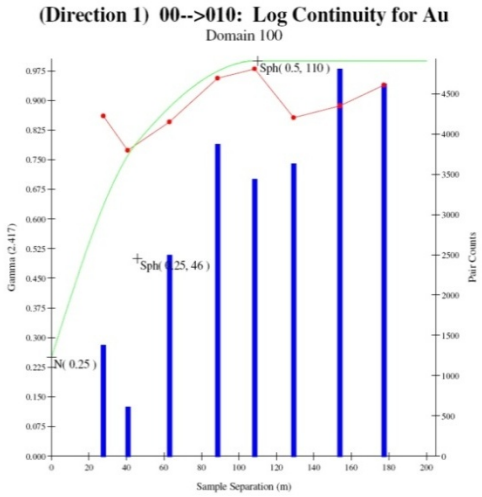
Variography analysis using lognormal variograms was performed on composite data for the resource model. Composite data from the lode wireframes were modeled seperately for variography analysis.
Variograms with two spherical structures were modelled in each principal direction, with results tabulated and illustrated below. Modelling was performed on lognormal variograms.
Block model and search parameters as per inverse distance squared interpolation.

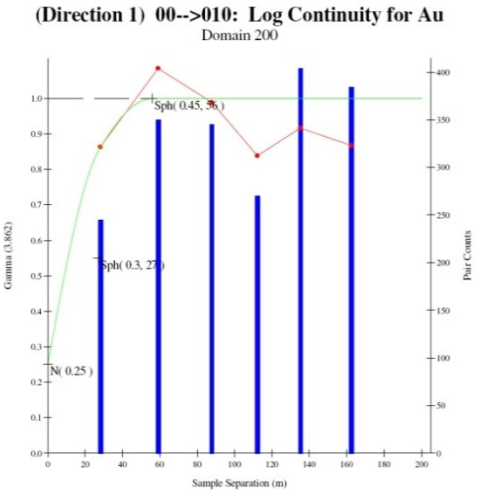
ORIENTATION	NUGGET EFFECT	STRUCTURE 1		STRUCTURE 2	
100		**SILL**	**RANGE**	**SILL**	**RANGE**
Y		0.25	46	0.5	110
X			45		50
Z			3		3.5
Downhole	0.25				
200		**SILL**	**RANGE**	**SILL**	**RANGE**
Y		0.3	27	0.45	56
X			45		45
Z			2.5		4
Downhole	0.25				

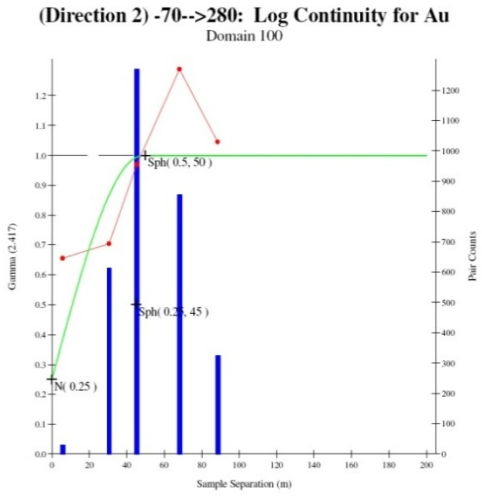
Model Variography Parameters

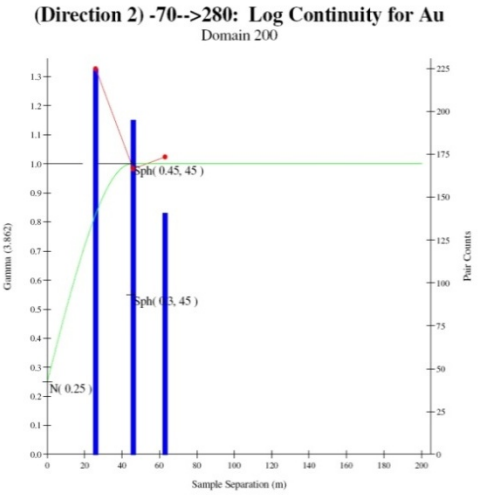












Model Variogram Plots - Segilola

Appendix 3

Kriged Block Model Volumetrics Reports

Report 2: Incremental

GRADEGROUP	VERTICAL	Volume	Density	Tonnage	AU	AU_P	PASS
		M**3 x 1000	T per M**3	T x 1000	Grade	Product	Grade
IND	830660N	43.611	2.670	116.440	1.73	201663.5	1.0
	830700N	33.725	2.670	90.046	3.61	325483.1	1.0
	830740N	34.939	2.670	93.288	3.33	311111.8	1.0
	830780N	39.706	2.670	106.015	1.34	142190.0	1.0
	830820N	36.919	2.670	98.574	2.42	238676.6	1.0
	830860N	35.776	2.670	95.523	3.62	345368.0	1.0
	830900N	52.407	2.670	139.926	4.22	590370.8	1.0
	830940N	76.297	2.670	203.712	2.80	571028.7	1.0
	830980N	62.704	2.670	167.421	5.67	949379.3	1.0
	831020N	55.665	2.670	148.625	2.41	358123.7	1.0
	831060N	100.544	2.670	268.454	3.29	881881.9	1.0
	831100N	77.318	2.670	206.438	4.06	838917.9	1.0
	831140N	70.236	2.670	187.531	4.45	834552.1	1.0
	831180N	62.617	2.670	167.189	4.95	827570.3	1.0
	831220N	63.624	2.670	169.875	4.19	711250.6	1.0
	831260N	62.206	2.670	166.090	5.73	950946.9	1.0
	831300N	62.791	2.670	167.651	4.99	836670.4	1.0
	831340N	35.289	2.670	94.222	3.95	372342.5	1.0
	831380N	33.089	2.670	88.347	3.95	348558.7	1.0
	831420N	26.998	2.670	72.085	3.21	231522.4	1.0
	831460N	15.123	2.670	40.378	6.06	244598.0	1.0
	831500N	10.151	2.670	27.102	8.44	228866.1	1.0
	831540N	9.211	2.670	24.593	9.77	240369.1	1.0
	831580N	14.667	2.670	39.161	10.88	425944.0	1.0
	831620N	15.259	2.670	40.741	10.52	428671.3	1.0
	831660N	9.176	2.670	24.499	10.94	267923.0	1.0
	831700N	10.157	2.670	27.119	7.73	209502.5	1.0
	831740N	11.336	2.670	30.266	3.85	116648.9	1.0
	831780N	20.590	2.670	54.974	2.34	128450.2	1.0
	831820N	11.880	2.670	31.718	1.66	52710.8	1.0
	831860N	9.282	2.670	24.783	3.77	93399.1	1.0
	831900N	12.004	2.670	32.049	9.84	315241.2	1.0
	831940N	13.158	2.670	35.133	6.57	230787.0	1.0
	831980N	16.892	2.670	45.101	4.75	214159.2	1.0
	832020N	23.965	2.670	63.986	7.58	484762.4	1.0
	832060N	17.433	2.670	46.546	7.34	341791.3	1.0
	832080N	10.154	2.670	27.110	7.04	190743.6	1.0
	Total	**1296.895**	**2.670**	**3462.709**	**4.36**	**15082176.8**	**1.0**
INFER	830660N	11.765	2.670	31.413	2.76	86856.4	2.0
	830700N	14.328	2.670	38.256	3.96	151475.3	2.0
	830740N	17.430	2.670	46.537	2.17	101046.0	2.0
	830780N	23.902	2.670	63.818	1.09	69617.7	2.0
	830820N	14.954	2.670	39.926	1.33	53123.1	2.0
	830860N	16.311	2.670	43.551	1.06	46210.2	2.0
	830900N	32.442	2.670	86.620	1.69	146730.4	2.0
	830940N	41.224	2.670	110.069	1.79	197516.0	2.0
	830980N	42.026	2.670	112.210	3.51	393922.7	2.0
	831020N	44.736	2.670	119.445	4.45	532101.2	2.0
	831060N	10.829	2.670	28.914	4.92	142125.7	2.0
	831100N	15.946	2.670	42.576	7.76	330442.6	2.0
	831140N	18.054	2.670	48.205	8.74	421084.1	2.0
	831180N	15.779	2.670	42.129	9.64	406285.9	2.0
	831220N	5.300	2.670	14.150	6.64	94018.2	2.0
	831260N	10.768	2.670	28.750	4.51	129788.0	2.0
	831300N	6.106	2.670	16.303	9.77	159287.4	2.0
	831340N	0.000	0.000	0.000	0.00	0.0	0.0
	831380N	0.000	0.000	0.000	0.00	0.0	0.0
	831420N	0.000	0.000	0.000	0.00	0.0	0.0
	831460N	0.000	0.000	0.000	0.00	0.0	0.0
	831500N	0.000	0.000	0.000	0.00	0.0	0.0
	831540N	3.889	2.670	10.384	12.49	129650.3	2.0
	831580N	1.188	2.670	3.172	13.67	43349.1	2.0
	831620N	2.045	2.670	5.460	11.62	63463.2	2.0
	831660N	0.400	2.670	1.069	1.30	1394.0	2.0
	831700N	0.483	2.670	1.290	1.89	2433.6	2.0
	831740N	0.740	2.670	1.976	3.43	6777.5	2.0
	831780N	2.247	2.670	5.999	2.77	16626.4	2.0
	831820N	2.283	2.670	6.096	2.03	12362.3	2.0
	831860N	2.761	2.670	7.371	7.08	52171.3	2.0
	831900N	1.228	2.670	3.279	16.59	54397.8	2.0
	831940N	0.000	0.000	0.000	0.00	0.0	0.0
	831980N	0.000	0.000	0.000	0.00	0.0	0.0
	832020N	0.118	2.670	0.316	7.22	2278.0	2.0
	832060N	1.884	2.670	5.031	7.16	36036.0	2.0
	832080N	1.347	2.670	3.596	7.66	27528.6	2.0
	Total	**362.514**	**2.670**	**967.913**	**4.04**	**3910099.2**	**2.0**
Total		**1659.409**	**2.670**	**4430.623**	**4.29**	**18992276.1**	**1.2**

Appendix 4

List of Significant Intercepts

Note:

Significant Intercepts listed below as reported by the CGA Group do not necessarily equal intervals as modeled.

Appendix 4

HOLE ID	EASTING	NORTHING	ELEVATION	TOTAL LENGTH	AZIMUTH	DIP	FROM	TO	INCLINED INTERVAL	GOLD (g/t)
SGD001A	701888	831303	320.9	60.0	90	-60	28	30	2	18.58
							32	49	17	2.19
					including		*42*	*43*	*1*	*8.63*
SGD002	701881	831271	318.8	48.0	90	-60	20	22	2	1.52
							30	32	2	1.06
							34	36	2	1.98
							46	48	2	1.67
SGD002A	701880	831273	318.9	60	90	-58	28	30	2	3.86
							32	34	2	1.08
							38	39	1	1.56
							45	48	3	5.75
					including		*47*	*48*	*1*	*10.85*
SGD003	701854	831158	306.1	40	90	-60	31	35	4	4.97
					including		*33*	*34*	*1*	*15.00*
SGD004	701858	831184	309.0	40.1	90	-60	29	36	7	0.75
SGD005	701868	831212	313.2	50.0	103	-57	28	32	4	1.72
							35	37	2	1.52
							45	48	3	15.40
					including		*46*	*48*	*2*	*22.45*
SGD006	701929	831476	327.8	62	87	-60	46	51	5	15.22
SGD007	701931	831446	328.0	82	72	-60	17	19	2	3.44
SGD008	701924	831415	322.9	71	91	-56	0	1	1	1.31
							22	30	8	3.42
					including		*24*	*25*	*1*	*13.65*
							34	39	5	4.36
SGD009	701897	831411	314.7	90.3	90	-58	54	58	4	9.72
					including		*55*	*56*	*1*	*22.40*
SGD010	701952	831631	316.6	60.3	96	-60	22	25	3	29.60
SGD011	701906	831362	311.7	50.7	94	-59	20	31	11	4.66
					including		*29*	*30*	*1*	*29.40*
							35	40	5	5.96
SGD012	701887	831440	319.6	128.4	94	-57	*No significant intercept*			
SGD013	701909	831516	323.9	170	90	-59	*No significant intercept*			
SGD014	701924	831392	319.7	48.1	89	-58	12	23	11	2.02
					including		*16*	*17*	*1*	*8.07*
							27	33	6	6.35
					including		*27*	*28*	*1*	*27.80*
SGD015	701902	831331	319.4	60.6	89	-61	19	40	21	4.48
					including		*29*	*32*	*3*	*15.55*
							34	36	2	14.52
SGD016	701960	831692	313.6	59.5	81	-58	22	25	3	21.27
SGD017	701979	831723	318.0	66.62	91	-56	4	6	2	2.66
SGD018	701979	831746	318.3	62.0	86	-58	21	24	3	6.28
SGD019	701995	831782	313.2	60.0	89	-53	12	16	4	3.26
					including		*13*	*14*	*1*	*10.40*
SGD020	701903	831476	325.1	127.3	*90*	*-65*	*No significant intercept*			
SGD021	701895	831411	314.6	116.2	*90*	*-75*	*No significant intercept*			
SGD022	701883	831388	315.4	89.8	90	-60	63	67	4	8.18
SGD023	701881	831388	315.5	120.2	90	-68	*No significant intercept*			
SGD024	701895	831331	320.8	89.0	90	-60	27	29	2	3.04
							31	32	1	1.24
							35	43	8	6.42
					including		*37*	*39*	*2*	*19.10*
							46	48	2	2.56
SGD025	701894	831331	320.8	136.2	90	-85	52	60	8	4.47
					including		*54*	*55*	*1*	*8.60*
							62	66	4	6.10
					including		*64*	*65*	*1*	*16.30*
SGD026	701888	831363	316.2	90.3	90	-65	51	58	7	7.87
					including		*51*	*52*	*1*	*18.20*
					and		55	57	2	16.17
SGD027	701886	831363	316.5	130	90	-76	*No significant intercept*			
SGD028A	701875	831235	316.2	77	90	-60	23	26	3	3.18
							27	29	2	1.17
							32	33	1	1.32
							34	35	1	2.22
							39	41	2	1.44
							42	44	2	30.15
SGD029	701999	831809	317.8	73.4	90	-60	18	21	3	1.89

Appendix 4

HOLE ID	EASTING	NORTHING	ELEVATION	TOTAL LENGTH	AZIMUTH	DIP	FROM	TO	INCLINED INTERVAL	GOLD (g/t)
					including		*19*	*20*	*1*	*4.12*
							22	23	1	1.80
							26	27	1	1.70
SGD030	702011	831834	318.9	66	90	-60	18	19	1	2.00
							22	24	2	3.91
					including		*23*	*24*	*1*	*6.36*
SGD031	702008	831874	315.6	73.7	90	-60	18	19	1	3.42
SGD032	701872	831328	327.9	160.4	96	-66	*No significant intercept*			
SGD033	701862	831298	328.3	135	90	-80	63	64	1	4.87
							68	69	1	1.15
							70	71	1	2.71
							73	84	11	4.84
					including		*81*	*82*	*1*	*13.5*
					and		*82*	*83*	*1*	*17.4*
							88	94	6	8.36
					including		*90*	*91*	*1*	*10.9*
					and		*92*	*93*	*1*	*22.5*
SGD034	701852	831266	325.9	136	90	-70	83.15	87	3.85	5.35
					including		*84*	*85*	*1*	*17.1*
							89	95	6	19.09
					including		*92.9*	*93.9*	*1*	*93.6*
					and		*93.9*	*94.4*	*0.5*	*17.4*
							99	105	6	13.28
					including		*101*	*102*	*1*	*32*
					and		*102*	*104*	*2*	*17.2*
					and		*104*	*105*	*1*	*7.01*
SGD035	701830	831210	325.8	115	90	-58	79.55	93.6	14.05	2.25
					including		*79.5*	*80.5*	*1*	*5.7*
					and		*80.5*	*81.5*	*1*	*6.02*
					and		*89*	*89.5*	*0.5*	*5.49*
					and		*89.5*	*90.1*	*0.6*	*12.10*
							95.25	96.9	1.65	2.11
							102	103	1	1.25
SGD036	701922	831633	319.3	130.7	91	-53	47	49.6	2.6	0.94
							54	55	1	8.01
SGD037	701948	831664	311.7	56.4	89	-52	2	3	1	81.00
							27	29.8	2.8	19.98
					including		*28.8*	*29.8*	*1*	*53.00*
SGD038	701954	831780	315.5	122.9	89	-65	64	65.05	1.05	3.62
							66.75	68.75	2	1.37
							71.1	73.1	2	4.91
					including		*71.1*	*72*	*0.9*	*7.18*
SGD039	702015	831907	319.1	68.1	93	-55	26	27.8	1.8	3.38
					including		*26*	*26.8*	*0.8*	*6.40*
SGD040	702021	831935	319.8	59.5	93	-53	25.5	26.5	1	5.61
SGD041	702023	831962	320.6	60	90	-45	28.4	30	1.6	1.99
SGD042	702043	831999	327.5	60	90	-68	25.8	28.3	2.5	4.00
					including		*27.4*	*28.3*	*0.9*	*7.20*
							33.1	36	2.9	5.43
					including		*35*	*36*	*1*	*13.40*
							44	45	1	0.76
SGD043	702030	832029	330.1	100.2	90	-60	48.2	56.3	8.1	12.37
					including		*49.2*	*50.2*	*1*	*10.80*
					and		*51.2*	*53.2*	*2*	*30.20*
					and		*53.2*	*54.2*	*1*	*14.50*
SGD044	702055	832032	334.3	64.2	87	-55	20	23	3	6.86
					including		*20*	*21*	*1*	*9.34*
						and	21	22	1	7.68
							25.8	26.8	1	1.30
							27.5	29	1.5	3.40
SGD045	702052	832056	336.2	60	90	-60	33.5	34.5	1	18.40
							34.5	35.05	0.55	16.30
							37	40	3	9.45
					including		*37*	*38*	*1*	*10*
					and		38	39	1	12.9
							42	43	1	1.48
SGD046	702032	832056	336.0	90	99	-60	55.9	61.1	5.2	9.95
					including		*58.9*	*59.9*	*1*	*11.30*
					and		*59.9*	*60.6*	*0.7*	*30.10*

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HOLE ID	EASTING	NORTHING	ELEVATION	TOTAL LENGTH	AZIMUTH	DIP	FROM	TO	INCLINED INTERVAL	GOLD (g/t)
SGD047	702004	832027	330.4	160.2	90	-70	*No significant intercept*			
SGD048	702006	831996	325.1	115.2	90	-72	88	93	5	8.40
					including		*88.5*	*89.2*	*0.7*	*15.80*
					and		*91*	*92*	*1*	*20.90*
SGD049	701992	831959	328.5	120	91	-72	82.9	87	4.1	5.13
					including		*82.9*	*83.9*	*1*	*8.30*
					and		*83.9*	*85*	*1.1*	*7.88*
SGD050	701997	831932	324.1	135.3	88	-79	93	97.5	4.5	4.34
					including		*96.9*	*97.5*	*0.6*	*23.20*
SGD051	701993	831904	321.4	110.6	90	-71	65.40	70.00	4.60	34.61
					including		*67.40*	*69.50*	*2.10*	*71.51*
SGD052	701988	831872	318.8	110.1	90	-72	62.00	64.00	2.00	3.12
SGD053	701969	831812	321.3	124.9	90	-75	68.40	69.45	1.05	2.30
							91.00	92.00	1.00	0.94
SGD054	701969	831834	325.7	95.2	90	-78	63.90	65.10	1.20	1.67
SGD055	701953	831750	321.0	94.5	90	-75	68.60	71.20	2.60	1.77
							77.30	82.00	4.70	3.14
SGD056	701944	831720	317.6	100.2	90	-73	64.30	66.00	1.70	4.34
SGD057	701940	831691	313.2	93.7	90	-77	70.75	72.00	1.25	1.64
SGD058	701917	831663	315.0	101.6	90	-60	75.00	77.30	2.30	2.18
SGD059	701944	831616	323.4	110.2	90	-60	20.00	22.00	2.00	1.25
							24.20	28.00	3.80	14.21
					including		*24.20*	*25.90*	*1.70*	*30.64*
SGD060	701924	831613	326.2	115.6	90	-60	42.30	46.00	3.70	0.75
SGD061	701946	831591	321.3	110	90	-60	20.00	24.00	4.00	13.64
SGD062	702049	832086	323.2	51	90	-60	42.00	44.00	2.00	25.79
SGD063A	702047	832110	315.9	50.1	90	-60	No significant intercept			
SGD063B	702058	832110	297.0	102.6	91.5	-60	No significant intercept			
SGD064	702062	832126	315.7	90.0	90	-60	No significant intercept			
SGD065	702050	832125	315.5	80.3	90	-60	No significant intercept			
SGD066	702029	832108	314.4	83.0	90	-60	No significant intercept			
SGD067	702031	832085	320.6	80.2	90	-60	No significant intercept			
SGD068	702073	832149	307.4	80.1	90	-50	No significant intercept			
SGD069	702056	832147	307.1	87.0	90	-50	No significant intercept			
SGD070A	702047	832159	304.4	80.3	90	-50	No significant intercept			
SGD071	701928	831562	318.5	110.0	90	-60	17.00	18.00	1.00	1.40
SGD072	701908	831564	318.9	135.0	90	-60	38.00	43.00	5.00	3.89
					including		*42.00*	*43.00*	*1.00*	*15.40*
SGD073	701912	831663	314.4	121.5	90	-75	No significant intercept			
SGD074	701921	831591	321.6	130.0	90	-60	43.00	47.50	4.50	22.47
					including		*44.60*	*46.00*	*1.40*	*57.95*
SGD075	701917	831591	320.7	200.2	90	-79	*70.3*	*71.3*	*1*	*13.75*
SGD076	701933	831562	319.1	80.0	90	-48	No significant intercept			
SGD077	701922	831613	326.0	220.0	90	-75	63.00	68.70	5.70	25.15
					including		*64.00*	*67.85*	*3.85*	*35.20*
					and		*64.00*	*65.85*	*1.85*	*56.61*
SGD078	701844	831158	307.3	105.5	90	-80	56.40	62.00	5.60	2.97
							64.00	74.70	10.70	6.55
					including		*68.20*	*70.40*	*2.20*	*20.49*
							78.00	82.00	4.00	7.49
					including		*80.00*	*80.90*	*0.90*	*28.80*
SGD079	701821	831195	325.78	120	104	-63	94.00	108.00	14.00	2.25
							110.60	114.00	3.40	21.73
					including		*110.6*	*112.6*	*2*	*30.13*
SGD080	701834	831213	325.78	150	56	-60	102	103	1	1.05
							107.7	115	7.3	8.99
					including		*109.50*	*111.95*	*2.45*	*15.29*
					and		*113.00*	*115.00*	*2.00*	*13.46*
					and		*121.00*	*124.30*	*3.30*	*13.35*
SGD081	701853	831131	304.6	110.0	90	-80	30.00	44.40	14.40	2.53
							50.00	53.00	3.00	5.46
					including		*51.00*	*52.00*	*1.00*	*13.90*
SGD082	701857	831131	305.88	56.1	90	-46	34	35.7	1.7	1.96
					including		34	34.7	0.7	3.94
SGD083	701922	831613	325.8	157.2	90	-85	*65.35*	*68.35*	*3*	*42.51*
SGD084	701845	831113	308.19	113	90	-80	*41*	*47.4*	*6.4*	*1.44*
							52.4	*55*	*2.6*	*6.20*
							58.4	*59.9*	*1.5*	*7.44*
SGD085	701850	831111	308.11	50	90	-46	*23.7*	*26*	*2.3*	*1.42*

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HOLE ID	EASTING	NORTHING	ELEVATION	TOTAL LENGTH	AZIMUTH	DIP	FROM	TO	INCLINED INTERVAL	GOLD (g/t)
SGD086	701901	831630	320.72	200.1	*90*	*-82*	*No Significant intercepts*			
SGD087	702012	832056	334.8	198.2	*90*	*-83*	*No Significant intercepts*			
SGD088	701978	831872	320	190.3	*90*	*-82*	*162*	*163*	*1*	*25.90*
							178	*179*	*1*	*1.19*
SGD089	701986	831959	328.18	180.7	*90*	*-83*	*No Significant intercepts*			
SGD090	701832	831210	325	180.9	*90*	*-80*	*No Significant intercepts*			
SGD091	701855	831055	318.24	52	*90*	*-60*	30	32	2	2.18
SGD092	701806	831002	329.8	80	*90*	*-60*	37	41	4	0.65
SGD093	701786	830948	331.71	72	*90*	*-60*	48.1	49	0.9	9.61
SGD094	702147	832202	311.29	90	*90*	*-60*	*No Significant intercepts*			
SGD095	702160	832252	316.01	73.4	*90*	*-60*	*No Significant intercepts*			
SGD096	702162	832303	316.9	82.4	*90*	*-60*	*No Significant intercepts*			
SGD097	702181	832301	314.48	63.3	*90*	*-60*	*No Significant intercepts*			
SGD098	702195	832353	318.35	71	*90*	*-60*	*No Significant intercepts*			
SGD099	701775	830900	331.71	66.6	*90*	*-60*	*No Significant intercepts*			
SGD099	701775	830900	331.71	66.6	*90*	*-60*	20.7	22.5	1.8	3.16
							36	40	4	2.41
					including		*38.1*	*39*	*0.9*	*8.65*
SGD100	701763	830850	331.71	73	*90*	*-60*	37.9	40.5	2.6	1.77
					including		*37.9*	*38.8*	*0.9*	*4.11*
							44	45	1	1.59
							49	50.8	1.8	0.95
					including		*50.1*	*50.8*	*0.7*	*1.41*
SGD101	701752	830800	331.71	70	*90*	*-60*	*36*	*42*	*6*	*0.63*
SGD102	701720	830750	310.19	70	*90*	*-60*	*No Significant intercepts*			
SGD103	701708	830700	310.19	69.1	*90*	*-60*	*16*	*18*	*2*	*1.45*
SGD104	701757	830665	300.18	71	*90*	*-60*	*No Significant intercepts*			
SGD105	701834	831054	326.54	116	*90*	*-88*	59	67	8	1.81
					including		*60*	*61*	*1*	*8.70*
							72.2	80	7.8	5.71
					including		*72.2*	*74.2*	*2*	*6.71*
					and		*77.2*	*78.2*	*1*	*26.05*
							87.25	90	2.75	15.40
					including		*87.25*	*88*	*0.75*	*18.55*
					and		88	89	1	16.35
SGD106	701837	831006	339.06	99	*90*	*-83*	52	53	1	1.27
							58.9	64	5.1	1.79
							72	73	1	1.99
SGD107	701806	830950	339.80	132.8	*90*	*-84*	87	92	5	4.64
							102	117	15	3.88
					including		*105*	*106*	*1*	*18.45*
					and		*110*	*111*	*1*	*13.20*
					and		*113*	*113.6*	*0.6*	*14.10*
							118.5	131	12.5	9.95
					including		*123.5*	*126*	*2.5*	*32.42*
SGD108	701818	831129	318.51	149.6	*90*	*-80*	101.3	112	10.7	7.29
					including		*101.3*	*105*	*3.7*	*12.03*
					and		*110.4*	*111.2*	*0.8*	*32.20*
							115	117	2	7.00
							118	124	6	11.58
					including		*121*	*122.8*	*1.8*	*34.55*
SGD109	701841	831157	308.9	132.5	*90*	*-90*	88.7	100	11.3	6.59
					including		*92.7*	*93.7*	*1*	*14.70*
					and		*98*	*99*	*1*	*37.70*
							103	106	3	2.93
							110	113.6	3.6	14.33
					including		*111.6*	*112.6*	*1*	*47.65*
SGD110	701817	831078	322.8	155.7	90	*-88*	111.65	130	18.35	3.71
					including		*127.5*	*129.5*	*2*	*20.40*
							137	147	10	7.25
					including		*137*	*139*	*2*	*16.10*
					and		*142*	*145*	*3*	*9.02*
SGD111	701744	830860	338.8	204.4	90	*-80*	152.4	157	4.6	1.19
					including		*154*	*154.65*	*0.65*	*4.32*
							169	171.4	2.4	2.53
					including		*170.6*	*171.4*	*0.8*	*6.45*
SGD112	701793	830931	339.8	162.5	*90*	*-87*	81.6	82.6	1	1.06
							100	106.6	6.6	2.60
					including		*102.6*	*103.6*	*1*	*10.55*

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HOLE ID	EASTING	NORTHING	ELEVATION	TOTAL LENGTH	AZIMUTH	DIP	FROM	TO	INCLINED INTERVAL	GOLD (g/t)
							111	113	2	4.44
							123	135	12	2.08
							132.25	*132.9*	*0.65*	*9.23*
							141.4	149	7.6	2.82
							141.4	*142.7*	*1.3*	*13.45*
SGD113	701793	830814	323.9	139.9	90	-90	35	36	1	2.73
							87	88	1	3.43
							98	106	8	3.30
							101.4	105.4	4	5.70
SGD114	701750	830746	319.3	141	90	-80	89	126	37	1.24
							112	*113.2*	*1.2*	*8.60*
SGD115	701790	830900	333.2	146.5	90	-90	88.2	130	41.8	3.76
							105	*121*	*16*	*6.88*
							127.4	*130*	*2.6*	*12.32*
SGD116	701793	830931	340.0	100.8	90	-65	25	26	1	12.60
							74.3	75	0.7	2.26
							82	83	1	0.84
SGD117	701821	831079	326.6	89.4	90	-65	52	53	1	0.77
							65.1	67	1.9	1.93
							72.6	76	3.4	2.81
							79.5	81.5	2	8.84
							83.2	87	3.8	6.99
SGD118	701756	830714	310.6	103.4	90	-85	30	31	1	15.10
							53	54	1	8.06
							60	61	1	1.08
							80	95	15	5.38
							92	95	3	18.85
SGD119	701735	830665	300.1	101	90	-85	28	32	4	105.15
							28	*31*	*3*	*135.00*
							31	*32*	*1*	*15.60*
							57.85	60	2.15	5.23
							63	64	1	0.86
							72	73	1	0.82
							80	93	13	2.59
							86.8	89.8	3	4.21

Inclined interval represents the length of assayed portion down the hole and at the inclination of the hole.
This is not necessarily representative of a true width.

9. MKUSHI COPPER PROJECT – INDEPENDENT TECHNICAL REPORT

SNOWDEN

CGA Mining Limited: Mkushi Copper Project, Zambia
Project No. **7288**

Independent Technical Report
August 2008

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March 2010

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1 Summary

This Technical Report describes the Mkushi Copper Project comprising a mineral exploration, development and production area located in the Central Province of Zambia. The Mkushi Copper Project is controlled by the Mkushi Copper Joint Venture Ltd, which is owned by CGA Mining Ltd (51%) and African Eagle Resources plc (49%).

1.1 The Property and Terms of Reference

CGA Mining Ltd ("CGA") is an Australian company based in Perth and listed on both the Australian Securities Exchange ("ASX") and the Toronto Stock Exchange (TSX). The company is actively involved in the exploration of copper in Zambia as part of their Mkushi Copper Project through their wholly owned affiliate Seringa Mining Ltd ("Seringa").

The Mkushi Copper Project consists of Prospecting Licences PL114 and PL290 ("The Property"). The Prospecting Licence PL114 spans 7 km by 11.5 km, covers 7,605 hectares and is wholly contained within the larger Prospecting Licence PL290. The Prospecting Licence PL114 contains the recognized copper prospects: Botita, Coloquo, Fitalu, Katunga, Mtuga, Munda and Munshiwemba.

CGA commissioned Snowden Mining Industry Consultants ("Snowden") to complete an estimate of the Mineral Resources for the Munshiwemba prospect and provide an independent technical report for the Mkushi Copper Project. This report outlines Mineral Resource estimate for the Munshiwemba completed on the 30th of May 2008 and reported to the market on 18th July 2008. The estimate was conducted in accordance with the Australian Code for the Reporting of Mineral Resource and Mineral Reserves (the JORC Code 2004) and complies with the Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101).

Mr. Matthew Nimmo, an employee of Snowden, is the independent Qualified Person ("QP") for preparation of the Munshiwemba Mineral Resource estimate and the resource assessment report of Mkushi Copper Project. He is a member of the Australian Institute of Geologists (MAIG).

1.2 Location

The Mkushi Copper Project is located within the Central Province of Zambia at approximately latitude 13° 57' S and longitude 29° 08' E (Figure 4.1). The property is approximately 186 km north-northeast of Lusaka, 123 km south-southeast of Ndola, and approximately 45 km southwest from the town of Mkushi.

1.3 Ownership

The Mkushi Copper Project is owned by the Mkushi Copper Joint Venture Ltd ("MCJVL") with Seringa Mining Ltd ("Seringa") holding a majority 51 % interest and Katanga holding a 49 % interest. Seringa is wholly owned by CGA while Katanga is wholly owned by African Eagle.

1.4 Environmental

No environmental issues have been indentified to date that would restrict or prevent the Property from being developed. Exploration activities on the Property are being conducted under an environmental project brief (EPB) approved by the Government of the Republic of Zambia. Both the government and local community are supportive of the Mkushi Copper Project.

1.5 Geology

The Property lies within the south-western part of the Irumide orogenic belt that stretches over 900 kilometres from central Zambia to the Zambia-Tanzania border and northern Malawi. The Irumide orogenic belt is an elongate crustal province characterised by Mesoproterozoic tectonism and magmatism that forms part of the Mesoproterozoic Kibaran orogenic cycle dated at 1.4 to 1.0 Ga.

The Property covers an inlier of Mkushi Gneiss surrounded by porphyritic granitoids. Gneiss is the dominate lithology in the area. The gneiss is intruded by a small granite body referred to as the Mtuga Granite and a swarm of anastomosing post-metamorphic aplite and pegmatite dykes. The dykes intruded along an east-northeasterly trending shear zone oriented roughly parallel with the gneissic foliation.

1.6 Mineralisation

Copper mineralisation within the Property typically forms a sequence of enechelon pods hosted by granite and schist. Mineralisation is dominated by disseminated chalcopyrite that is closely associated with felsic dykes.

Seven copper prospects have been identified on the Property. These are: Botita, Coloquo, Fitalu, Katunga, Munda, Munshiwemba and Mtuga prospects. The largest of the prospects is the Munshiwemba prospect, which is potentially exploitable through open pit mining.

1.7 Status of exploration

Exploration within the Property is at various stages for each of the known prospects. To date, the focus for exploration activities has to define the Munshiwemba prospect through drilling. The other prospects have been subject to limited exploration activity with intentions to explore these in greater detail once the Munshiwemba prospect is developed.

For the Munshiwemba prospect, exploration is at an advanced stage with drilling completed on a nominal grid of 50 m by 50 m across the entire known strike length. The drilling in the Munshiwemba prospect is sufficient to support an estimate of the Mineral Resource.

Exploration is at an early stage for all the other prospects including: Botito, Coloquo, Fitalu, Katunga, Munda, and Mtuga. Only limited drilling has been conducted at these prospects with the exception of Coloquo where drilling is sufficient to support an estimate of the Mineral Resource.

1.8 Mineral Resource Statement

Global estimates of Mineral Resources (Table 1.1) have been estimated for the Munshiwemba and Coloquo prospects.

Snowden has prepared, in May 2008, an estimate of the Mineral Resource for the Munshiwemba prospect. This Mineral Resource represents the most advanced prospect within the Mkushi Copper Project.

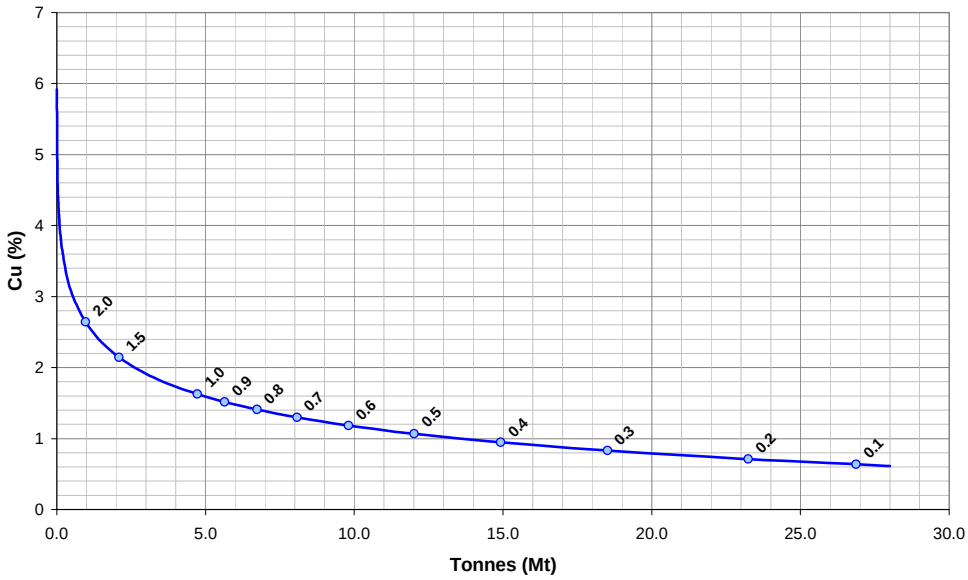
The global Mineral Resource estimate for the Munshiwemba prospect has been assigned an Indicated classification according to the JORC Code 2004 and CIM code. The classification is based on consideration of the continuity of geology and mineralisation and on the quality, quantity and distribution of the drillhole sampling. Tabulation of the estimate for fresh material only, at a series of cut-off grades, is presented in Table 1.1. The estimated grade and tonnage curve is presented in Figure 1.1. The base case Mineral Resource for the Munshiwemba prospect is estimated at 18.5 Mt grading 0.83 % Cu using a copper cut-off grade of 0.3 % Cu.

In 2006, Snowden prepared a Mineral Resource estimate for the Coloquo prospect on behalf of African Eagle. This estimate has not been updated by Snowden and is considered by Snowden to still be current.

Table 1.1 Mkushi Copper Project Mineral Resource tabulation (fresh material only) at a series of total copper cut-off grades

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

Figure 1.1 May 2008 Munshiwemba prospect Mineral Resource grade-tonnage curve (numeric annotations represent copper cut-off grades)



Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. No Mineral Reserves are reported in this Technical Report.

1.9 Results – Qualified Person

Extensive exploration drilling focused on the Munshiwemba prospect is sufficient to support estimation of a Mineral Resource for the prospect. A total of 252 drillholes representing 28,266.83 m intersect the Munshiwemba prospect on a nominal grid of 50 m by 50 m oriented along the strike of the mineralisation at 050°. The drill spacing is sufficient to define the continuity of geology and mineralisation with a reasonable level of confidence. The quality assurance and quality control data show that the drillhole copper assays and density measurements are reasonably accurate with high precision. The level of confidence in the Mineral Resource estimate for the Munshiwemba prospect is consistent with the definition of an Indicated Mineral Resource according to the JORC Code 2004 and CIM code.

2 Introduction

This Technical Report has been prepared by Snowden Mining Industry Consultants ("Snowden") for CGA Mining Ltd ("CGA"), in compliance with the disclosure requirements of the Canadian National Instrument 43-101 (NI43-101). The trigger for preparation of this report is the 18th of July 2008 press release from CGA disclosing an initial Mineral Resource statement for the Mkushi Copper Project.

Information presented in this report is effective as at 18th of July 2008.

Unless otherwise stated, information and data contained in this report or used in its preparation has been provided by CGA.

Unless otherwise stated, all currencies are expressed in US dollars ($).

The independent Qualified Person as defined under NI 43-101 and responsible for the preparation of this report is Mr Matthew Nimmo, an employee of Snowden. Mr Nimmo visited the project site during 15th to the 20th of April 2008 to verify exploration sampling and drilling methodology. He is a Member of the Australian Institute of Geoscientists (MAIG) and has over 15 years continuous experience working as a geologist in the Australian mining industry. He has 7 years experience working on a number of gold-copper deposits including the porphyry gold-copper Cadia Hill mine in New South Wales, Australia and the gold-copper Telfer mine in Western Australia. He is able to verify that the data relevant to the Mkushi Copper Project was collected in accordance with CGA's standards and quality assurance and control (QAQC) protocols.

Snowden consents to CGA filing this Technical Report with the Canadian Securities Regulatory Authorities pursuant to provincial securities legislation. Except for the purposes legislated under provincial securities law, any other use of this report by any third party is at that party's sole risk. Furthermore, any results or findings presented in this study, whether in full or excerpted, may not be reproduced or distributed in any form without Snowden's written authorisation.

Snowden is an independent firm providing specialist mining industry consultancy services in the fields of geology, exploration, resource estimation, mining engineering, geotechnical engineering, risk assessment, mining information technology and corporate services. The company, with its principal office at 87 Colin Street, West Perth, Western Australia, also operates from offices in Brisbane, Johannesburg, Cape Town, Vancouver, Belo Horizonte and London has prepared independent technical reports and valuations on a variety of mineral commodities in many countries.

Snowden does not have a material interest in CGA or in the mineral property considered in this report. Snowden is remunerated for this report by way of a professional fee determined in accordance with a standard schedule of rates which are not contingent on the outcome of this report.

3 Reliance on other experts

In preparing this independent Technical Report for the Mkushi Copper Project the Qualified Person has relied on data and information prepared by technical experts either working for CGA or contracted to CGA.

3.1 Legal issues - land tenure, surface rights, access and permits

The Qualified Person has not reviewed any legal issues regarding land tenure, surface rights, access and permitting nor independently verified the legal status or ownership of the Property or the Joint Venture agreement between CGA and African Eagle and has relied upon information supplied by CGA. However, Snowden has viewed the original certificate for the Prospecting Licence PL114 issued by the Government of the Republic of Zambia.

3.2 Environmental issues

The Qualified Person preparing this technical report is not an expert in the assessment of potential environmental liabilities associated with the Mkushi Copper Project. Accordingly, the Qualified Person has not reviewed issues regarding environmental aspects of the Property and no opinion is expressed in this regard with respect to the Property. The Qualified Person has relied upon opinions and data supplied by CGA representatives and on publicly available information.

The Qualified Person has read the environmental project brief (EPB) dated February 2007 and the environmental impact statement (EIS) dated November 2007 prepared by CGA for the Prospecting Licence PL114. These documents were submitted to the Environmental Council of Zambia as part of the permitting process for the Property. The EIS is publicly available, at the time of preparation of this report, from the Environmental Council of Zambia's website. Additionally, the Qualified Person has viewed a digital scan copy of the decision letter from Environmental Council of Zambia dated 12 April 2007 confirming the acceptance of the EPB.

3.3 Historical information

Information relating to historical production, previous exploration and known mineral occurrences over the Property has been derived from information provided by CGA.

The results and opinions expressed in this report are based on the Qualified Persons field observations and assessment of the technical data supplied by CGA. The Qualified Person has visited the Property and can verify the existence of the indentified prospects and has noted evidence of historic open cut and underground mining.

3.4 Geology and mineralisation

Description of the Property geology and mineralisation was supplied by CGA and summarised by the Qualified Person.

3.5 Exploration and drilling

Information and data regarding exploration and drilling on the Property was supplied by CGA. The Qualified Person has undertaken sufficient checks to verify the accuracy and correctness for this data.

3.6 Mineral Resources

The Qualified Person preparing this technical report is qualified under the JORC Code 2004 and CIM as an expert in the assessment of Mineral Resources.

The Qualified Person has prepared the Mineral Resource estimate for the Munshiwemba prospect on behalf of CGA in May 2008. The estimate was based on the drilling data and geological interpretations provided by CGA. The Qualified Person has reviewed this data and considers it to be suitable for Mineral Resource estimation.

Snowden had previously completed a Mineral Resource estimate for the Coloquo and Munshiwemba prospects in 2006. The estimate for the Munshiwemba prospect has been superseded by the May 2008 estimate completed by Snowden. The Qualified Person has reviewed the Coloquo Mineral Resource estimate and considers it to be reasonable.

Snowden adopts a policy of formal peer review for all Mineral Resource assessments completed by its personnel. In this instance, Mr. Shaun Hackett (MAusIMM) has completed the internal peer review of the May 2008 Mineral Resource estimate for the Munshiwemba prospect. This review process ensures the Mineral Resource accurately represents the tonnage and grade of the mineralisation in the Munshiwemba prospect and may be accepted as a true reflection of the insitu Mineral Resource.

3.7 Metallurgical and processing information

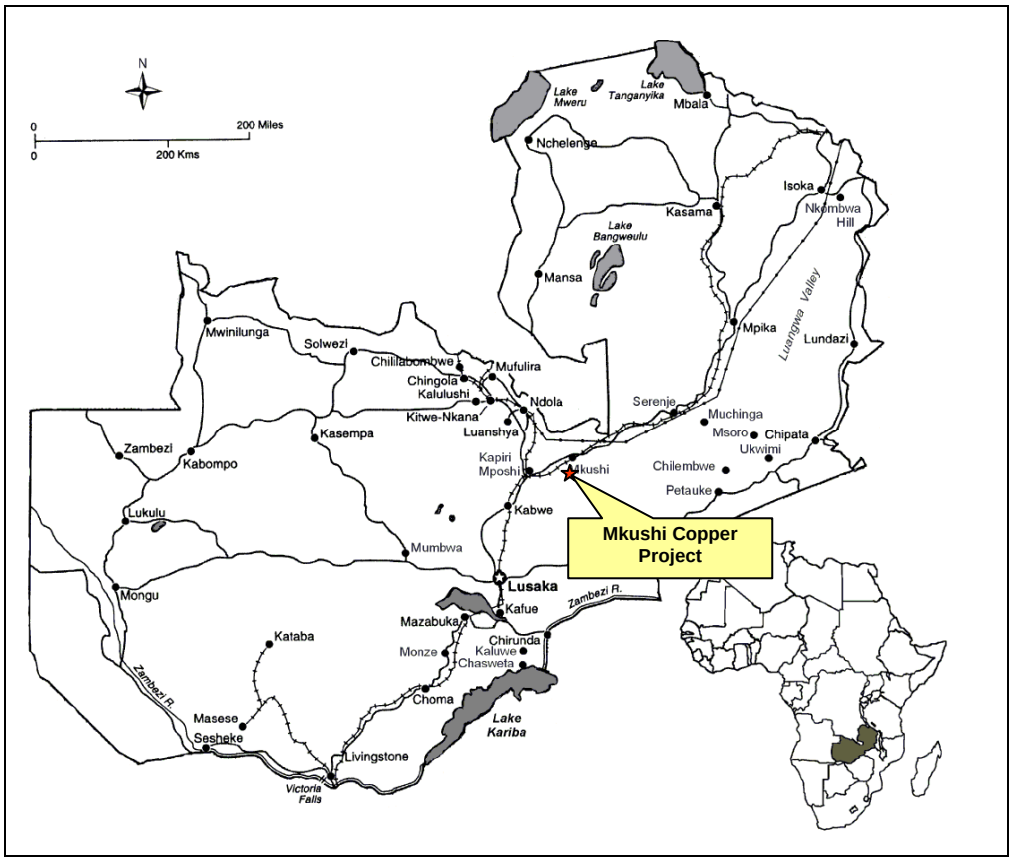
The Qualified Person preparing this technical report is not an expert in the assessment of metallurgical and processing information associated with the Mkushi Copper Project. Accordingly, the Qualified Person has relied on the AMTEC 2007 report supplied by CGA to summarise the metallurgical testwork that was completed for the project in 2007.

4 Property description and location

4.1 Location

The Mkushi Copper Project is located within the Central Province of Zambia at approximately latitude 13° 57' S and longitude 29° 08' E (Figure 4.1). The property is approximately 186 km north-northeast of Lusaka, 123 km south-southeast of Ndola, and approximately 45 km southwest from the town of Mkushi. The Munshiwemba deposit is the principal exploration target on the property.

Figure 4.1 Map of Zambia showing location of the Mkushi copper project



4.2 Claims, title, and tenure

Under the Republic of Zambia Mines and Minerals Act 1995 ("Act"), the rights to explore or produce minerals from a property are granted through three types of licence. These licences are: Prospecting Licence, Retention Licence, and Large Scale Mining Licence.

The Prospecting Licence is initially granted for two years renewable for successive two year periods with relinquishment of at least 50 % at each stage. The Minister may further renew the licence for the period of one year in order for the holder to complete a feasibility study. The holder of the licence is obligated to adhere to: an agreed work programme; financial commitment; and employment and training of Zambian citizens. The holder of the licence has the right to apply for and be granted a Mining Licence for mining within

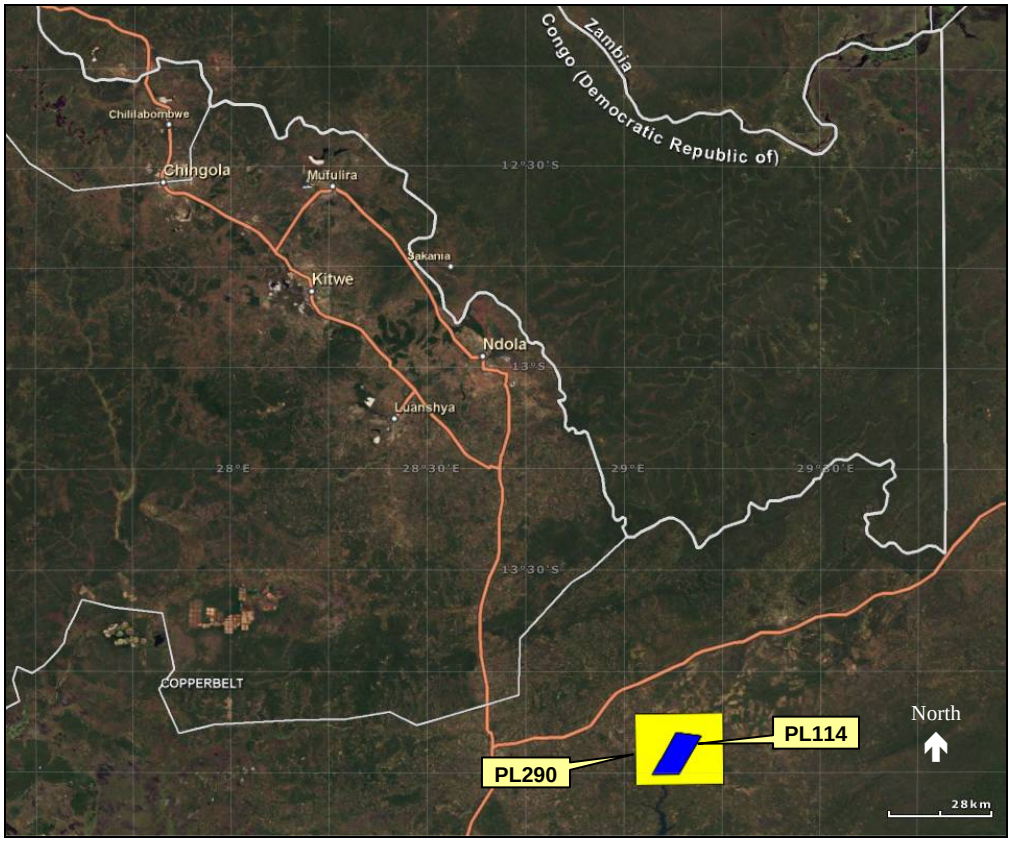
the Prospecting Licence boundaries upon fulfilling certain conditions. Monthly returns, quarterly and annual reports are required.

The holder of a Prospecting Licence may apply for a Retention Licence if a prospect is discovered to contain minerals with potential commercial interest or when a prospect does not meet market conditions temporarily. The licence is granted for a period of three years renewable for a single period of three years.

The Large Scale Mining Licence is granted for a period of 25 years and renewable upon successful application for another 25 years. An application for a Mining Licence requires a proposed programme of mining operations, applicable environmental protection plan (environmental impact statement), proposal for employment and training of Zambian citizens, and mining development agreement. The licence gives the holder the exclusive rights subject to the Act, regulations and conditions in the licence to carry out all operations in accordance with the programme of mining operations and environmental plan.

The Mkushi Copper Project consists of Prospecting Licences PL114 and PL290 (Figure 4.2 and Figure 4.3). The Prospecting Licence PL114 spans 7 km by 11.5 km, covers 7,605 hectares and is wholly contained within the larger Prospecting Licence PL290.

Figure 4.2 Location map of the Mkushi Copper Project licences PL290 and PL114



Prospecting Licence PL114 was first granted by the Republic of Zambia under Section 14 of the Mines and Minerals Act, 1995. The licence was issued to

Katanga Resources Limited ("Katanga"), a wholly owned affiliate of African Eagle Mining PLC ("African Eagle"), on 2 October 2002 for a period of two years. The licence was renewed for two years from 3 March 2005 for two years and further renewed from 4 November 2007 for a period of one year. The licence is due to expire on the 5 November 2008.

The corner coordinates, in UTM Arc 1950 Zambia Zone 35S Clarke 1880 Ellipsoid, for PL290 are presented in Table 4.1 and for PL114 in Table 4.2 and illustrated in Figure 4.3.

Figure 4.3 Corner location points for licences PL290 (red) and PL114 (green) and Mkushi Core areas (highlighted in magenta)

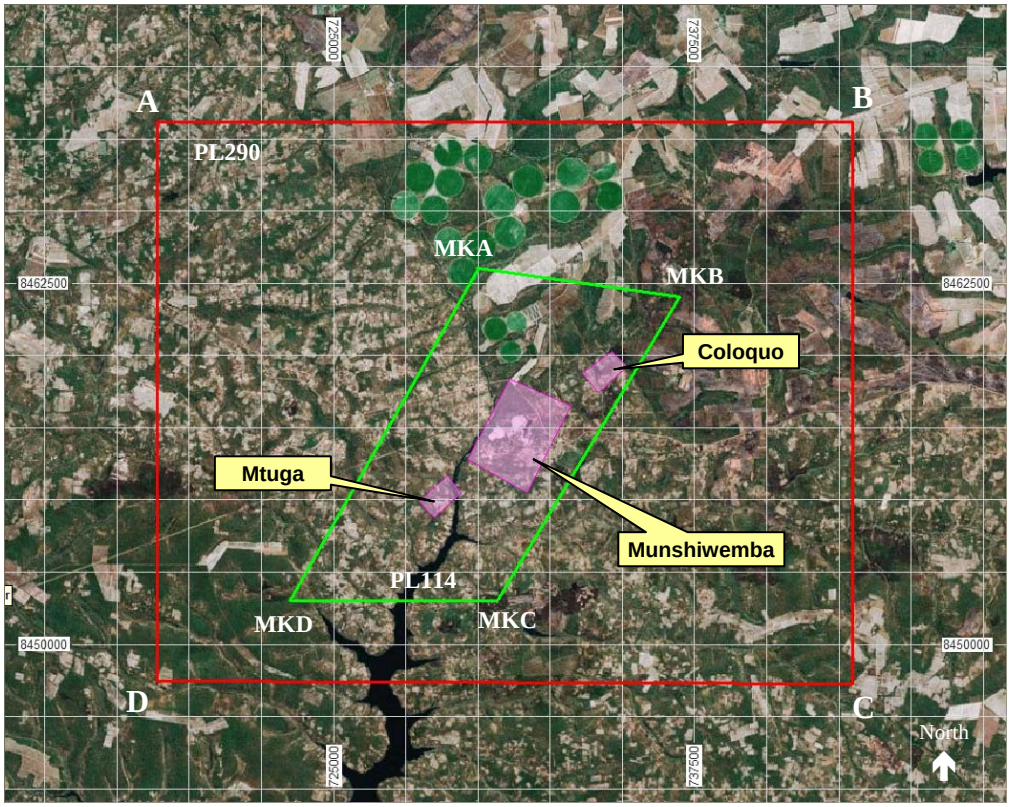


Table 4.1 Corner coordinates of Prospecting Licence PL290

Point	Easting	Northing
A	718,920 mE	8,448,699 mN
B	718,920 mE	8,468,056 mN
C	742,988 mE	8,468,056 mN
D	742,988 mE	8,448,625 mN

Table 4.2 Corner coordinates of Prospecting Licence PL114

Point	Easting	Northing
MKA	730,000 mE	8,463,000 mN
MKB	737,000 mE	8,462,000 mN
MKC	730,700 mE	8,451,500 mN
MKD	723,500 mE	8,451,500 mN

4.3 Ownership and Joint Venture agreement

On the 29 May 2007 CGA entered into a Joint Venture Agreement with African Eagle, which replaced the Heads of Agreement signed in July 2006 to evaluate and develop the Mkushi Copper Project. Pursuant to the agreement, a joint venture company Mkushi Copper Joint Venture Ltd ("MCJVL"), was incorporated with Seringa Mining Ltd ("Seringa") holding a 51 % interest and Katanga holding 49 %. Seringa is wholly owned by CGA while Katanga is wholly owned by African Eagle.

Application to transfer PL114 to MCJVL was made to the Mines Development Department, Republic of Zambia, on 12 October 2007 and was officially endorsed on the 22 of January 2007.

Under the Joint Venture Agreement, CGA through Seringa are to carry out and sole-fund exploration and other activities within an area designated as the "Mkushi Core Area" (Figure 4.3) that cover the prospects: Munshiwemba, Coloquo, Botita, and Mtuga, with intent to delineate a mining reserve and presentation of a Bankable Feasibility Study by 31 October 2008 (extendable to 31 January 2009. African Eagle through Katanga is to undertake exploration outside the core area ("Mkushi Exploration Area") but within the licences. Expenditures within the Property are pro-rata to equity held by the parties at the time, and to the extent agreed upon at the time.

4.4 Permits and approvals

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

The conditions that CGA are required to adhere to are:

1) CGA shall implement the project as stated in the EPB
2) CGA shall implement all proposed mitigation measures stated in the EPB
3) CGA shall implement the project within three years from the date of approval. Failure to implement the project within this period shall render the decision letter invalid and CGA will be required to resubmit the EPB
4) After exploration activities on a particular site, CGA shall ensure that the land in that area is rehabilitated to almost its baseline condition

5) CGA shall obtain permits from the Environmental Council of Zambia and comply in full with the following regulations throughout the project cycle:
    a. Waste Management Regulations (SI number 71 of 1993)
    b. Water Pollution Regulations (SI number 72 of 1993)
    c. Air Pollution Control Regulations (SI number 141 of 1996)
    d. Hazardous Waste Regulations (SI number 125 of 2001)
6) Noise levels throughout the project cycle shall be maintained within acceptable levels as stipulated by the government
7) No drilling activities shall be carried out during the night, to avoid noise pollution to the nearby communities
8) CGA shall conduct exploration activities in such a way as not to cause soil erosion which can lead to sedimentation of surface water bodies.

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

Permits are currently in place to allow CGA to continue exploration drilling through their wholly owned subsidiary Seringa.

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

4.5 Environmental aspects

Snowden is not aware of any material environmental issues that may impact development of the Property. Snowden is not however, qualified in this regard and has not undertaken a review of environmental aspects.

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

4.6 Encumbrances, royalties and taxes

All licences that constitute the Mkushi Copper Project are subject to a Republic of Zambia minerals royalty tax and corporate tax. These taxes were recently increased under a new tax regime implemented on the 1 April 2008. The minerals royalty tax increased from 0.6 % to 3 % while the corporate tax has increased from 25 % to 30 %. The government has also introduced a 15 % variable profit tax on taxable income above 8 %. A windfall tax based on copper sales has also been introduced. Corporate tax of 30 % is paid when

windfall tax is paid. These changes are outlined in The Income Tax Amendment Bill, 2008 published by the Zambian Government and dated 24 January 2008.

5 Accessibility, climate, local resources, infrastructure and physiography

5.1 Access

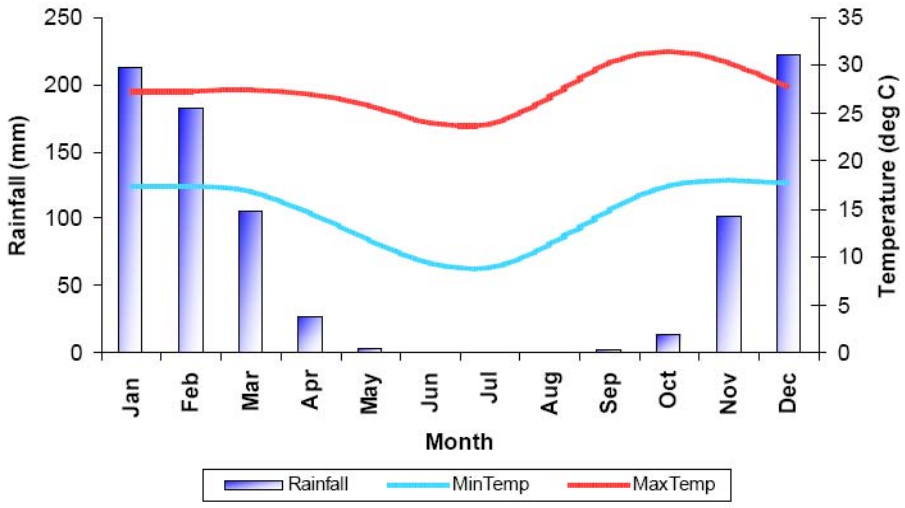
The Mkushi Copper Project can be accessed by driving north-northeast for approximately 230 km along the Great North Road from Lusaka, the capital of Zambia, via the towns of Kabwe and Kapiri Mposhi. Alternatively the property can be reached by driving south-southeast for approximately 180 km from Kitwe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

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

5.2 Climate

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

Figure 5.1 Average annual rainfall and precipitation at the Kabwe Meteorological Station (1977-2004)



5.3 Topography, elevation and vegetation

The Property lies in flat plateau country at an altitude of around 1,100 m above sea level ("ASL"), which is dissected by shallow valleys. The topographic relief on the Property is subtle, with a difference of about 70 m between maximum and minimum elevations.

Most of the area is covered by Miombo woodland with an open and light crown of semi-evergreen to deciduous trees between 15 to 21 m in height. Most of the woodland vegetation is degraded by subsistence farming and is interspersed with dambos and grassy plains. On higher areas, especially rock outcrops, the vegetation is largely shrubby with a high incidence of Chipya woodland species. Riparian vegetation is still found in the area, especially along the Mkushi and Lunsemfwa Rivers. Dambos occur within the Property along the Lunsemfwa River and its tributaries. These areas are seasonally or permanently wet grassy valleys, well drained on the upper slopes and poorly to very poorly drain in low-lying areas.

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

5.4 Hydrogeology

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

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

5.5 Local Resources and Infrastructure

Limited human resources are available from the nearby townships of Kapiri Mposhi, 50 km to the west and Mkushi 45 km to the northeast. Kapiri Mposhi has a population of around 30,000 with the main activities including corn flour milling and general services to the Mkushi farming area. The town is also the Zambian terminus for the Tanzara Railway built with Chinese-aid shortly after independence to transport copper to Dar-es-Salaam. Mkushi has

a population of about 12,000 people and is a service centre to the Mkushi commercial farming area.

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

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

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

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

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

6 History

6.1 Ownership and exploration history

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

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

Falcon Mines, a London-based company, acquired the Mtuga prospect in 1926.

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

RCBC concluded, after exploration throughout the region during the 1920's that the mineral resources and reserves were too small. Subsequently they abandoned exploration in early 1927 but retained title as the "Lunsemfwa Special Grant" until 1949. In 1930, the RCBC merged with interests of Anglo American to form the Rhokana Corporation.

In 1950, Falcon Mines pegged much of the region that was explored previously by RCBC. Following this in 1953, the Rio Tinto group conducted geophysics (self-potential) and geochemical surveys and recommended that no further work be carried out in the area.

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

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

In 1969 the Geological Survey of Zambia conducted a survey over the region with the results later published in Legg 1976.

Mkushi Copper Mines Limited signed a contract with an Italian-based company, Miniera di Fragne-Chialamberto, in 1969 to mine the Munshiwemba prospect by open cut methods.

Exploration within the region had been stagnant for a period of almost 30 years from 1975 through to 2002. Katanga Resources Ltd ("Katanga"), a wholly owned subsidiary of African Eagle Resources applied for the rights to explore the area in 2002. Katanga conducted geophysical surveys and exploration drilling.

In 2006, African Eagle entered into a joint venture heads of agreement with CGA Mining Ltd ("CGA"), which was later formalised in 2007. The agreement allows Seringa Mining ("Seringa"), a wholly owned subsidiary of CGA to explore within small areas covering the known prospects and Katanga to explore outside these areas. Exploration since 2007 has been focused on defining the remaining Mineral Resources at the Munshiwemba prospect, mainly targeting copper mineralisation within the H zone.

6.2 Historic estimates of tonnage and grade

The historic (pre-2006) estimates of tonnage and grade for copper mineralisation outlined in this section do not meet the criteria set forth in NI 43-101 or CIM Definitions. These estimates are included here for reference only and should not be relied upon. Snowden cannot confirm the reliability or relevance of these estimates other than the estimate produced by Snowden in 2006 for the Coloquo and Munshiwemba prospects.

In 1926 RCBC outlined an historic estimate of 100,300 tonnes grading 4.51 % copper for the E and X-Y-Z zones at Munshiwemba.

In 1967 R.A. Blais, a widely published geostatistitian, prepared an estimate of tonnage and grade for the Munshiwemba prospect that covered four mineralised zones: X-Y-Z zone, F zone, and G zone. The estimate was produced using the polygonal method using a cut-off grade of 0.77 % Cu and an SG of 2.88. Blais estimated 2,316,700 tonnes grading 1.97 % Cu (Blais 1967; Eakins and Howe, 1967).

Also in 1967, the Henry J. Kaiser Company (Canada) Ltd ("Kaiser") produced an estimate using polygonal methods intended to predict open pit mineralisation down to about 60 m below surface. Rather than the 0.7 % Cu cut-off grade used by Blais in 1967, a cut-off of 0.3% Cu was used along with an SG of 2.67, which was considered to be more appropriate than that of Blais. Kaiser estimated 1,047,696 tonnes grading 1.8 % Cu containing 18,895 tonnes of copper.

A revised and updated estimate of the tonnage and grade of the Munshiwemba prospect produced by Blais 1967 was reported in Legg 1976 (Geological Survey of Zambia not published until 1976 but completed in 1970). The estimate was based on additional underground mapping and sampling, additional drilling, and modification to some of the assumptions used by Blais, particularly in regard to core loss. For some zones (F, E, and G) it seems that Blais' 1967 tonnages were accepted while elsewhere the tonnages were modified using a cut-off of 0.3 % Cu. Blais' estimate revised and reported by Legg was

estimated at 1,671,030 tonnes grading 2.14 % Cu. Legg also produced a second expanded version that was estimated at 2,781,700 tonnes grading 2.05 %.

In an unpublished report for Zambia Consolidated Copper Mines ("ZCCM"), Freeman 1990, reported tonnages and grade for the Munshiwemba prospect estimated at 5.6 Mt grading 1.32 % Cu and Mt grading 1.36 % Cu for unspecified prospects.

African Eagle commissioned Snowden in 2006 to produce an estimate of the Mineral Resource for the Munshiwemba and Coloquo prospects based on drilling completed by Katanga to June 2006. Historic drilling was not used in the estimate. Block ordinary kriging was used to estimate the copper grades. The Inferred Mineral Resource for Munshiwemba was estimated using a cut-off grade of 0.3 % Cu at 10.7 Mt grading 0.73 % Cu and using a cut-off grade of 0.4 % Cu at 8.98 Mt grading 0.80 % Cu. The Inferred Mineral Resource for Coloquo was estimated using a cut-off grade of 0.3 % Cu at 0.23 Mt grading 1 % Cu.

Snowden notes that the Mineral Resource estimates for the Munshiwemba and Coloquo prospects were prepared in accordance with the JORC Code 2004. Furthermore, Snowden notes that the estimate for the Munshiwemba prospect has subsequently been updated in May 2008 (refer to Section 17 for details)

For the prospects: Katunga, Fitalu, Mtuga, Munda, and Botita no estimates of tonnage and grade are known to have been generated.

6.3 Production history

The earliest known history of mining in the area occurred during the early 1920's soon after the discovery of the Mtuga prospect. At this time only minor excavations of the prospects were conducted.

In 1924 the Mtuga prospect was developed into a mine and was operated on a small scale. Falcon Mines continued development of the mine as an underground operation upon acquisition in 1926. A total of 2,250 m from 22 shafts and winzes were developed over the prospect. Approximately 700 m of development in some 29 shafts and 1,700 m of underground development were completed by the end of 1926.

Throughout the period 1955 to 1960, Magundi conducted limited underground mining on several prospects. Full-scale underground production commenced in 1957 from the Mtuga prospect and in 1958 from the X-Y-Z zones within the Munshiwemba prospect. Minor production also occurred from stockpiles. Reported production from Mtuga during the period, totalled 40,854 tonnes averaging 3.56 % copper for 1,455 tonnes copper. While production from Munshiwemba totalled 25,920 tonnes averaging 3.41 % copper for 883 tonnes of copper.

Miniera di Fragne-Chialamberto commenced mining the Munshiwemba prospect by open cut methods in 1970 with initial copper production in 1971. Mining at the Munshiwemba prospect was initially intended to extract ore from the E, X-Y-Z, F and G Zones to depths ranging from 61 to 92 m below surface. When the mine closed in 1975 the pit had reached a depth of only about 30 m yielding a total of 2.2 Mt averaging 0.98 % copper. The closure of the mine was reportedly due to the threatened forced acquisition of 51% equity into the Property by the Republic of Zambia. Approximately 78,000

tonnes of sulphide concentrates containing 19,000 tonnes of copper was sold to the Rhokana Corporation smelter at Nkana in Zambia.

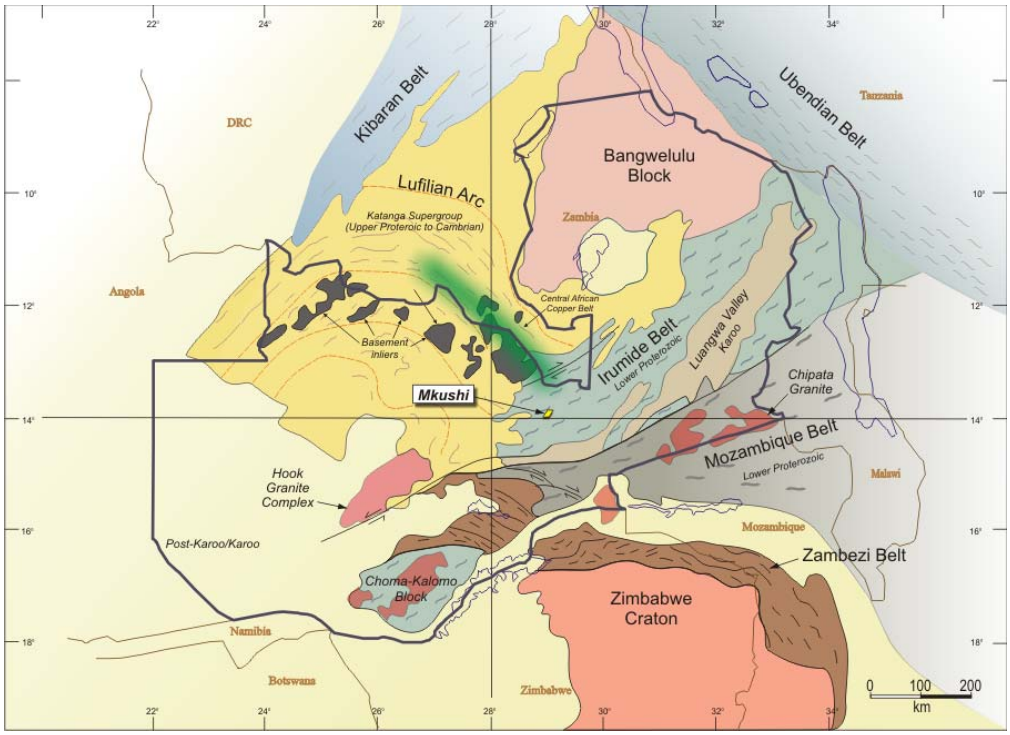
No further production has been recorded for the Property since 1975.

7 Geological setting

7.1 Regional geology

The Property lies within the south-western part of the Irumide Orogenic Belt that stretches over a distance of approximately 900 km from central Zambia to the Zambia-Tanzania border and northern Malawi (Figure 7.1).

Figure 7.1 Regional geological setting



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

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

The Irumide basement comprises the Mkushi Gneiss in the southwest and the Luwalizi Granite, Mwambwa River and Mulungwizi Gneisses in the

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

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

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

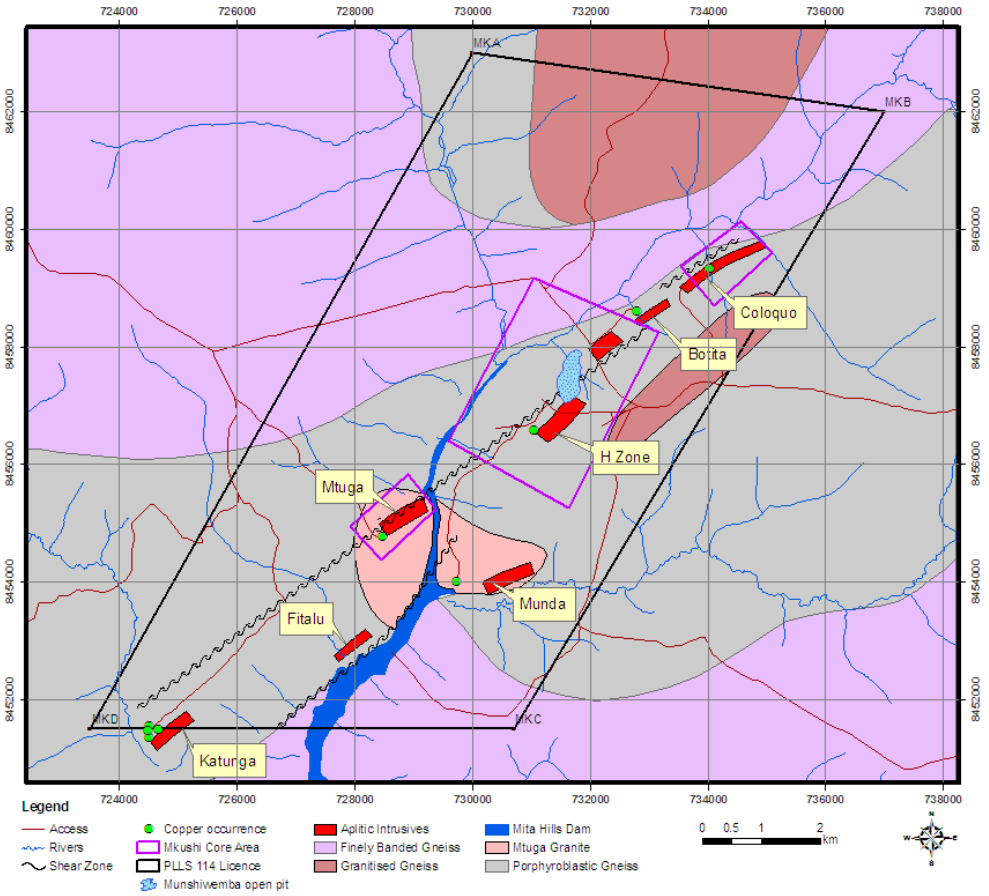
7.2 Property geology

The Property is situated near the southern end of the Irumide Belt and covers an inlier of Mkushi Gneiss surrounded by porphyritic granitoids (Figure 7.2). Gneiss is the dominate lithology in the area and occurs as either: porphyroblastic gneiss, finely banded gneiss, or granitised gneiss. The porphyroblastic gneiss cuts across the Property in an east-northeasterly direction and is surrounded by the finely banded gneiss with the granitised gneiss occurring at the northern end of the Property. In the south of the Property, the porphyroblastic gneiss is intruded by a small granite body referred to as the Mtuga Granite.

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

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

Figure 7.2 Map of the Property showing local geology, location of copper deposits, licence PL114 (black solid outline) and "Mkushi Core Area" (solid magenta outline)



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

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

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

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

feldspar and the widespread replacement of biotite to a chlorite, sericite, and hematite assemblage.

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

8 Deposit types

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

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

9 Mineralisation

9.1 General

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

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

Supergene copper mineralisation has been recognised at all the prospects within the Property. This style of mineralisation consists mainly of malachite staining occurring on joints and fractures of near surface and exposed rock as a result of weathering. Chalcocite and covellite has also been noted, to a lesser extent, within weathered fracture zones. The extent of supergene mineralisation is confined to the top few metres of the subsurface profile within the regolith and rarely along deeper joints and fractures where meteoric water has entered. The supergene mineralisation forms a very minor component of the overall copper mineralisation within the Property.

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

Pyrite occurs ubiquitously, typically averaging less than 5%, both as isolated grains within chalcopyrite and as globular aggregates completely surrounded

by chalcopyrite. The aggregates may also contain minute blebs of bornite, tetrahedrite-tennantite, molybdenite, hexagonal pyrrhotite, cubanite and sphalerite. In addition, chalcocite, sphalerite, native gold, galena, tetrahedrite-tennantite, acanthite, and molybdenite occur within the aplite dyke matrix.

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

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

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

9.2 Munshiwemba prospect

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

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

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

Figure 9.1 Plan view of copper mineralisation at the Munshiwemba prospect

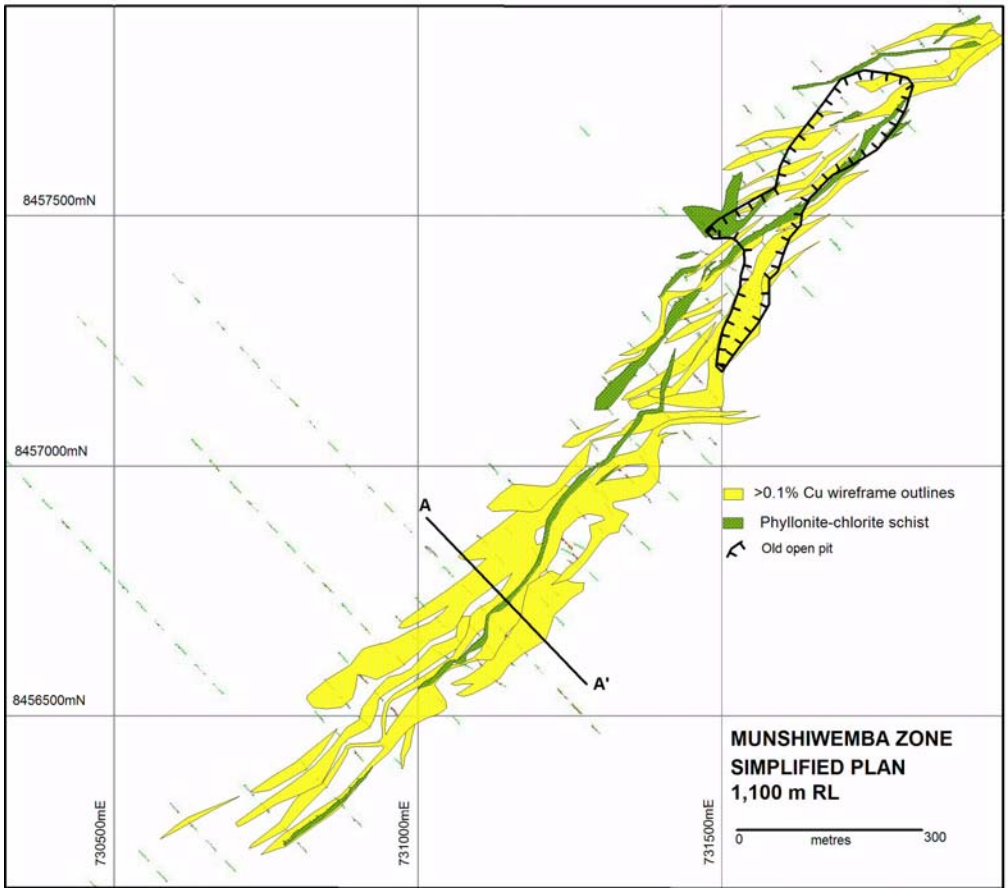
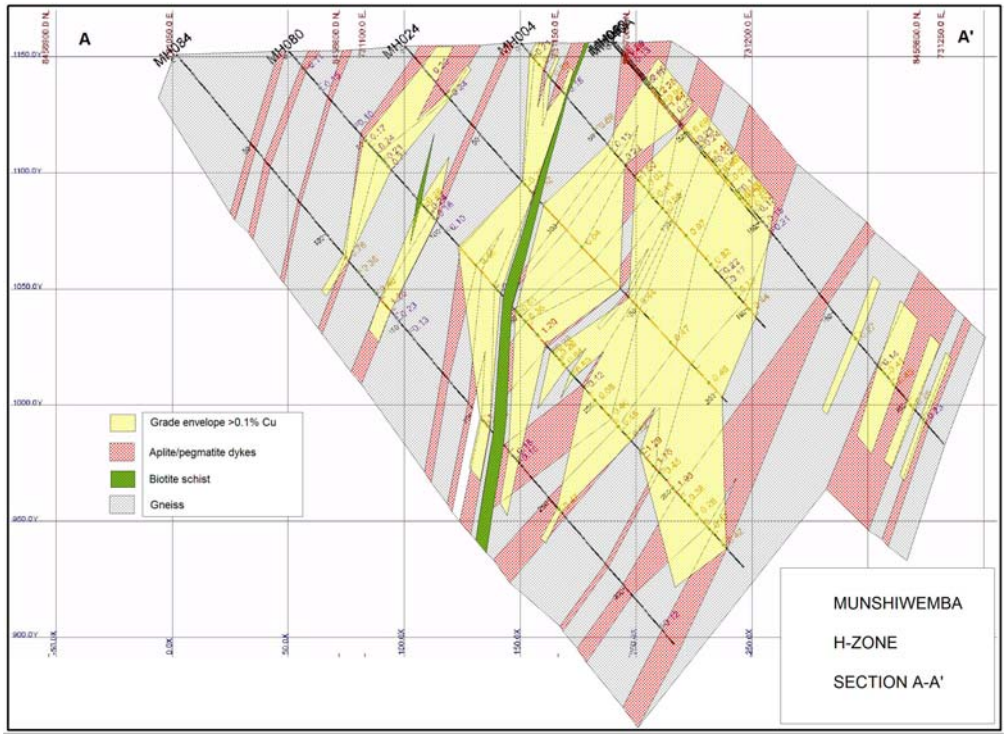


Figure 9.2 Cross-section view of copper mineralisation at the Munshiwemba prospect



9.3 Coloquo prospect

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

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

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

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

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

9.4 Munda prospect

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

9.5 Mtuga prospect

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

been observed and includes the alteration minerals sericite, chlorite, minor calcite, actinolite and tourmaline.

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

9.6 Other prospects

No description of the copper mineralisation is available for the Fitalu, Botita and Katunga prospects.

10 Exploration

10.1 General

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

Seringa focused their exploration activities toward drilling the Munshiwemba prospect to enable economic evaluation of the prospect to Feasibility Study level. Katanga meanwhile focused on exploring the areas away from known mineralisation using Reverse Circulation ("RC") drilling.

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

10.2 Spatial coordinate system and exploration grids

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

10.3 Geological mapping

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

10.4 Drilling

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

The extent of drilling is outlined in more detail in Section 11.

10.5 Geophysics

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

- Regional and detailed aeromagnetics and radiometric geophusical surveys flown on 200 m spaced east-west lines and captured by the Rio Tinto group

- Gradient array Induced Polarisation ("IP") and resistivity on 100 m and 50 m line spacing
- Dipole-Dipole IP and resistivity on three lines across the Munshiwemba prospect.

Results of the assessment indicate that:

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

No geophysical surveys have been undertaken by CGA.

10.6 Topography

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

10.7 Results of exploration

Seringa is well advanced with exploration of the Munshiwemba prospect. This allows CGA to potentially achieve the objective of completing a Feasibility Study of the prospect by the end of 2008. Exploration drilling across the Munshiwemba prospect is at a sufficient drillhole spacing to allow for an estimate of the Mineral Resource suitable for economic evaluation at a Feasibility Study level.

11 Drilling

11.1 General

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

Majority of the drilling within the Property has targeted the Munshiwemba prospect. The drilling into the Mushiwemba prospect is on a nominal 50 m by 50 m 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 m below surface.

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

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

11.2 Drillhole database

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

CGA provided Snowden with a full Gemcom project directory containing a Microsoft Access database from which the assay, lithology, density, collar, and survey data were extracted. This database was derived from the Microsoft Excel drillhole database by CGA.

The database captures information from drillholes for a number of drilling campaigns (summarised in Table 11.1) that were completed by Katanga and Seringa during the period 2005 through to early 2008.

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

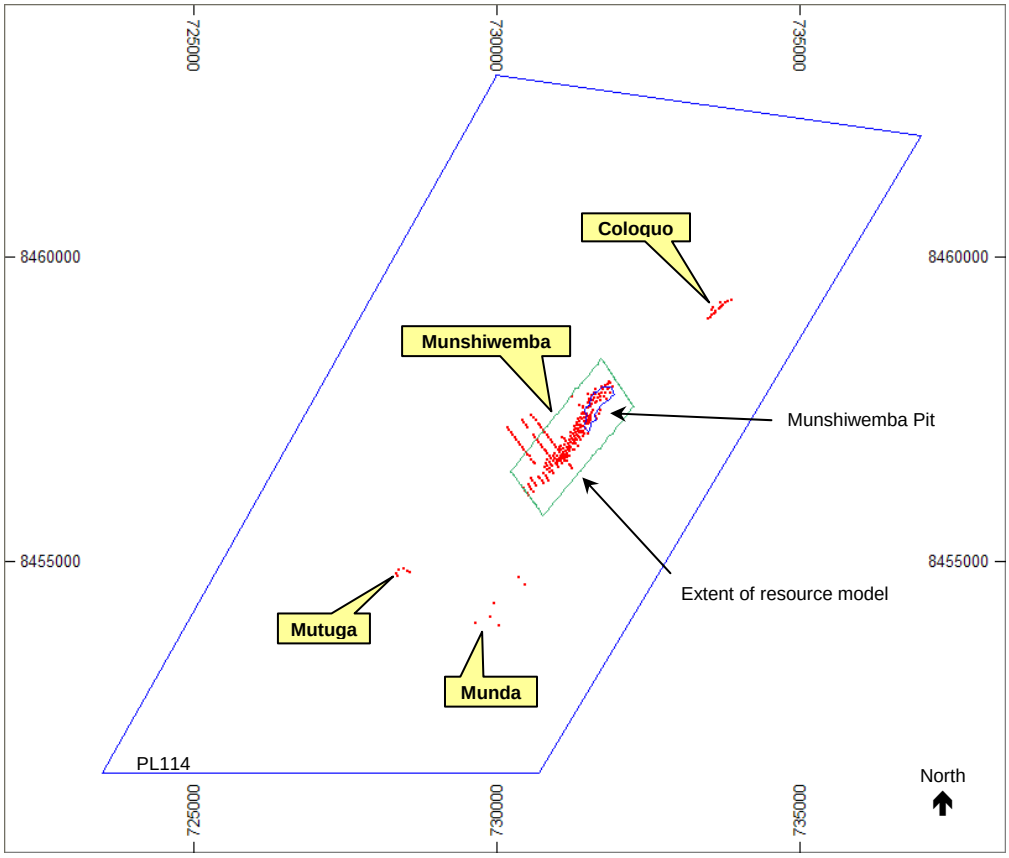
Sample length varies from 0.2 m to 7 m with RC samples being either 1 m or 3 m in length and diamond samples varying in length. Within the copper mineralisation a pre-determined sample length of 1 m was used. Outside mineralised areas a sample length of 3 m was used.

Table 11.1 Summary of drilling within the Property as at 25th March 2008

Company	Period	Method*	Number of Holes	Total Metres
Katanga	2005	DD	24	3,870.48
	2006	DD	13	2,687.79
		RCDD	2	434.16
		RC	20	1,986.00
	2008	DD	1	209.97
		RC	1	95.00
Seringa	2006	DD	3	560.29
		RCDD	8	2,059.25
		RC	4	509.00
	2007	DD	58	12,445.92
		RCDD	36	8,984.81
		RC	41	4,435.70
	2008	DD	9	17,95.36
		RC	95	5,889.00
TOTAL		DD	108	21,569.81
		RCDD	46	11,478.22
		RC	161	12,914.70
GRAND TOTAL			**315**	**45,962.73**

*Note that RCDD refers to drillholes that have been pre-collared using RC and then drilled using diamond. Total metres for these drillholes reflect the total depth comprising the RC pre-collar plus the diamond tail.

Figure 11.1 Map showing Property boundary (PL114), drillhole collar locations (red dots), outline of Munshiwemba Pit and extent of resource model (green perimetre)



11.3 Data security

The original field log books containing: geology logs, RC recovery data, density measurements, geotechnical logging, and structural logging are kept on site. No copies of these log books are made or stored at a separate location. This data is manually converted into digital format and stored in Microsoft Excel spreadsheets. As mentioned in Section 11.2, each month a copy of the spreadsheets is retained, backed up onto a portable hard-drive and periodically sent off-site.

The data is not stored in a secured relational database and is not managed by a qualified database administrator.

Snowden considers that storage of the digital data in Microsoft Excel spreadsheet format is not optimal and places this data at risk of loss. It is preferable that the data be stored in a structured relational database. This database should be managed by a qualified database administrator.

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

11.4 Drillhole mark-out

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

11.5 Drillhole collar survey

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

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

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

11.6 Drillhole down-hole surveys

All three contract drilling companies used for drilling on the Property provide Reflex digital down-hole cameras for recording drillhole azimuth and inclination.

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

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

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

11.7 Snowden's assessment of drilling

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

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

12 Sampling method and approach

12.1 General

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

12.2 Diamond drillhole sampling and logging procedures

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

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

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

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

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

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

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

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

12.3 RC drillhole sampling and logging procedures

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

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

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

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

Dry samples are split at the drill rig repeatedly using a single deck riffle splitter with samples collected in two aluminum trays to achieve a sample that weighs approximately 3 kg to 5 kg. This sample is then split in half to produce two

identical samples with a weight of between 1.5 kg to 2.5 kg. Both samples are then placed into labeled plastic bags and laid out in sequence. One sample is retained for future reference and to be used as a field duplicate as required. The other sample is sent to the laboratory for analyses. The remaining sample kept in the bulk bag is stored until assay results are returned and validated. At which time the sample may then be discarded if no longer required. The splitter is cleaned between every sample. Both Seringa and Katanga have used the same splitting procedure.

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

12.4 Statement on the adequacy of sampling method and approach

The procedure for sampling RC drilling observed by Snowden is considered to be less than optimal. This is due to the way in which the sample is split into sub-samples for assaying. The use of a single tier riffle splitter that is not attached to the RC drill rig can result in sample loss as the sample is being emptied into the splitter (coarse and fines), as the sample passes through the splitter (fines) and as the split sample is being collected by aluminum trays and fed back into the splitter and emptied into plastic sample bags (coarse and fines). The loss of sample during splitting may result in a sample that is not completely homogenous or representative and may lead to a bias in copper assays.

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

13 Sample preparation, analyses, and security

13.1 Sample dispatch

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

13.2 Sample security

Drillhole diamond core and RC bulk bags are stored at the exploration base camp set up in existing infrastructure of the former Munshiwemba open pit mine. The base camp is partially fenced with security guards continuously on duty at the entrance to the area. Samples are packed onto an independently owned and operated vehicle by Seringa technicians under the supervision of Seringa geologists. Samples being shipped to the ALS-Chemex laboratory located in Johannesburg go via Lusaka where the Government of the Republic of Zambia take an independent sample for analysis and approve the exporting of the samples.

13.3 Copper analyses

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

13.3.1 A H Knight laboratories

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

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

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

13.3.2 ALS-Chemex laboratory

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

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

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

13.3.3 Genalysis Laboratory Services

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

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

13.4 Density measurements

Katanga and Seringa routinely collect density measurements from diamond drill core at approximate 5 m intervals. The method used by CGA to measure density on diamond drillhole core involved Archimedes principal of weighting the sample in air and in water and calculating the density from the weights. Measurements are taken using a purpose built machine that is in excellent working condition. Prior to beginning a day's session the machine is calibrated with 500 g and 1000 g weights. A 10 cm to 20 cm piece of air dried core is placed on the scale and the weight in air is recorded. This core is then place into the cradle sitting in the water trough below the scales and the weight in water is recorded. The core is then removed and excess water is removed from the core by physical drying and then it is place on the scale and the moist weight in air is recorded. All weight measurements are recorded manually into field log books, which are stored on site.

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

13.5 Quality assurance and quality control (QAQC) measures

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

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

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

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

13.5.1 Sampling QAQC

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

13.5.2 Copper assay QAQC

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

An in-house blank ("BLANK") was prepared by Katanga possibly from non-mineralised RC drill chips. This blank was replaced by the certified reference material GBM397-9 at the end of 2006 when this standard became available.

Table 13.1 Summary of standards analyses

Standard	Copper (ppm)	Std Dev	Analyses	Confidence Interval	Count
GBM304-8	9492	321	64	± 1.8	6
GBM397-9	59	6	56	± 1.6	326
GBM399-5	29424	1446	77	± 323	488
GBM997-8	12050	575	64	± 140.9	19
BLANK	10		-	± 10	103

Field duplicates are inserted by Seringa at a rate of approximately 1 in every 50 samples. During 2005 to 2006 Katanga did not submit duplicates for diamond core. Seringa have subsequently submitted field duplicates from Katanga core.

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

13.5.3 Density QAQC

Seringa and Katanga do not routinely collect QAQC data for the density measurements. However, a total of 67 repeat measurements were taken on selected diamond drill core. Comparison of the original and repeat density measurements for the 67 duplicate data show a very good precision.

13.6 Statement on the adequacy of sample preparation, security and analytical procedures

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

The procedure for measuring the density of diamond core is considered to be appropriate. However, the practice of only calibrating the machine at the beginning of a day's session may allow drift to occur throughout the session. It is recommended that a representative piece of drill core be chosen and used as a standard that is measured for density at the beginning and end of the session. These readings will help determine if there is drift occurring, which will then allow remedial action to be taken. Also, only allowing the core to be dried in air rather than oven dried could also contribute to drift in the measurements. The moisture in the atmosphere can change over the course of the day due to the changing temperature influencing the moisture content in the core. However, since the core is highly crystalline with very limited porosity the effect is likely to be very minor. Density measurements should be taken using alternative methods and conducted off-site at an accredited laboratory as a check on the accuracy of the density measuring device.

14 Data verification

14.1 Verification by CGA

14.1.1 Database validation

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

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

14.1.2 Standards, blanks and duplicates

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

14.1.3 Laboratory monitoring of assays

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

14.1.4 Field duplicates

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

14.1.5 Sample recovery data

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

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

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

14.1.6 Twin drilling

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

14.1.7 Density

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

14.1.8 Verification of mineralisation interpretation

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

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

14.2 Drillhole collar accuracy

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

14.3 Down-hole survey accuracy

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

14.4 Verification by Snowden

14.4.1 Evidence of copper mineralisation

The Munshiwemba, Coloquo, Mtuga, and Munda prospects were visited by the Qualified Person.

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

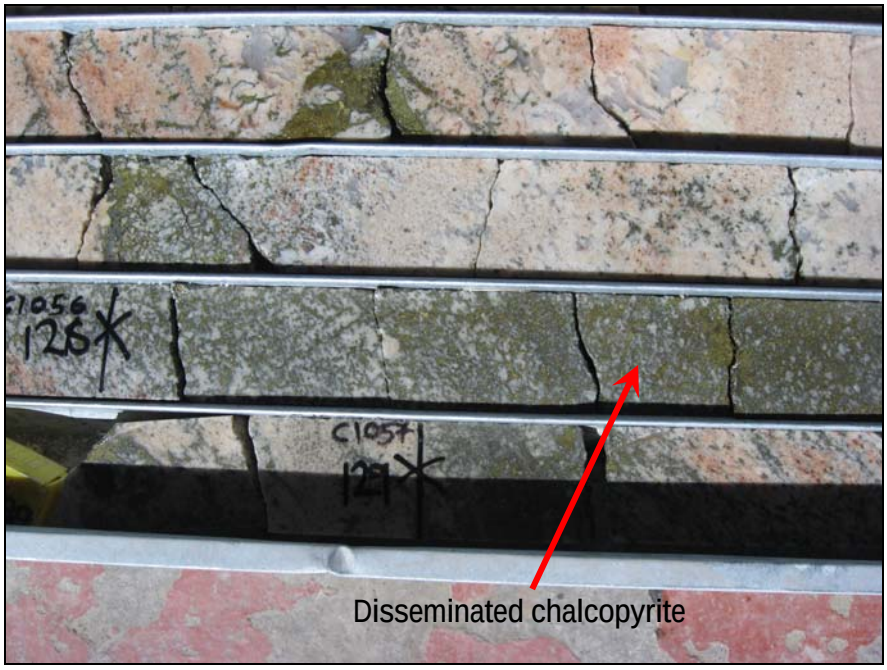
At Coloquo a small excavation with a centrally located vertical shaft was clearly visible. Near the shaft and along its exposed walls is evidence of copper mineralisation in the form of malachite staining.

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

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

A random selection of three diamond drillholes was laid out in the core shed. This core was inspected with reference to the geological logging and drillhole sample assays. The core exhibited copper mineralisation in the form of disseminated chalcopyrite with predominately granitic, highly altered, gneiss (Figure 14.1). The geological logs correctly identified the presence of chalcopyrite and the drillhole assays are indicative of the abundance of chalcopyrite present in the core. Given this, Snowden did not consider it necessary to collect independent samples to verify the presence of copper mineralisation.

Figure 14.1 Drillcore showing abundant disseminated chalcopyrite in drillhole MH015 (from 128 m to 129 m at 10.6 % Cu)



14.4.2 Drillhole database

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

14.4.3 Drillhole locations

Snowden selected a line of drillholes at random that sampled mineralisation at the Munshiwemba prospect and walked the line to check the location of the drillhole collars. Drillholes MH082, MH069, MH061 and MH062 were located and their concrete plugs were found to be intact except for MH062. The location of these drillholes corresponded with the locations specified in the drillhole database.

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

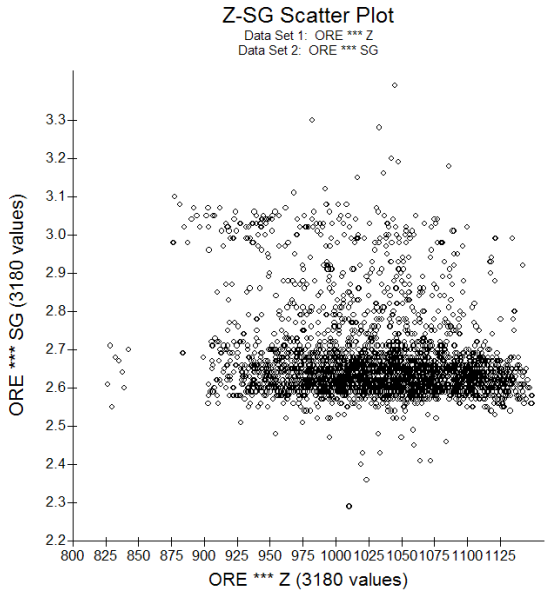
14.4.4 Density measurements

A scatter plot of density verse the Z-coordinate of the sample (Figure 14.2) shows that there is a slight trend whereby density gradually increases slightly with increasing depth below surface. There are two possible explanations for this observed trend:

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

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

Figure 14.2 Density verse z-coordinate



14.4.5 Wet samples

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

14.4.6 Topographic surfaces

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

14.5 Verification not conducted by Snowden

Snowden has not undertaken independent exploration work, drilling, or any significant programme of independent sampling or assaying. Copper mineralisation is obvious in many parts of the drillhole diamond core and correlates well with drillhole logging and the copper assay data from the drillhole database. Snowden is therefore of the opinion that no independent sampling and assaying is required at this stage.

The various agreements under which CGA holds title to the mineral lands and the environmental compliance for the Property have not been independently verified by Snowden.

14.6 Statements regarding verification

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

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

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

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

15 Adjacent properties

Mkushi Copper JV has recently acquired the rights, through granting of the Prospecting Licence PL290 to explore the ground surrounding PL114.

There are currently no other adjacent properties that are considered material to the Mkushi Copper project.

16 Mineral processing and metallurgical testing

16.1 2007 Testwork

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

Samples for metallurgical testwork were taken from selected diamond drill core (HQ) by splitting the half core remaining after the assay sample was taken. The metallurgical sample therefore, represents a quarter of the original drill core. In total 192.8 kg was obtained from 12 diamond drill holes uniformly spaced across the strike extent of the mineralisation and representing three separate depth zones. Copper grades for the samples range from 0.77 % Cu to 2.04 % Cu with an average grade of 1.50 % Cu. The average copper grade of the samples is higher than the estimated average copper grade of the Munshiwemba prospect using a 0.3 % Cu cut-off grade. Accordingly the results of the metallurgical testwork may not truly reflect the mineral processing characteristics of the material that is likely to be mined.

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

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

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

17 Mineral Resource and Mineral Reserve estimates

17.1 Introduction

Drilling at the Coloquo and Munshiwemba prospects undertaken by Katanga and Seringa has outlined copper mineralisation sufficiently to support the estimation of Mineral Resources for the prospects. The Mineral Resource estimated for Munshiwemba and Coloquo prospects is listed in Table 17.1.

Table 17.1 Mkushi Copper Project Mineral Resource tabulation (fresh material only) at a series of total copper cut-off grades

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

17.2 Disclosure

Mineral Resource estimates reported in this technical report were prepared by Mr. Matthew Nimmo, an employee of Snowden, who is the independent Qualified Person ("QP") for the Mineral Resource assessment report of Mkushi Copper project. Mr. Matthew Nimmo is a member of the Australian Institute of Geoscientists, membership number 3606. Mr. Matthew Nimmo and Snowden are independent of CGA.

Mineral Resources for the Coloquo and Munshiwemba prospects have been prepared by Snowden in accordance with both JORC Code 2004 and CIM,. The effective dates for the Mineral Resource estimates are:

- 13 September 2006 – Coloquo Mineral Resource estimate
- 30 May 2008 – Munshiwemba Mineral Resource estimate

No pit optimisation has yet been completed on the Mineral Resource estimates. The Mineral Resource estimates consist of copper mineralisation that has the potential to be extracted using both open pit and underground

methods. Potential exists to expand the current Mineral Resources for the Coloquo and Munshiwemba prospect with depth and along strike.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. No Mineral Reserves are reported in this Technical Report.

Snowden is not aware of any issues that may materially affect these Mineral Resource estimates. This opinion is based on the following:

- *Environmental* - The Mkushi property is not subject to any known material environmental issues.
- *Permitting* - CGA has undertaken to ensure that relevant licences for prospecting and or future mining are valid.
- *Title* - No known issues.
- *Legal* - CGA has undertaken to ensure that there are no outstanding legal issues; no legal action or and injunctions pending.
- *Taxation* - No known issues.
- *Socio-economic* - No known issues.
- *Marketing* - No known issues.
- *Political* - The current government of the Republic of Zambia are supportive of the development of Mineral Resources and new mining ventures, which serve to prosper and nurture their principles and laws of economic empowerment.
- *Other relevant issues* - No known issues.

17.3 Munshiwemba prospect

17.3.1 Software

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

17.3.2 Geological Model

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

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

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

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

17.3.3 Data preparation and compositing

The Mineral Resource estimate was based on 252 drillholes representing 28,266.83 m (refer to Section 11 for details). No historic drilling prior to 2005 is included in the drillhole database. The drillholes comprise of RC and diamond core drilling with majority being diamond drill core. Drilling was conducted on a nominal 50 m by 50 m grid oriented toward 050º, which is roughly parallel with the overall mineralisation trend. All drill holes are angled toward 140º at approximately 50 º dip. A total of 24,331 copper assays and 5,968 density measurements support the copper and density estimates in the model. Of the total number of samples, there were 7,335 copper assays and 1,145 density measurements lie within the 0.1 % Cu envelopes. These samples were used directly for grade estimation.

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

17.3.4 Statistical and Variographic data analysis

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

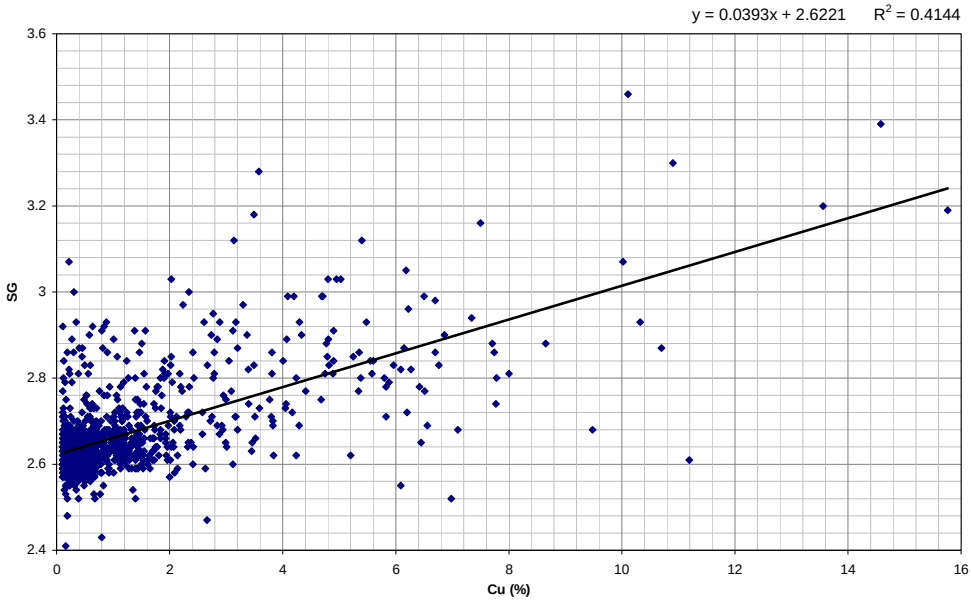
Table 17.2 Statistical summary of composite drillhole samples with a top-cut applied to copper within the mineralised domain

	Copper (%)	Density (t/m3)
Samples	7335	1145
Minimum	0	2.41
Maximum	8.48	3.46
Mean	0.57	2.67
Standard deviation	1.136	0.103
CV	1.990	0.039
Variance	1.291	0.011
Skewness	4.068	2.740

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

Univariate summary statistics for density show that the statistical distribution is continuous from minimum to maximum value, is positive skewed, and is not lognormal. The histogram shows two modal peaks at densities of ~2.65 t/m^3 and ~3.0 t/m^3. Although, the very low coefficient of variation for density indicates that there is no requirement for top-cuts to be applied to limit the effect of outlier samples. The histogram indicates outlier values above 3.5 t/m^3 that need to be addressed. To check if density could be derived from the copper assays a plot of density verse copper grade was generated (Figure 17.1). This plot reveals that there is generally a good linear correlation between the variables. An equation relating density to copper grade generated using linear regression is given in Equation 1. Figure 17.1 also shows a wide dispersion around the regression line, which is attributed to lithology.

Figure 17.1 Scatter graph showing correlation between density (SG) and copper (Cu)



Equation 1 Linear regression equation for density given copper

$$SG = 0.0393 \times Cu + 2.6221$$

17.3.5 Data top-cuts

Based on the statistical analysis of the composite data for copper and density, top-cuts are required to reduce the influence of outlier samples in grade estimation. Top-cuts applied to the drillhole composite data prior to being used in grade estimation are presented in Table 17.3.

Table 17.3 Top-cut values applied to drillhole sample data

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

17.3.6 Variography

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

The analysis was performed using normal scores semivariograms and involved generating a set of semivariograms arrayed in a fan of 20° increments. The semivariogram fans were produced in the horizontal, across-strike (vertical), and dip-plane directions. The horizontal semivariogram wheels were used to

define the strike direction and the across-strike semivariogram wheels to define the dip-direction of the continuity of mineralisation. The dip-plane semivariogram wheel was used to determine if a plunging component to the continuity of mineralisation exists in the data. Experimental semivariograms were then calculated with the variances standardised to a total sill of 1 unit. Semivariogram models were interpreted from the experimental semivariograms with a maximum of two structures. Relative nugget was modeled from the down-hole experimental semivariograms and added to the semivariogram models.

The direction of the continuity of copper was determined to be oriented 19° toward 033° within a plane dipping 70° toward 310°. The analysis of the experimental semivariogram wheels revealed a slight plunge toward 033°. The semivariogram model inferred for copper is illustrated in Figure 17.2 while the parametres of the model are listed in Table 17.4.

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

Figure 17.2 Semivariogram model of copper (left) and density (right)
(Red = along strike continuity, green = down-dip continuity, blue = across strike continuity)

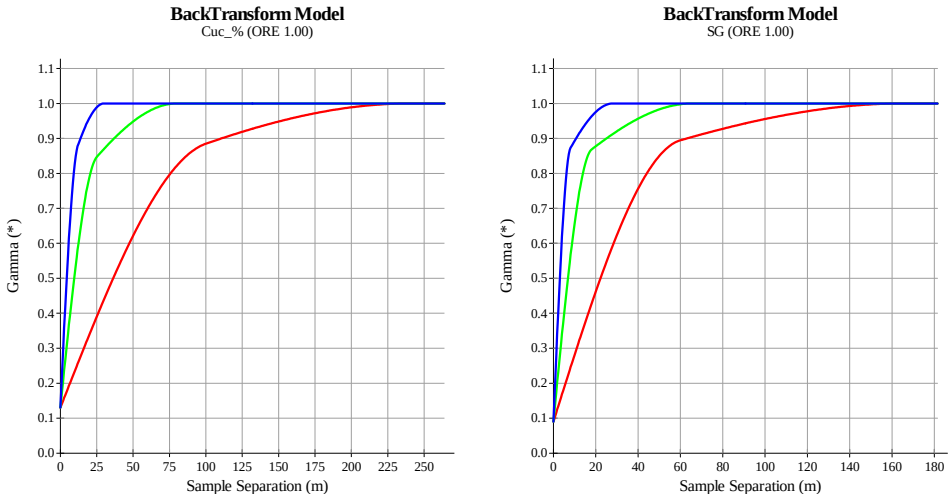


Table 17.4 Semivariogram parametres for mineralisation

		Copper (Cu)	Density (SG)
ID Number		1	2
Nugget		0.130	0.09
Orientation:	Major	-50	-50
	Semi-Major	70	70
	Minor	-20	-20
Structure 1:	Sill	0.59	0.69
	Major	100	60
	Semi-Major	25	18
	Minor	12	8
Structure 2:	Sill	0.28	0.22
	Major	240	165
	Semi-Major	80	65.5
	Minor	30	28

17.3.7 Optimisation of estimation parametres

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

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

Kriging efficiency compares the kriging variance against the cell variance. If the kriging variance is small, then the set of parametres and data configuration used to estimate grades is likely to produce an accurate estimate of grade. The converse also holds – if the kriging variance is large then there is a lower probability that the block estimate will be an accurate reflection of the local block grade.

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

KNA was performed for the purpose of determine the optimum cell dimension to use for modelling. The analysis used a constant cell discretisation, the search ellipse strategy and semivariogram models specified for grade estimation. The analysis was performed using the Geostatistical Software Library ("GSLIB") maintained by Clayton Deutsch (internet website http://www.gslib.com/). This software does no not implement dynamic anisotropy. Therefore the results were considered to not be truly indicative of

the estimation methodology used for this resource estimate. However, results show that the quality of the grade estimate measured using the slope of regression and kriging efficiency metrics is insensitive to cell dimension. The quality of the estimate decreases with increasing cell dimensions.

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

17.3.8 Estimation parametres

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

For selecting the sample neighbourhood to inform each cell in the model an expanding three pass search ellipse strategy was used. Parametres for the search ellipse strategy are listed in Table 17.5. If the search pass failed to obtain a sufficient number of samples to inform a cell then the ellipse radii were expanded by a multiplying factor. The search ellipse was orientated according to the local estimated true dip and dip-direction of the mineralisation included in the model. Restrictions were also placed on the samples selected within the ellipse by limiting the minimum and maximum number of samples that are selected.

Table 17.5 Search ellipse parametres

		Copper (Cu)	Density (SG)
Orientation	Major	-50	-50
	Semi-Major	70	70
	Minor	-20	-20
Search radii:	Major	100	200
	Semi-Major	50	100
	Minor	10	30
Multiplying factors	Pass 2	2	2
	Pass 3	10	10
Key field		-	-
Minimum samples	Pass 1	20	20
	Pass 2	20	20
	Pass 3	20	20
Minimum samples	Pass 1	8	4
	Pass 2	8	4
	Pass 3	1	1

Due to the sparseness of the density measurements compared with the copper assays the search ellipse radii were increased and the minimum number of samples reduced. This was to ensure that there were sufficient samples to

inform each cell in the model and avoid cells having no estimated density value.

The parameters of the semivariogram models for copper and density fitted to the calculated experimental semivariograms generated as part of the variography analysis are presented in Table 17.4. The semivariogram is locally orientated using estimates of the true dip and dip-direction of the continuity of mineralisation. The global orientation of the semivariograms is only used when the model does not have an estimate for the true dip and dip-direction.

17.3.9 Grade estimation

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

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

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

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

17.3.10 Model validation

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

mean composite grades of the input drillhole data and were found to be in close agreement.

Calculated density values derived from the estimated copper values using Equation 1 were used to check the validity of the estimated density values. Overall, the estimated density values compared well with the calculated density values and no outliers were found in the estimated density values.

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

17.3.11 Mineral Resource statement

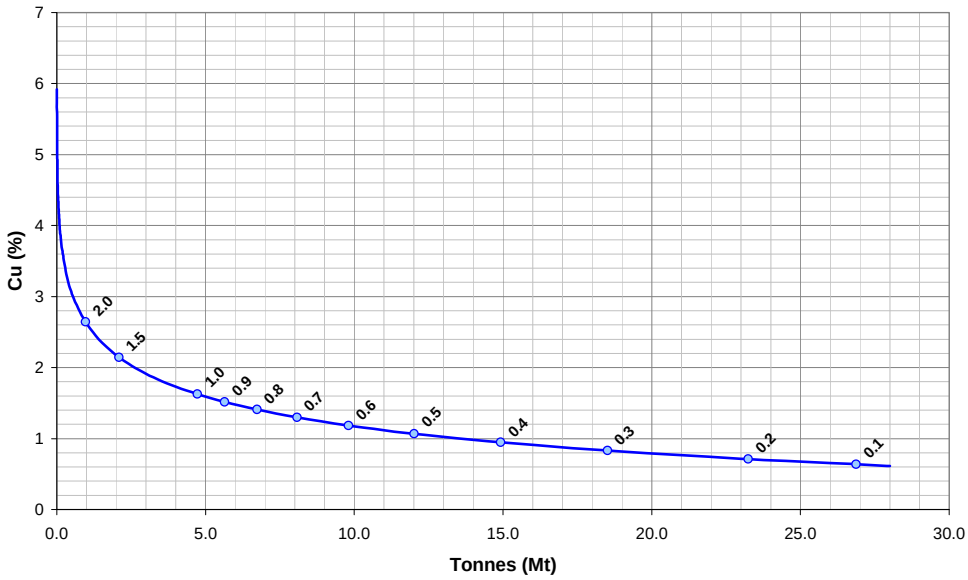
The global Mineral Resource estimate has been assigned an Indicated classification according to the 2004 edition of the JORC Code and CIM Code. The classification is based on consideration of the continuity of geology and mineralisation and on the quality, quantity and distribution of the drillhole sampling.

Tabulation of the global Mineral Resource estimate for fresh material only, at a series of cut-off grades, is presented in Table 17.6. The estimated grade and tonnage curve is given in Figure 17.3. The base case Mineral Resource for Munshiwemba is estimated at 18.5 Mt grading 0.83 % Cu using a copper cut-off grade of 0.3 % Cu.

Table 17.6 Mkushi Copper Project May 2008 Mineral Resource tabulation at a series of total copper cut-off grades (fresh material only)

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

Figure 17.3 Mkushi Copper Project May 2008 Mineral Resource estimate of grade-tonnage curve (numeric annotations represent copper cut-off grades)



17.4 Coloquo prospect

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

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

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

17.5 Other prospects

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

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

18 Other relevant data and information

18.1 Preliminary assessment

During 2007 CGA conducted an internal study to assess the economic potential of the Munshiwemba prospect. The study was based on an internal interim Inferred Mineral Resource reported by African Eagle, which was estimated at 10.7 Mt grading 1.11 % Cu. CGA consider the study to be a preliminary in-house study.

Snowden considers the Mineral Resource estimate on which the study was based to not be compliant with NI43-101. Therefore, the estimate and the results of the preliminary assessment should not be relied upon. However, the results of the study were encouraging and demonstrate that the project is potentially commercially viable.

18.2 Environmental impact statement

Under the Republic of Zambia Mines and Minerals act 1995 the application for a Mining Licence is required to be accompanied by an EIS. The EIS is to comply with the Environmental Impact Assessment regulations (Statutory Instrument number 28 of 1997). The licence and the EIS require a programme of mining operations to be outlined along with an environmental plan.

An EIS was prepared by African Mining Consultants ("AMC") on behalf of MCJVL to support the application for a Mining Licence to cover a portion of the Prospecting Licence PL114. The EIS incorporated the preliminary assessment of the Munshiwemba prospect completed by CGA. The EIS was submitted to the Environmental Council of Zambia in January 2008 and was made available to the citizens of Zambia for public comment for a period of six months.

The following summary of the EIS is a direct excerpt from the EIS report prepared by AMC.

MCJVL intend to develop an open pit and build a processing plant, workshops, offices, stores, accommodation, and other ancillary infrastructure. It will also rehabilitate and expand mine waste facilities such as the tailings dam and waste dump. The new plant, infrastructure and the expansion and rehabilitation of the existing old facilities will be constructed within the perimetres of the mining licence.

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

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

facility, or from mine drainage water entering the Lunsemfwa River. Controlling direct runoff from operational areas into local watercourses will reduce the impact of the mine on surface water. MCJVL plans to install oil traps in the plant site drainage system and construct perimetre drains and sedimentation ponds at all facilities to minimise the impact of contaminated runoff on the receiving environment.

- Seepage through the base of overburden waste dumps or the tailings storage facility could impact groundwater quality. Geochemical characterisation studies carried out on the existing old tailing dam and sulphidic waste rock indicates both to be non-acid-forming (NAF) materials. On this basis, the risk of acid rock drainage (ARD) occurring is considered to be low. This will be monitored on an ongoing basis.
- Supernatant discharge from the tailings storage facility could impact the Lunsemfwa River. However, metallurgical testwork performed on copper tailings slurry indicates that the plant effluent will comply with Zambian Standards, and where appropriate, World Bank Guidelines limits for effluent discharge.
- Construction work for the mine operations will have a permanent environmental impact. However, the loss of aquatic flora and fauna and riverine forest will be limited and the aquatic ecosystem of the upstream and downstream sections of the Lunsemfwa River will not be adversely impacted.
- The project investment will introduce beneficial multiplier effects in the local and regional economy. The project will promote the business of local suppliers and contractors providing goods and services to the mine. A direct favourable economic impact of the project in Chief Chikupili's Chiefdom and the entire Mkushi District will be the additional employment earnings generated in the local economy.
- From a socio-cultural perspective, the project is likely to attract people from the surrounding areas and beyond seeking employment. This will put the local population in direct competition with outsiders, a concern already expressed at the project EIA public consultation meeting held at Mkushi Copper High School on 14th September 2007. Depending on ability and the availability of jobs, MCJVL is committed to employing local residents in preference to outsiders. The construction of social infrastructure such as a health clinic, school and recreational facilities will be an important positive impact for the welfare of the local communities of the old Mkushi mine area.
- A social baseline assessment identified that Mkushi Mine Basic School and a teacher's house will need to be relocated. MCJVL has liaised with the Ministry of Education for an alternative site and plans for new learning infrastructure. Housing units and other structures owned by Mkushi Holding Limited (MHL) situated on the proposed sites for mining infrastructure will be demolished and financial settlement reached between MCJVL and MHL. An Environmental

Management Plan and Social Management Plan to manage these and other less significant impacts have been developed and are described in this report. The approach is based on MCJVL's corporate environmental policy, World Bank guidelines and industry best practices.

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

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

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

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

18.3 Feasibility Study

Snowden is aware that CGA are currently undertaking a Feasibility Study into developing a mining operation on the Munshiwemba prospect. This Feasibility Study will be based on the Mineral Resource estimate for the Munshiwemba prospect produced by Snowden and reported in this technical report.

19 Interpretation and conclusions

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

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

An Indicated Mineral Resource has been prepared by Snowden and was based on suitable quality information from 252 drillholes representing 28,266.83 m on the Property. The May 2008 Mineral Resource estimate for the Munshiwemba prospect was reported at a series of cut-off grades with the base case reported at a 0.3 % Cu cut-off grade containing 18.5 Mt grading 0.83 % Cu classified as Indicated. This cut-off grade is based on the assumption that the deposit could be mined by open pit mining methods and that copper would be economically recoverable.

An internal preliminary assessment by CGA undertaken in 2007 and prior to Snowden's estimate has led CGA to conclude that the grade of the mineralisation in the Munshiwemba prospect is potentially economic. Subsequent to this conclusion and after reviewing the 2008 estimate, a Feasibility Study commenced to determine the economic viability of a mining and processing operation on the Munshiwemba prospect.

20 Recommendations

20.1 Exploration programme and budget

CGA has not prepared an exploration budget outlining proposed costs and timing of further exploration in Munshiwemba prospect or to explore the other prospects. CGA are planning to continue exploration of the other prospects once the Feasibility Study for the Munshiwemba prospect has been completed.

Snowden recommends that a programme of infill drilling be conducted on the Munshiwemba prospect to upgrade a portion of the Indicated Mineral Resource to Measured Mineral Resource to support the early years of mining.

20.2 Sampling method and QAQC protocol

Although the QAQC data from the Seringa and Katanga drilling programmes are generally of acceptable quality, there are several issues (noted in Sections 12 and 13) that require further investigation and resolution.

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

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

20.3 Density measurements

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

20.4 Drillhole database

Snowden recommends that all drillhole data that is currently stored in Microsoft Excel spreadsheets be imported into a structured relational database. Microsoft Excel spreadsheets are not the recommended method for storage of

this type and amount of data. Snowden highlights the risk that some columns may be independently sorted which would result in an invalid dataset. Also, there is no provision in Microsoft Excel spreadsheets to validate the data or maintain the data integrity.

20.5 Mineral Resource estimation

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

20.6 Metallurgical testwork

Snowden recommends that additional metallurgical testwork be conducted on fresh rock with copper grades below 1 % Cu to determine the mineral processing characteristics of this material.

21 References

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Mkushi Copper Joint Venture Ltd, November 2007	Environmental Impact Statement. Report submitted to the Environmental Council of Zambia.
Ministry of Mines and Minerals Development	http://www.zambiamining.co.zm/index.htm

22 Dates and signatures

Name of Report:
CGA Mining Ltd, Mkushi Copper Project, Zambia

Date of Report:
August 2008

Issued by:
CGA Mining Ltd

[26 August 2008]

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Matthew Nimmo Date

23 Certificates

CERTIFICATE of QUALIFIED PERSON

(a) I, Matthew Nimmo, Senior Consultant of Snowden Mining Industry Consultants Pty Ltd., 87 Colin St., West Perth, Western Australia, do hereby certify that:

(b) I am the co-author of the technical report titled CGA Mining Ltd, Mkushi Copper Project, Zambia and dated 26 August 2008 (the 'Technical Report') prepared for CGA Mining Ltd.

(c) I graduated with a Bachelor of Science with Honours from the Queensland University, Australia in 1992.

I am a Member of the Australian Institute of Geoscientists (MAIG).

I have worked as a geologist continuously for a total of 15 years since my graduation from university including as a geologist for Newcrest Mining Ltd (1993 to 1999), WMC Resources (2000 to 2001), Harmony Gold Australia Ltd (2001 to 2004), Hatch Associates (2004 to 2007) and Snowden (2007 to present).

I have read the definition of 'qualified person' set out in National Instrument 43-101 ('the Instrument') and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements of a 'qualified person' for the purposes of the Instrument. I have been involved in resource evaluation consulting practice for 4 years. During my working career I have been involved with exploration, resource delineation, and Mineral Resource evaluation of gold-copper deposits for 7 years.

(d) I have made a visit to the CGA's Mkushi Copper Project in Zambia on the 15th to the 20th of April 2008.

(e) I am responsible for the preparation of all sections of the Technical Report.

(f) I am independent of the issuer as defined in section 1.4 of the Instrument.

(g) I have not had prior involvement with the Property that is the subject of the Technical Report.

(h) I have read the Instrument and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

(i) As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all the scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated at Perth WA this 26 August 2008.

Matthew J. Nimmo, B.Sc. Hons., MAIG

10. FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

RATEL GOLD LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

RATEL GOLD LIMITED
INTERIM FINANCIAL REPORT

FROM THE DATE OF INCORPORATION, 27 JANUARY 2010, TO 31 MARCH 2010

RATEL GOLD LIMITED

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RATEL GOLD LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the period from the date of incorporation, 27 January 2010, to 31 March 2010

	US$
Continuing Operations	
Profit from continuing operations	-
Income tax benefit	-
Profit for the period	-
Other comprehensive income for the period, net of income tax	-
Total comprehensive income for the period	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes

RATEL GOLD LIMITED

STATEMENT OF FINANCIAL POSITION
As at 31 March 2010

	Note	31 March 2010 US$
ASSETS		
Current Assets		
Cash	4	16,595
Total Current Assets		**16,595**
TOTAL ASSETS		**16,595**
TOTAL LIABILITIES		**-**
NET ASSETS		**16,595**
SHAREHOLDER'S EQUITY		-
Contributed equity	7	16,595
TOTAL SHAREHOLDER'S EQUITY		**16,595**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

RATEL GOLD LIMITED

STATEMENTS OF CASH FLOW
For the period from the date of incorporation, 27 January 2010, to 31 March 2010

	Note	2010 US$
Net cash outflow from operating activities		**-**
Net cash outflow from investing activities		**-**
Cash flows from financing activities		
Proceeds from the issue of share capital		16,565
Net cash inflow from financing activities		**16,565**
Net increase/(decrease) in cash and cash equivalents		16,565
Cash and cash equivalents at end of the financial year	**4**	**16,565**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

RATEL GOLD LIMITED

STATEMENT OF CHANGES IN EQUITY
For the period from the date of incorporation, 27 January 2010, to 31 March 2010

	Issued Capital *US$*	*Accumulated losses* *US$*	*Total* *US$*
At 27 January 2010	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**-**
Issue of share capital	**16,565**	**-**	**16,565**
At 31 March 2010	**16,565**	**-**	**16,565**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

RATEL GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM THE DATE OF INCORPORATION, 27 JANUARY 2010, TO 31 MARCH 2010

1. CORPORATE INFORMATION

The condensed interim financial report of Ratel Gold Limited ("the Company", "Ratel") as at 31 March 2010 and for the period from 27 January 2010 to 31 March 2010 ("the period") were authorised for issue in accordance with a resolution of directors on 1 June 2010.

The Company was incorporated on 27 January 2010 in the British Virgin Islands. Its registered address is Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110 British Virgin Islands. The Entity's ultimate parent company is CGA Mining Limited ("CGA"). CGA is a company limited by shares incorporated in Australia whose shares are publicly traded on both the Australian and Toronto Stock Exchanges.

The principal activity of the Entity is as a holding company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed interim financial report has been prepared as a general purpose financial report.

The condensed interim financial report has been prepared on a historical cost basis and are presented in United States Dollars (US$).

(b) Going concern

The Directors have prepared the financial statement on a going concern basis. At the date of signing the financial report the Directors believe that the company can continue as a going concern. In adopting the going concern basis the Directors have considered the following:

Subsequent to 31 March 2010, Ratel Gold Limited has agreed to acquire a 100% interest in Zambian Mining Limited and CGX Limited.

CGA Mining Limited, has agreed to provide additional funding as required to Ratel Gold Limited to enable the company and its controlled entities to operate and meet their respective obligation for a period of the earliest of 12 months from the date of approval of these financial statements or up to the date of Ratel Gold Limited successfully completing the proposed capital raising of up to C$14,000,000 (gross) on the Toronto Stock Exchange.

(c) Statement of compliance

The condensed interim financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

(d) New and revised accounting standards and interpretations

From the date of incorporation the Company has adopted all the Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009, including:

- IFRS 8 (Operating Segment). This standard requires disclosure of information about the Entity's operating segments.

- IFRS 2 (Share-based Payment) – Vesting Conditions and Cancellations (Amendment). The amendment to the standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.

- IAS 1 (Presentation of Financial Statements (Revised)). The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard

introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Entity has elected to present one single statement.

The Entity has not elected to early adopt any new standards or amendments.

(e) Significant accounting estimates and assumptions

In the process of applying the Entity's accounting policies, judgements applied are disclosed in the appropriate policy notes.

Summary of significant accounting policies

The accounting policies adopted by the Company are set out below

(f) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office, plant and equipment – over 1 to 10 years

De-recognition and Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

(g) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry–forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are recognised at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and the same taxation authority.

(h) Other taxes

Revenues, expenses and assets are recognized net of the amount of goods and services tax ("GST" or "VAT"), except where the amount of GST or VAT incurred is not recoverable from the relevant taxation authorities, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST or VAT included.

The net amount of GST or VAT recoverable from, or payable to, the relevant taxation authorities is included as a receivable or payable in the statement of financial performance.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST or VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST or VAT recoverable from, or payable to, the taxation authority.

(i) Exploration and evaluation

Exploration and evaluation expenditure is written off as incurred, except for acquisition costs and where an area of interest is established.

Exploration assets acquired from a third party are carried forward provided that either i) the carrying value is expected to be recouped through the successful development and exploitation or sale of an area of interest or ii) exploitation and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in relation to the area are continuing and the rights of the tenure are current. If capitalised exploration and evaluation costs do not meet either of these tests, they are expensed to the profit and loss.

An area of interest is established where a discovery of economically recoverable resource is made. The area of interest will be established as a mineral project. All activity relating to the area of interest is then subsequently capitalised. Where development is anticipated, costs will be carried forward until the decision to develop is made.

Each area of interest is reviewed at least bi-annually to determine whether it is appropriate to continue to carry forward the capitalised costs.

Upon approval for the development of an area of interest, accumulated expenditure for the area of interest is transferred to capitalised development expenditure.

(j) Foreign currency translation

Both the functional currency and presentation currency of the Company is United States dollars (US$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(k) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to reporting date. Employee entitlements expected to be settled within one year have been measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit valuation method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

(l) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(m) Cash and cash equivalents

Cash and short term deposits in the statement of financial performance include cash at bank and short term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents include cash and cash equivalents defined above, net of outstanding bank overdrafts.

(n) Share capital

Share capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Impairment of assets

The Entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Entity makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependant of those from other assets or groups of assets and the asset's value in use cannot be

estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the statement of comprehensive income.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is represented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) Trade and other receivables

Trade receivables, which generally have 30 day terms are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(r) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(s) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Entity as a lessee
Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at

the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(t) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

(u) Revenue recognition

Interest revenue

Revenue is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset

3. INCOME TAX BENEFIT

The Company is incorporated in the British Virgin Islands and holds its registered office there, however it is expected that it will be deemed an Australian resident for tax purposes due to the location of its central management and control.

The major components of income tax benefit are:

Income Statement	**2010 US$**
Current income tax	-
Current income tax charge	-
Deferred Income tax	-
Income tax benefit reported in the income statement	-

4. CASH

	2010 US$
Cash at bank	16,565

5. EVENTS AFTER BALANCE SHEET DATE

Subsequent to 31 March 2010, the Company has acquired a 100% interest in Zambian Mining Limited and CGX Limited. The entities were acquired from Zambian Holdings Pty Ltd and CGX Holdings Pty Ltd, both 100% owned subsidiaries of CGA Mining Limited. CGA Mining Limited is also the ultimate parent of Ratel Gold Limited.

The acquisition was effective 1 June 2010 and the consideration paid for Zambian Mining Limited was $2 and CGX Limited $2. In addition the company assumed the liabilities owed by Zambian Mining Limited and CGX Limited to CGA Mining Limited. The company has elected to apply the ‘pooling of interest’ method to account for the combinations.

At 31 March 2010, being the most recent available financial information, Zambian Mining Limited had consolidated assets of $272,156 and consolidated liabilities of $11,209,378 and CGX Limited had consolidated assets of $172,484 and consolidated liabilities of $7,877,822.

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

6. ULTIMATE PARENT

CGA Mining Limited is the ultimate parent entity of the group which was incorporated in Australia and owns 100% of the Company.

7. ISSUED CAPITAL

	2010 Number	2010 US$
Issued and paid up capital:	17,500,000	16,565

14,906,367 fully paid ordinary shares were issued at the incorporation of the Company on 27 January 2010. An additional 2,593,633 shares were issued on 31 March 2010.

Fully paid ordinary shares carry one vote per share and the right to dividends. The Company is authorised to issue an unlimited number of shares of no par value of a single class

8. RELATED PARTY DISCLOSURE

Controlling entity

The ultimate controlling entity in the wholly owned group is CGA Mining Limited.

9. Commitment and contingencies

The company did not have any outstanding commitments or contingencies at 31 March 2010.

RATEL GOLD LIMITED

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Ratel Gold Limited, I state that:

In the opinion of the Directors:

(a) the financial statements of the Entity:

(i) give a true and fair view of the Entity's financial position as at 31 March 2010 and of its performance for the period 27 January 2010 to 31 March 2010; and

(ii) comply with IAS 34 *Interim Financial Reporting*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.

"Michael Carrick"

MICHAEL CARRICK
Director

Perth, 1 June 2010

Independent auditor's report to the Board of Directors of Ratel Gold Limited

We have audited the accompanying interim financial report of Ratel Gold Limited, prepared for the purposes of complying with Canadian securities regulatory requirements, which comprises the statement of financial position of Ratel Gold Limited as at 31 March 2010 and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from its date of incorporation on 27 January 2010 to 31 March 2010, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with International Accounting Standard 34 *Interim Financial Reporting*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Australian and international professional ethical pronouncements.

Auditor's Opinion

In our opinion, the interim financial report of Ratel Gold Limited, prepared for the purposes of complying with Canadian securities regulatory requirements, presents fairly, in all material respects, the financial position of Ratel Gold Limited at 31 March 2010 and of its financial performance and cash flows for the period from its incorporation on 27 January 2010 to 31 March 2010 in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

(signed) "Ernst & Young"

Ernst & Young
Perth, Australia
1 June 2010

Auditor's Report in Respect of Compatibility with Canadian GAAS

To the Board of Directors of Ratel Gold Limited

In accordance with the requirement contained in National Instrument 52-107, we report below on the compatibility of Canadian Generally Accepted Auditing Standards ("Canadian GAAS") and International Standards on Auditing.

We conducted our audit for the period from incorporation, 27 August 2010, to 31 March 2010 in accordance with International Standards on Auditing. There are no material differences in the form or content of our report as compared to an auditor's report prepared in accordance with Canadian GAAS and if this report was prepared in accordance with Canadian GAAS it would not contain a reservation.

(signed) "Ernst & Young"

Ernst & Young
Perth, Australia
1 June 2010

ZAMBIAN MINING LIMITED
INTERIM FINANCIAL STATEMENTS

FOR THE INTERIM PERIOD ENDED 31 MARCH 2010

ZAMBIAN MINING LIMITED

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ZAMBIAN MINING LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three and nine months ended 31 March

	Note	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Continuing Operations					
Revenue	**3**	2,888	-	531	51
Exploration and evaluation expenditure	**4**	(322,124)	(83,545)	(2,217,938)	(165,611)
Foreign exchange gains/(losses)		(8,640)	(1,005)	84,077	(23,006)
Administrative expenses		(8,607)	(946)	(34,881)	(3,664)
Loss from continuing operations		**(336,483)**	**(85,496)**	**(2,168,211)**	**(192,230)**
Income tax benefit	**5**	-	-	-	-
Loss for the period		**(336,483)**	**(85,496)**	**(2,168,211)**	**(192,230)**
Other comprehensive (loss)/income for the period, net of income tax		-	-	-	-
Total comprehensive income for the period		**(336,483)**	**(85,496)**	**(2,168,211)**	**(192,230)**
Loss attributable to:					
Owners of the Company		**(336,483)**	**(85,496)**	**(2,168,211)**	**(192,230)**
Total comprehensive loss attributable to:					
Owners of the Company		**(336,483)**	**(85,496)**	**(2,168,211)**	**(192,230)**

The above consolidated Income Statements should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31 March 2010 US$	30 June 2009 US$
ASSETS			
Current Assets			
Cash and cash equivalents	**6**	5,084	29,989
Trade and other receivables	**7**	219,905	201,055
Total Current Assets		**224,989**	**231,044**
Non-Current Assets			
Property, plant and equipment	**8**	47,167	54,742
Total Non-Current Assets		**47,167**	**54,742**
TOTAL ASSETS		**272,156**	**285,786**
LIABILITIES			
Current Liabilities			
Payables		(6,324)	-
Loans	**9**	(11,203,054)	(10,886,525)
Total Current Liabilities		**(11,209,378)**	**(10,886,525)**
TOTAL LIABILITIES		**(11,209,378)**	**(10,886,525)**
NET LIABILITIES		**(10,937,222)**	**(10,600,739)**
SHAREHOLDERS DEFICIT			
Issued Capital	**12**	2	2
Accumulated losses		(10,937,224)	(10,600,741)
TOTAL SHAREHOLDER'S DEFICIT		**(10,937,222)**	**(10,600,739)**

The above Balance Sheets should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the three and nine months ended 31 March

	Note	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Cash flows from operating activities					
Payments to suppliers and employees		(344,148)	(78,796)	(2,159,162)	(170,215)
Interest received		2,888	-	531	51
Net cash outflow from operating activities	**6(a)**	**(341,260)**	**(78,796)**	**(2,158,631)**	**(170,164)**
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		10,309	-	-	-
Payments for property, plant and equipment		(10,483)	-	(1,801)	-
Net cash inflow/(outflow) from investing activities		**(174)**	**-**	**(1,801)**	**-**
Cash flows from financing activities					
Loans from parent		316,529	60,810	2,190,496	108,312
Net cash inflow from financing activities		**316,529**	**60,810**	**2,190,496**	**108,312**
Net increase / (decrease) in cash and cash equivalents		(24,905)	(17,986)	30,064	(61,852)
Cash and cash equivalents at beginning of financial year		29,989	23,070	4,909	96,825
Cash and cash equivalents at end of the financial period	**6**	**5,084**	**5,084**	**34,973**	**34,973**

The above Cash Flow Statements should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 March 2010

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2009	**2**	**(10,600,741)**	**(10,600,739)**
Loss for the period		(336,483)	(336,483)
Total comprehensive income /(loss) for the period	**-**	**(336,483)**	**(336,483)**
At 31 March 2010	**2**	**(10,937,224)**	**(10,937,222)**

F **or the nine months ended 31 March 2009**

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2008	**2**	**(8,566,984)**	**(8,566,982)**
Loss for the period		(2,168,211)	(2,168,211)
Total comprehensive income /(loss) for the period	**-**	**(2,168,211)**	**(2,168,211)**
At 31 March 2009	**2**	**(10,735,195)**	**(10,735,193)**

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2010

1. CORPORATE INFORMATION

The condensed consolidated interim financial statements of Zambian Mining Limited ("the Company") as at and for the nine months period ended 31 March 2010 was authorised for issue in accordance with a resolution of directors on 31 May 2010.

The Company was incorporated in British Virgin Islands on 22 August 2006. The address of the Company's registered office is Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110 British Virgin Islands. The Consolidated Entity's ultimate parent company is CGA Mining Limited ("CGA"). CGA is a company limited by shares incorporated in Australia whose shares are publicly traded on both the Australian and Toronto Stock Exchanges.

The principal activity of the Consolidated Entity is mineral exploration and development.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed consolidated interim financial statements have been prepared as a general purpose financial report.

The condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in United States Dollars (US$).

Going concern:

The Directors have prepared the financial statement on a going concern basis. At the date of signing the financial report the Directors believe that the company can continue as a going concern. In adopting the going concern basis the Directors have considered the following:

Subsequent to 31 March 2010, Ratel Gold Limited has agreed to acquire a 100% interest in Zambian Mining Limited.

Ratel Gold has agreed to provide additional funding as required to allow the company to continue to operate as a going concern.

CGA Mining Limited, has also agreed to provide additional funding as required to Ratel Gold Limited to enable the company and its controlled entities to operate and meet their respective obligation for a period of the earliest of 12 months from the date of approval of these financial statements or up to the date of Ratel Gold Limited successfully completing the proposed capital raising of up to C$14,000,000 (gross) on the Toronto Stock Exchange..

(b) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the condensed consolidated interim financial statement is read in conjunction with the annual financial statements for the year ended 30 June 2009.

Except as disclosed below, the accounting policies applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2009.

(c) New and Revised Accounting Standards and Interpretations

From 1 July 2009 the Consolidated Entity has adopted all the Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009, including:

- IFRS 8 (Operating Segment). This standard requires disclosure of information about the Consolidated Entity's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Consolidated Entity. The adoption of this standard did not have any effect on the financial position or performance of the Consolidated Entity.

- IFRS 2 (Share-based Payment) – Vesting Conditions and Cancellations (Amendment). The standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this standard did not have any effect on the financial position or performance of the Consolidated Entity.

- IAS 1 (Presentation of Financial Statements (Revised)). The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Consolidated Entity has elected to present one single statement.

- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial. IFRS 3 (Revised) introduces significant changes in the accounting for business combinations. The revised standard requires the use of the acquisition method of accounting for business combinations. Changes affect the accounting for transactions costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

  IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction cost with owners in their capacity as owners. Therefore such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

  The change in accounting policy was applied prospectively.

- Improvements to International Financial Reporting Standards. Adoption of these improvements to International Financial Reporting Standards did not have any effect on the financial position or performance of the Consolidated Entity.

The Group has not elected to early adopt any new standards or amendments.

3. OTHER REVENUE

	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Interest income	-	-	531	51
Other income	2,888	-	-	-
	2,888	-	531	51

4. EXPLORATION AND EVALUATION EXPENDITURE

	Nine months ended 31 March	Three months ended 31 March	Nine months ended 31 March	Three months ended 31 March

	2010 US$	2010 US$	2009 US$	2009 US$
Wages and salaries	121,909	32,747	394,788	34,675
Consultants fees	28,464	6,160	94,224	11,498
Motor vehicle expenses	12,060	4,461	112,810	4,343
Travel expenses	27,165	13,425	53,185	281
Bankable feasibility study costs	27,565	-	1,020,222	16,315
Depreciation expense	7,749	5,327	8,111	4,055
Other	97,212	21,425	534,598	94,443
	322,124	83,545	2,217,938	165,611

5. INCOME TAX BENEFIT

The major components of income tax benefit are:

Income Statement	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Income tax expense / (benefit)	-	-	-	-
Current income tax charge	-	-	-	-
Deferred Income tax	-	-	-	-
Income tax benefit reported in the income statement	-	-	-	-

6. CASH AND CASH EQUIVALENTS

	2010 US$	2009 US$
Cash at bank	4,243	28,235
Cash on hand	841	1,754
	5,084	29,989

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(a) Reconciliation to Cash Flow Statement

	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Reconciliation of net loss after tax to net cash flows from operations				
Net loss after related income tax	(336,483)	(85,496)	(2,168,211)	(192,230)
Adjustment for non-cash income and expense items:				
Unrealised foreign exchange (gains)/losses	-	(2,165)	-	13,490
Depreciation	7,749	5,327	8,111	4,055
Changes in assets and liabilities:				
(Increase) /decrease in trade and other receivables	(18,850)	5,861	2,185	3,806
(Increase) /decrease in payables	6,324	(2,324)	(716)	715
Net cash outflow from operating activities	(341,260)	(78,796)	(2,158,631)	(170,164)

7. TRADE AND OTHER RECEIVABLES

	2010 US$	2009 US$
VAT and GST	219,905	201,055

Receivables are non-interest bearing and are generally on 30-90 day terms. There are no receivables past due or impaired. It is expected that these receivables will be received when due.

8. PROPERTY AND EQUIPMENT

	2010 US$	2009 US$
Balance at 1 July	54,742	68,883
Additions	174	6,155
Disposals	-	(10,309)
Depreciation	(7,749)	(9,987)
Balance at 31 March / 30 June	47,167	54,742
Total accumulated costs	56,051	66,903
Total accumulated depreciation	(8,884)	(12,161)
Total net book value	47,167	54,742

9. INTERCOMPANY LOANS

	2010 US$	2009 US$
Loans from parent entity	11,203,054	10,886,525

The Company received loans from its ultimate parent company CGA Mining Limited advanced on short term inter-company accounts.

These transactions were undertaken on the following terms and conditions:
- loans are repayable at call; and
- no interest is payable on the loans at present.

10. EVENTS AFTER BALANCE SHEET DATE

There have been no significant events subsequent to balance date.

11. ULTIMATE PARENT

CGA Mining Limited is the ultimate parent entity of the group which was incorporated in Australia and owns 100% of the Company.

12. ISSUED CAPITAL

	2010 Number	2010 US$	2009 Number	2009 US$
Issued and paid up capital:	2	2	2	2

No shares have been issued during the period ended 31 March 2010 (2009:nil).

The company is authorised to issue an unlimited number of Shares of no par value of a single class.

13. RELATED PARTY DISCLOSURE

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

Name of Entity	Country of Incorporation	Equity Interest (%)		Investment (US$)	
		2010	2009	2010	2009
Controlled Entities					
Seringa Mining Ltd	Zambia	100	100	-	-
Mkushi Copper Joint Venture Co Ltd	Zambia	51	51	-	-
				-	-

(a) Controlling entity

The ultimate controlling entity in the wholly owned group is CGA Mining Limited.

(b) Other transactions with related parties

Transactions with Related Parties

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

- loans were advanced on short term inter-company accounts;

These transactions were undertaken on the following terms and conditions:

- loans are repayable at call; and
- no interest is payable on the loans at present.

14. Commitment and contingencies

The Company did not have any outstanding commitments or contingencies requiring disclosure as at 31 March 2010.

15. SEGMENT INFORMATION

For management purposes, the Group is organised into one main operating segment, which involves mineral exploration in Zambia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board of Directors (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

ZAMBIAN MINING LIMITED

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Zambian Mining Limited, I state that:

In the opinion of the Directors:

(a) the financial statements of the Consolidated Entity:

(i) give a true and fair view of the Consolidated Entity's financial position as at 31 March 2010 and of its performance for nine month period ended on that date; and

(ii) comply with IAS 34 *Interim Financial Reporting*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.

"Michael Carrick"

MICHAEL CARRICK
Director

Perth, 31 May 2010

ZAMBIAN MINING LIMITED
ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

ZAMBIAN MINING LIMITED

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ZAMBIAN MINING LIMITED

CONSOLIDATED INCOME STATEMENTS

	Note	Year ended 30 June 2009	Year ended 30 June 2008	Period from Incorporation on 22 August 2006 to 30 June 2007
		US$	US$	US$
Continuing Operations				
Revenue	**3**	531	1,354	213
Exploration and evaluation expenditure	**4**	(2,098,883)	(5,611,754)	(2,460,843)
Foreign exchange gains/(losses)		85,010	(441,121)	3,403
Administrative expenses		(20,415)	(39,977)	(18,259)
Loss from continuing operations before income tax expense		**(2,033,757)**	**(6,091,498)**	**(2,475,486)**
Income tax benefit	**5**	-	-	-
Loss from continuing operations after income tax		**(2,033,757)**	**(6,091,498)**	**(2,475,486)**

The above consolidated Income Statements should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

CONSOLIDATED BALANCE SHEETS

	Note	30 June 2009 US$	30 June 2008 US$	30 June 2007 US$
ASSETS				
Current Assets				
Cash and cash equivalents	**6**	29,989	4,909	123,901
Trade and other receivables	**7**	201,055	207,770	300,696
Total Current Assets		**231,044**	**212,679**	**424,597**
Non-Current Assets				
Property, plant and equipment	**8**	54,742	68,883	28,081
Total Non-Current Assets		**54,742**	**68,883**	**28,081**
TOTAL ASSETS		**285,786**	**281,562**	**452,678**
LIABILITIES				
Current Liabilities				
Payables		-	(236,947)	(21,012)
Loans	**9**	(10,886,525)	(8,611,597)	(2,907,150)
Total Current Liabilities		**(10,886,525)**	**(8,848,544)**	**(2,928,162)**
TOTAL LIABILITIES		**(10,886,525)**	**(8,848,544)**	**(2,928,162)**
NET LIABILITIES		**(10,600,739)**	**(8,566,982)**	**(2,475,484)**
SHAREHOLDERS DEFICIT				
Issued Capital	**12**	2	2	2
Accumulated losses		(10,600,741)	(8,566,984)	(2,475,486)
TOTAL SHAREHOLDER'S DEFICIT		**(10,600,739)**	**(8,566,982)**	**(2,475,484)**

The above Balance Sheets should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

CONSOLIDATED CASH FLOW STATEMENTS

	Note	Year ended 30 June 2009 US$	Year ended 30 June 2008 US$	Period from Incorporation on 22 August 2006 to 30 June 2007 US$
Cash flows from operating activities				
Payments to suppliers and employees		(2,254,533)	(5,772,185)	(2,753,989)
Interest received		531	1,354	213
Net cash outflow from operating activities	**6(a)**	**(2,254,002)**	**(5,770,831)**	**(2,753,776)**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		10,309	-	-
Payments for property, plant and equipment		(6,155)	(52,608)	(29,475)
Net cash outflow from investing activities		**4,154**	**(52,608)**	**(29,475)**
Cash flows from financing activities				
Proceeds from issue of share capital		-	-	2
Loans from parent		2,274,928	5,704,447	2,907,150
Net cash inflow from financing activities		**2,274,928**	**5,704,447**	**2,907,152**
Net increase/(decrease) in cash and cash equivalents		25,080	(118,992)	123,901
Cash and cash equivalents at beginning of financial year		4,909	123,901	-
Cash and cash equivalents at end of the financial year	**6**	**29,989**	**4,909**	**123,901**

The above Cash Flow Statements should be read in conjunction with the accompanying notes

ZAMBIAN MINING LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2009

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2008	**2**	**(8,566,984)**	**(8,566,982)**
Loss for the period	-	(2,033,757)	(2,033,757)
Total income and expense for the period	**-**	**(2,033,757)**	**(2,033,757)**
At 30 June 2009	**2**	**(10,600,741)**	**(10,600,739)**

For the year ended 30 June 2008

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2007	**2**	**(2,475,486)**	**(2,475,484)**
Loss for the period	-	(6,091,498)	(6,091,498)
Total income and expense for the period	**-**	**(6,091,498)**	**(6,091,498)**
At 30 June 2008	**2**	**(8,566,984)**	**(8,566,982)**

For the period from the date of incorporation 22 August 2006 to 30 June 2007

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
Loss for the period	-	(2,475,486)	(2,475,486)
Total income and expense for the period	**-**	**(2,475,486)**	**(2,475,486)**
Issue of share capital	2	**-**	**2**
At 30 June 2007	**2**	**(2,475,486)**	**(2,475,484)**

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

The financial statements of Zambian Mining Limited (”the Company”) for the year ended 30 June 2009 were authorised for issue in accordance with a resolution of directors on 31 May 2010.

The Company was incorporated in British Virgin Islands on 22 August 2006. The address of the Company’s registered office is Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110 British Virgin Islands. The Consolidated Entity’s ultimate parent company is CGA Mining Limited (“CGA”). CGA is a company limited by shares incorporated in Australia whose shares are publicly traded on both the Australian and Toronto Stock Exchanges.

The principal activity of the Consolidated Entity is mineral exploration and development, primarily through the Mkushi Copper Project in Zambia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements cover the twelve-month periods ended 30 June 2009 and 2008 and the period from date of incorporation, 22 August 2006, to 30 June 2007.

The financial statements have been prepared as a general purpose financial report.

The financial statements have been prepared on a historical cost basis and are presented in United States Dollars (US$).

(b) Statement of compliance

The financial statements comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

(c) New and amending Accounting Standards and Interpretations

In the current year, the Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the International Accounting Standards Boards (the “IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) that are relevant to its operations and effective for accounting periods beginning on 1 July 2008 including:

- Amendments to IAS 39, *Financial Instruments Recognition and Measurement,* and IFRS 7, *Financial Instruments Disclosure – Reclassification of Financial Assets*;
- IFRIC 4 (revised) *Determining Whether an Arrangement Contains a Lease*.

The adoption of these new and revised Standards and Interpretations had no material effect on the profit and loss or financial position of the group.

Certain International Financial Reporting Standards and IFRIC Interpretations have recently been issued or amended but are not yet effective for the annual reporting period ended on 30 June 2009. The directors have not early adopted any of these new standards or amended standards or interpretations as follows:

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
IFRS 8	Operating Segments and consequential amendments to other International Accounting Standards	New Standard replacing IAS 14 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	The new standard is not expected to impact the Group	1 July 2009
IAS 23 (Revised)	Borrowing Costs and consequential amendments to other International Accounting Standards	The amendments to IAS 23 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	The revised standard is not expected to impact the Group as it was already the Group's policy to capitalise borrowing costs associated with qualifying assets.	1 July 2009
IAS 1 (Revised)	Presentation of Financial Statements and consequential amendments to other International Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	The new statement of comprehensive income will set out the result for the Group for the reporting period plus other movements in retained earnings and reserves.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
IFRS 2 Amendments	Amendments to International Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of "vesting conditions", introducing the term "non-vesting conditions" for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The new standard is not expected to impact the Group	1 July 2009
IAS 32 Amendments	Amendments to International Accounting Standards – Financial Instruments Presentation: Puttable Financial Instruments and Obligations arising on Liquidation	The amendments provide a limited exception to the definition of a liability so as to allow an entity that issues puttable financial instruments with certain specified features, to classify those instruments as equity rather than financial liabilities.	1 January 2009	The interpretation is not expected to impact the Group, as changes are applied prospectively	1 July 2009
IFRS 3 (Revised)	Business Combinations	The revised Standard introduces a number of changes to the accounting for business combinations, the most significant of which includes the requirement to have to expense transaction costs and a choice (for each business combination entered into) to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice	1 July 2009	As changes are applied prospectively, the new standard is not expected to impact the Group on adoption	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.			
IAS 27 (Revised)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to IAS 27 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the	1 July 2009	The new standard is not expected to impact the Group	1 July 2009
IAS 27 (Revised) (continued)		ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.			
IFRS Annual Improvement Project	Amendments to International Accounting Standards arising from the Annual Improvements Project [IFRS 5, IAS 1, 16, 19, 20, 23, 27, 28, 29, 31, 36, 38, 39, 40 and 41]	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	1 January 2009	The Group is currently reviewing any potential impact.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].			
IFRS Annual Improvement Project	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [IFRS 2 and 8, IAS 1, 7, 17, 18, 36, 38, 39, IFRIC 9 and 16]	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer above for more details.	1 July 2009	The Group is currently reviewing any potential impact.	1 July 2009
IAS 27	Amendments to IAS 27 – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance are those made to IAS 27 deleting the "cost method" and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate	1 January 2009	The Group is currently reviewing any potential impact	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. IAS 27 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.			
IAS 39 Amendments	Amendments to International Accounting Standards – Financial Instruments Recognition and Measurement - Eligible Hedged Items	The amendment to IAS 39 clarifies how the principles underlying hedge accounting should be applied when (i) a one-sided risk in a hedged item is being hedged and (ii) inflation in a financial hedged item existed or was likely to exist.	1 July 2009	As the Group does not currently undertake hedging transactions, these amendments are not expected to impact the Group	1 July 2009
IFRS 7	Amendments to International Accounting Standards – Improving Disclosures about Financial Instruments	The main amendment to IFRS 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: ► quoted prices (unadjusted) in active markets for identical assets or	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	The amendments to IFRS 7 are of a disclosure nature only and accordingly will not impact the Group's results or	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		liabilities (Level 1); ► inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and ► inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* by the IASB in March 2009. The amendments to IFRS 4, IAS 23 and IAS 38 comprise editorial changes resulting from the amendments to IFRS 7.		financial position.	
IFRIC 15	Agreements for the Construction of Real Estate	This interpretation requires that when the real estate developer is providing construction services to the buyer's specifications, revenue can be recorded only as construction progresses. Otherwise, revenue should be recognised on completion of the relevant real estate unit.	1 January 2009	The interpretation is not expected to impact the Group	1 July 2009
IFRIC 16	Hedges of a Net Investment in a	This interpretation requires that the hedged	1 October	The interpretatio	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
	Foreign Operation	risk in a hedge of a net investment in a foreign operation is the foreign currency risk arsing between the functional currency of the net investment and the functional currency of any parent entity. This also applies to foreign operations in the form of joint ventures, associates or branches.	2008	n is not expected to impact the Group	
IFRIC 17	Distributions of Non-Cash Assets to Owners and consequential amendments to International Accounting Standards IFRS 5 and IAS 10	This interpretation outlines how an entity should measure distributions of assets, other than cash, as a dividend to its owners acting in their capacity as owners. This applies to transactions commonly referred to as spin-offs, split offs or demergers and in-specie distributions.	1 July 2009	The interpretatio n is not expected to impact the Group	1 July 2009
IFRIC 18	Transfer of Assets from Customers	This interpretation provides guidance on the transfer of assets such as items of property, plant and equipment or transfers of cash received from customers. The Interpretation provides guidance on when and how an entity should recognise such assets and discusses the timing of revenue recognition for such arrangements and requires that once the asset meets the condition to be recognised at fair value, it is accounted for as an ‘exchange transaction’.	Applies prospectively to transfer of assets from customers received on or after 1 July 2009.	The interpretatio n is not expected to impact the Group	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		Once an exchange transaction occurs the entity is considered to have delivered a service in exchange for receiving the asset.			
IFRIC 18 (continued)		Entities must identify each identifiable service within the agreement and recognise revenue as each service is delivered.			
IFRS 5, IFRS 7, IAS 7, IAS 12, IAS 36 & IAS 39 and IFRIC 17 amendments	Amendments to International Financial Reporting Standards	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	The amendments are not expected to impact the Group	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
IFRS 2	Amendments to IFRS 2	The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular: ► the scope of IFRS 2; and ► the interaction between IFRS 2 and other standards. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. A "group" has the same meaning as in IAS 27 *Consolidated and Separate Financial Statements*, that is, it includes only a parent and its subsidiaries. The amendments also incorporate guidance previously included in IFRIC 8 *Scope of IFRS 2* and IFRIC 11 *IFRS 2—Group and Treasury Share Transactions*. As a result, IFRIC 8 and IFRIC 11 have been withdrawn.	1 January 2010	The amendments are not expected to impact the Group.	1 July 2010

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
IFRS 9	Financial Instruments	IFRS 9 includes requirements for the classification and measurement of financial assets resulting from the first part of phase 1 of the IASB's project to replace IAS 39 Financial Instruments: recognition and measurement. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of IAS 39.	1 January 2015	The Group has not yet determined the extent of the impact of the new standard, if any.	1 July 2015

(d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its controlled entities, referred to collectively throughout these financial statements as the "Consolidated Entity" or the "Group", as at 30 June each year. Transactions between companies within the Consolidated Entity have been eliminated on consolidation.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

(e) Significant accounting estimates and assumptions

Judgements applied in the process of applying the Group's accounting policies, are disclosed in the appropriate accounting policy notes.

(f) Going Concern – Economic Dependency

The Directors have prepared the financial statements on a going concern basis. At the date of signing the financial report the Directors believe that the company can continue as a going concern. In adopting the going concern basis the Directors have considered the following:

Subsequent to 30 June 2009, Ratel Gold Limited has agreed to acquire a 100% interest in Zambian Mining Limited.

(f) Going Concern – Economic Dependency (continued)

CGA Mining Limited has agreed to provide additional funding as required by Ratel Gold Limited to enable the company and any controlled entities to operate and meet their
respective obligations for a period of the earliest of 12 months from the date of approval of these financial statements or to the date of Ratel Gold Limited successfully completing the proposed capital raising of up to C$14,000,000 (gross) on the Toronto Stock Exchange.

Ratel Gold Limited has agreed to provide additional funding as required to allow the company to continue to operate as a going concern.

(g) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office, plant and equipment – over 1 to 10 years

De-recognition and Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(h) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry–forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the

temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

(h) Income tax (continued)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are recognised at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and the same taxation authority.

(i) Other taxes

Revenues, expenses and assets are recognized net of the amount of goods and services tax ("GST" or "VAT"), except where the amount of GST or VAT incurred is not recoverable from the relevant taxation authorities, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST or VAT included.

The net amount of GST or VAT recoverable from, or payable to, the relevant taxation authorities is included as a receivable or payable in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST or VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST or VAT recoverable from, or payable to, the taxation authority.

(j) Exploration and evaluation

Exploration and evaluation expenditure is written off as incurred, except for acquisition costs and where an area of interest is established.

Exploration assets acquired from a third party are carried forward provided that either i) the carrying value is expected to be recouped through the successful development and exploitation or sale of an area of interest or ii) exploitation and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in relation to the area are continuing and the rights of the tenure are current. If capitalised exploration and evaluation costs do not meet either of these tests, they are expensed to the profit and loss.

An area of interest is established where a discovery of economically recoverable resource is made. The area of interest will be established as a mineral project. All activity relating to the area of interest is then subsequently capitalised. Where development is anticipated, costs will be carried forward until the decision to develop is made.

Each area of interest is reviewed at least bi-annually to determine whether it is appropriate to continue to carry forward the capitalised costs.

(j) Exploration and evaluation

Upon approval for the development of an area of interest, accumulated expenditure for the area of interest is transferred to capitalised development expenditure.

(k) Foreign currency translation

Both the functional currency and presentation currency of the Company is United States dollars (US$) (2008: United States dollars US$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(k) Foreign currency translation (continued)

The functional currency of the foreign operations, Seringa Mining Limited and Mkushi Copper Joint Venture Co Limited, is United States dollars (US$).

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(l) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to reporting date. Employee entitlements expected to be settled within one year have been measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit valuation method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

(m) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Cash and cash equivalents

Cash and short term deposits in the balance sheet include cash at bank and short term deposits with an original maturity of three months or less.
For the purposes of the cash flow statement, cash and cash equivalents include cash and cash equivalents defined above, net of outstanding bank overdrafts.

(o) Share capital

Share capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependant of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is represented in the income statement net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(r) Trade and other receivables

Trade receivables, which generally have 30 day terms are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(s) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(t) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(u) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

(v) Revenue Recognition

Interest Revenue

Revenue is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

3. REVENUE

	2009 US$	2008 US$	2007 US$
Interest income	531	1,354	213
	531	1,354	213

4. EXPLORATION AND EVALUATION EXPENDITURE

	2009 US$	2008 US$	2007 US$
Wages and salaries	426,324	595,428	256,630
Consultants fees	100,244	1,296,751	178,628
Travel	60,427	131,106	46,756
Bankable feasibility study costs	1,001,363	-	-
Assay and drilling costs	25,481	2,613,568	1,837,099
Depreciation expense	9,987	11,806	1,394
Other	475,057	963,095	140,336
	2,098,883	5,611,754	2,460,843

5. INCOME TAX BENEFIT

The major components of income tax benefit are:

Income Statement	**2009 US$**	**2008 US$**	**2007 US$**
Income tax expense / (benefit)	-	-	-
Current income tax charge	-	-	-
Deferred Income tax	-	-	-
Income tax benefit reported in the income statement	-	-	-

A reconciliation between tax benefit and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

	2009 US$	**2008 US$**	**2007 US$**
Accounting loss before income tax	(2,033,757)	(6,091,498)	(2,475,486)
At the Company's statutory income tax rate of 35% (2008: 35%, 2007: 35%)	(711,815)	(2,132,024)	(866,420)
Expenditure not deductible for income tax purposes	-	5	316
Unrecognised tax losses	711,815	2,132,019	866,104
Income tax benefit reported in the consolidated income statement	-	-	-

Deferred income tax at 30 June relates to the following:			
(i) Deferred tax liabilities	-	-	-
(ii) Deferred tax assets			
Tax Losses	3,709,938	2,998,123	866,104
Deferred tax assets not recognized	(3,709,938)	(2,998,123)	(866,104)
Gross deferred tax assets	-	-	-

The tax losses have not been recognized as their realisation is not considered as probable.

There were no significant temporary differences as at 30 June 2009, 2008 or 2007.

6. CASH AND CASH EQUIVALENTS

	2009 US$	**2008 US$**	**2007 US$**
Cash at bank	28,235	5,234	121,761
Cash on hand	1,754	(325)	2,140
	29,989	4,909	123,901

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(a) Reconciliation to Cash Flow Statement

	2009 US$	**2008 US$**	**2007 US$**
Reconciliation of net loss after tax to net cash flows from operations			
Net loss after related income tax	(2,033,757)	(6,091,498)	(2,475,486)
Adjustment for non-cash income and expense items:			
Depreciation	9,987	11,806	1,394

Changes in assets and liabilities:			
Decrease/(increase) in trade and other receivables	6,715	92,926	(300,696)
(Decrease)/increase in payables	(236,947)	215,935	21,012
Net cash outflow from operating activities	(2,254,002)	(5,770,831)	(2,753,776)

7. TRADE AND OTHER RECEIVABLES

	2009 US$	2008 US$	2007 US$
VAT and GST	192,428	201,369	297,772
Other receivable	8,627	6,401	2,924
	201,055	207,770	300,696

Receivables are non-interest bearing and are generally on 30-90 day terms. There are no receivables past due or impaired. It is expected that these receivables will be received when due.

8. PROPERTY, PLANT AND EQUIPMENT

	2009 US$	2008 US$	2007 US$
Balance at 1 July	68,883	28,081	-
Additions	6,155	52,608	29,475
Disposals	(10,309)	-	-
Depreciation	(9,987)	(11,806)	(1,394)
Balance at 30 June	54,742	68,883	28,081
Total accumulated costs	66,903	82,083	29,475
Total accumulated depreciation	(12,161)	(13,200)	(1,394)
Total net book value	54,742	68,883	28,081

9. LOANS

	2009 US$	2008 US$	2007 US$
Loans from parent entity	10,886,525	8,611,597	2,907,150

The Company received loans from its parent company CGA Mining Limited advanced on short term inter-company accounts.

These transactions were undertaken on the following terms and conditions:

- loans are repayable at call; and
- no interest is payable on the loans at present.

10. EVENTS AFTER BALANCE SHEET DATE

There have been no significant events subsequent to balance date.

11. ULTIMATE PARENT

CGA Mining Limited is the ultimate parent entity of the group which was incorporated in Australia and owns 100% of the Company.

12. ISSUED CAPITAL

	2009 Number	2009 US$	2008 Number	2008 US$	2007 Number	2007 US$
Issued and paid up capital:	2	2	2	2	2	2

No shares have been issued during the year ended 30 June 2009 (2008:nil, 2007:2)

Fully paid ordinary shares carry one vote per share and the right to dividends. The company is authorised to issue an unlimited number of Shares of no par value of a single class.

13. AUDITORS REMUNERATION

The auditor of the Company is Ernst & Young.

	2009 US$	2008 US$	2007 US$
Amounts received or due and receivable by Ernst & Young (Australia) for:			
• an audit or review of the financial report of the entity and any other entity in the consolidated group	1,843	1,433	-

Ernst & Young (Australia) fees are paid by the ultimate parent entity of the Group.

14. RELATED PARTY DISCLOSURE

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

Name of Entity	Country of Incorporation	Equity Interest (%)		Investment (US$)	
		2009	2008	2009	2008
Controlled Entities					
Seringa Mining Ltd	Zambia	100	100	-	-
Mkushi Copper Joint Venture Co Ltd	Zambia	51	51	-	-
				-	-

(a) Controlling entity

The ultimate controlling entity in the wholly owned group is CGA Mining Limited.

(b) Other transactions with related parties

Transactions with Related Parties

From the incorporation on 22 August 2006 to 30 June 2009, the Company entered into transactions with related parties in the wholly-owned group:

- loans were advanced on short term inter-company accounts;

These transactions were undertaken on the following terms and conditions:

- loans are repayable at call; and
- no interest is payable on the loans at present.

15. COMMITMENT AND CONTINGENCIES

The Company did not have any outstanding commitments or contingencies requiring disclosure as at 30 June 2009.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, receivables, payables and borrowings. The Company currently has in place an active program of financial forecasting and budgeting both at a corporate and project level to manage both the application of funds and planning for future financial needs to ensure that any shortfall in funds is adequately covered by cash reserves or planned new sources being either debt or equity based on the then most cost effective weighted average cost of capital.

Risk Management is carried out by management and the board of directors of the ultimate parent company (the "Board") under policies approved by the Board. The Board also provides regular guidance for overall risk management, including guidance on specific areas, such as mitigating foreign exchange, interest rate and credit risk.

The Company does not enter into financial instruments, including derivative financial instruments, for trade or speculative purposes.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, credit limits and future cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2.

Credit risk

Credit Risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at the reporting date in relation to each class of financial asset is the carrying amounts of those assets as indicated in the Balance Sheets. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group monitors this credit risk through holding its cash through banks with a Standard and Poors credit rating of 'A' or greater. The credit risk associated with cash and cash equivalents is considered negligible by the Group. The Group does not hold collateral as security. The Group does not have any receivables past due or impaired.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

At balance date, the Group's maximum exposure to interest rate risk is as follows:

	2009 US$	2008 US$	2007 US$
Cash and cash equivalents			
KWA$ balances held	771	1,940	117,247
US$ balances held	27,464	3,294	4,487
	28,235	5,234	121,734

The Group considers this exposure is not material.

The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The Group's policy is to manage its exposure to interest rate risk by holding cash in short term fixed rate deposits and variable rate deposits. The Group's exposure to interest rate risk on post-tax profit or loss arises from higher or lower interest income from cash and cash equivalents.

Foreign currency risk

The Group's policy is to manage its foreign currency exposure through holding its cash largely in USD, being the same currency as the majority of its costs. As a result the Group does not have a material exposure to foreign currency risk.

At balance date, the Group had the following exposure to foreign currencies (KWA$) on financial instruments that are not designated as cash flow hedges:

Foreign currency risk (continued)

	2009	2008	2007
Financial Assets			
Cash and cash equivalents	2,523	1,613	119,412
Trade and other receivables	197,474	207,770	300,696
	199,997	209,383	420,108
Financial Liabilities			
Trade and other payables	-	(236,947)	(21,012)
	-	(236,947)	(21,012)
Net exposure	199,997	(63,043)	302,590

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without occurring unacceptable losses or risking damage to the Group's reputation.

The responsibility for liquidity risk rests with the Board of Directors. The Group's liquidity needs can likely be met through cash on hand, short and long-term borrowings subject to the current forecast operating parameters being met.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The contractual maturities of the Group's financial liabilities are as follows:

	2009	2008	2007
Within one month			
Trade creditors	-	236,947	21,012
Loans from CGA Limited	10,886,525	8,611,597	2,907,150
	10,886,525	8,848,544	2,928,162

Future capital needs can be met through our cash position and future loans from the parent entity. These will likely be sufficient to meet our necessary capital requirements, subject to the current forecast operating parameters being met.

Capital risk management

The Group's total capital is defined as equity attributable to equity holders of the parent, cash and cash equivalents and borrowings net of cash which amounted to $255,797 at 30 June 2009 (2008:$39,706, 2007: $307,765).

The Group's capital management objectives are to safeguard the business as a going concern, to maintain a capital base sufficient to maintain future exploration and development of its projects. Management may issue more shares or repay debts in order to maintain the optimal capital structure.

The Group does not have a target debt/equity ratio, but maintains a flexible financing structure so as to be able to take advantage of new investment opportunities that may arise. The Group monitors its capital risk management through annual cash flow projections and monthly reporting against budget.

17. SEGMENT INFORMATION

The Group's operations focus primarily on mineral exploration and evaluation at the Mkushi Copper Project in Zambia.

ZAMBIAN MINING LIMITED

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Zambian Mining Limited, I state that:

In the opinion of the Directors:

(a) the financial statements of the Consolidated Entity:

(i) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2009, 2008 and 2007 and of its performance for each of the three years ended on that date; and

(ii) comply with International Financial Reporting Standards; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.

"Michael Carrick"

MICHAEL CARRICK
Director

Perth, 31 May 2010

Independent auditor's report to the Board of Directors of Zambian Mining Limited

We have audited the accompanying financial report of Zambian Mining Limited, prepared for the purposes of complying with Canadian securities regulatory requirements, which comprises the balance sheets as at 30 June 2009, 2008 and 2007 and the related consolidated income statements, statements of changes in equity and cash flow statements for the years ended 30 June 2009 and 2008 and for the period from incorporation, 22 August 2006, to 30 June 2007, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the Australian and International professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of Zambian Mining Limited, prepared for the purposes of complying with Canadian securities regulatory requirements, presents fairly, in all material respects, the financial position of Zambian Mining Limited consolidated entity at 30 June 2009, 2008 and 2007 and of its financial performance and cash flows for the years ended 30 June 2009 and 2008 and for the period from incorporation, 22 August 2006, to 30 June 2007 in accordance with International Financial Reporting Standards.

(signed) "Ernst & Young"

Ernst & Young
Perth, Australia
31 May 2010

Auditor's Report in Respect of Compatibility with Canadian GAAS

To the Board of Directors of Zambian Mining Limited

In accordance with the requirement contained in National Instrument 52-107, we report below on the compatibility of Canadian Generally Accepted Auditing Standards ("Canadian GAAS") and International Standards on Auditing.

We conducted our audits for the years ended 30 June 2009, 2008 and for the period from incorporation, 22 August 2006, to 30 June 2007 in accordance with International Standards on Auditing. There are no material differences in the form or content of our report as compared to an auditor's report prepared in accordance with Canadian GAAS and if this report was prepared in accordance with Canadian GAAS it would not contain a reservation.

(signed) "Ernst & Young"

Ernst & Young
Perth, Australia
31 May 2010

CGX LIMITED
INTERIM FINANCIAL STATEMENTS

FOR THE INTERIM PERIOD ENDED 31 MARCH 2010

CGX LIMITED

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CGX LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three and nine months ended 31 March

	Note	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Continuing Operations					
Revenue	**3**	998	933	139	11
Exploration and evaluation expenditure	**4**	(1,941,888)	(579,530)	(2,349,265)	(928,355)
Foreign exchange losses		(32,135)	(2,189)	(62,439)	(20,278)
Administrative expenses		(35,692)	(6,521)	(26,268)	(9,919)
Loss from continuing operations		**(2,008,717)**	**(587,307)**	**(2,437,833)**	**(958,541)**
Income tax benefit	**5**	-	-	-	-
Loss for the period		**(2,008,717)**	**(587,307)**	**(2,437,833)**	**(958,541)**
Other comprehensive income for the period, net of income tax		-	-	-	-
Total comprehensive income for the period		**(2,008,717)**	**(587,307)**	**(2,437,833)**	**(958,541)**
Loss attributable to:					
Owners of the Company		**(2,008,717)**	**(587,307)**	**(2,437,833)**	**(958,541)**
Total comprehensive income attribute to:					
Owners of the Company		**(2,008,717)**	**(587,307)**	**(2,437,833)**	**(958,541)**

The above consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes

CGX LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31 March 2010 US$	30 June 2009 US$
ASSETS			
Current Assets			
Cash and cash equivalents	**6**	69,114	44,385
Trade and other receivables	**7**	255	394
Total Current Assets		**69,369**	**44,779**
Non-Current Assets			
Property, Plant and equipment	**8**	103,115	109,972
Total Non-Current Assets		**103,115**	**109,972**
TOTAL ASSETS		**172,484**	**154,751**
LIABILITIES			
Current Liabilities			
Payables		(90,354)	(14,358)
Loans	**9**	(7,787,468)	(5,837,014)
Total Current Liabilities		**(7,877,822)**	**(5,851,372)**
TOTAL LIABILITIES		**(7,877,822)**	**(5,851,372)**
NET LIABILITIES		**(7,705,338)**	**(5,696,621)**
SHAREHOLDER'S DEFICIT			
Issued Capital	**12**	2	2
Accumulated losses		(7,705,340)	(5,696,623)
TOTAL SHAREHOLDER'S DEFICIT		**(7,705,338)**	**(5,696,621)**

The above Statement of Financial Performance should be read in conjunction with the accompanying notes

CGX LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the three and nine months ended 31 March

	Note	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Cash flows from operating activities					
Payment to suppliers and employees		(1,923,241)	(612,857)	(2,535,992)	(871,775)
Interest received		998	933	139	11
Net cash outflow from operating activities	**6(a)**	**(1,922,243)**	**(611,924)**	**(2,535,853)**	**(871,764)**
Cash flows from investing activities					
Payments for property, plant and equipment		(3,483)	-	(59,648)	(39,018)
Net cash outflow from investing activities		**(3,483)**	**-**	**(59,648)**	**(39,018)**
Cash flows from financing activities					
Proceeds from issue of share capital					
Loans from parent		1,950,454	632,314	2,506,264	916,282
Net cash inflow from financing activities		**1,950,454**	**632,314**	**2,506,264**	**916,282**
Net increase/(decrease) in cash and cash equivalents		24,728	20,390	(89,237)	5,500
Cash and cash equivalents at beginning of the period		44,386	48,724	145,246	50,509
Cash and cash equivalents at end of the period	**6**	**69,114**	**69,114**	**56,009**	**56,009**

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

CGX LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 March 2010

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2009	**2**	**(5,696,623)**	**(5,696,621)**
Loss for the period		(2,008,717)	(2,008,717)
Total comprehensive loss for the period	**-**	**(2,008,717)**	**(2,008,717)**
At 31 March 2010	**2**	**(7,705,340)**	**(7,705,338)**

For the nine months ended 31 March 2009

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2008	**2**	**(2,432,882)**	**(2,432,880)**
Loss for the period		(2,437,833)	(2,437,833)
Total comprehensive loss for the period	**-**	**(2,437,833)**	**(2,437,833)**
At 31 March 2009	**2**	**(4,870,715)**	**(4,870,713)**

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes

CGX LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2010

1. CORPORATE INFORMATION

The condensed consolidated interim financial statements of CGX Limited (”the Company”) as at and for the nine months period ended 31 March 2010 were authorised for issue in accordance with a resolution of directors on 31 May 2010.

The Company was incorporated in British Virgin Islands on 22 August 2006. The address of the Company’s registered office is Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110 British Virgin Island. The Consolidated Entity’s ultimate parent company is CGA Mining Limited (“CGA”). CGA is a company limited by shares incorporated in Australia whose shares are publicly traded on both the Australian and Toronto Stock Exchanges.

The principal activity of the Consolidated Entity is mineral exploration and development.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed consolidated interim financial statements have been prepared as a general purpose financial report.

The condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in United States Dollars.

Going concern:

The Directors have prepared the financial statement on a going concern basis. At the date of signing the financial report the Directors believe that the company can continue as a going concern. In adopting the going concern basis the Directors have considered the following:

Subsequent to 31 March 2010, Ratel Gold Limited has agreed to acquire a 100% interest in CGX Limited.

Ratel Gold has agreed to provide additional funding as required to allow the company to continue to operate as a going concern.

CGA Mining Limited, has also agreed to provide additional funding as required to Ratel Gold Limited to enable the company and its controlled entities to operate and meet their respective obligation for a period of the earliest of 12 months from the date of approval of these financial statements or up to the date of Ratel Gold Limited successfully completing the proposed capital raising of up to C$14,000,000 (gross) on the Toronto Stock Exchange.

(b) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2009. It is recommended that the condensed interim financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2009.

Except as disclosed below the accounting policies applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2009.

(c) New and Revised Accounting Standards and Interpretations

From 1 July 2009 the Consolidated Entity has adopted all the Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009, including:

- FRS 8 (Operating Segment). This standard requires disclosure of information about the Consolidated Entity’s operating segments and replaces the requirement to determine primary and secondary

reporting segments of the Consolidated Entity. The adoption of this standard did not have any effect on the financial position or performance of the Consolidated Entity.

- IFRS 2 (Share-based Payment) – Vesting Conditions and Cancellations (Amendment). The standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this standard did not have any effect on the financial position or performance of the Consolidated Entity.

- IAS 1 (Presentation of Financial Statements (Revised)). The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Consolidated Entity has elected to present one single statement.

- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial. IFRS 3 (Revised) introduces significant changes in the accounting for business combinations. The revised standard requires the use of the acquisition method of accounting for business combinations. Changes affect the accounting for transactions costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

- IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction cost with owners in their capacity as owners. Therefore such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary

- Improvements to International Financial Reporting Standards. Adoption of these improvements to International Financial Reporting Standards did not have any effect on the financial position or performance of the Consolidated Entity.

The Group has not elected to early adopt any new standards or amendments.

3. OTHER REVENUE

	Nine months ended 31 March 2010 US$	Three months ended 31 March 2010 US$	Nine months ended 31 March 2009 US$	Three months ended 31 March 2009 US$
Interest income	68	3	139	11
Sundry income	930	930	-	-
	998	933	139	11

4. EXPLORATION AND EVALUATION EXPENDITURE

	Nine months ended 31	Three months	Nine months ended 31	Three months

	March 2010 US$	ended 31 March 2010 US$	March 2009 US$	ended 31 March 2009 US$
Assay and Drilling Costs	275,614	227	915,677	337,864
Consultants Fees	177,470	43,367	240,248	106,943
Travel expenses	137,236	73,369	248,815	74,623
Wages and salaries	375,599	155,759	309,877	130,801
Depreciation expense	10,339	5,247	13,050	4,825
Other	965,630	296,561	621,598	273,299
	1,941,888	579,530	2,349,265	928,355

5. INCOME TAX BENEFIT

The major components of income tax benefit are:

Income Statement	**Nine months ended 31 March 2010 US$**	**Three months ended 31 March 2010 US$**	**Nine months ended 31 March 2009 US$**	**Three months ended 31 March 2009 US$**
Income tax expense / (benefit)	-	-	-	-
Current income tax charge	-	-	-	-
Deferred Income tax	-	-	-	-
Income tax benefit reported in the income statement	-	-	-	-

6. CASH AND CASH EQUIVALENTS

	2010 US$	2009 US$
Cash at bank	62,195	35,797
Cash on hand	6,919	8,588
	69,114	44,385

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(a) Reconciliation to Cash Flow Statement

	Nine months ended 31 March 2010 US$	**Three months ended 31 March 2010 US$**	**Nine months ended 31 March 2009 US$**	**Three months ended 31 March 2009 US$**
Reconciliation of net loss after tax to net cash flows from operations				
Net loss after related income tax	(2,008,717)	(587,307)	(2,437,833)	(958,541)
Adjustment for non-cash income and expense items:				
Depreciation	10,339	5,247	13,050	4,825
Changes in assets and liabilities:				
Decrease in trade and other receivables	139	41,322	-	(24,988)
Increase/(Decrease) in payables	75,996	(71,196)	(111,070)	106,941
Net cash outflow from operating activities	(1,922,243)	(611,924)	(2,535,853)	(871,764)

7. TRADE AND OTHER RECEIVABLES

	2010	**2009**

	US$	US$
VAT and GST	255	394

Receivables are non-interest bearing and are generally on 30-90 day terms. There are no receivables past due or impaired. It is expected that these receivables will be received when due.

8. PROPERTY AND EQUIPMENT

	2010 US$	2009 US$
Balance at 1 July	109,972	65,554
Additions	3,492	62,527
Disposals	(10)	-
Depreciation	(10,339)	(18,109)
Balance at 31 March / 30 June	103,115	109,972
Total accumulated costs	151,007	147,525
Total accumulated depreciation	(47,892)	(37,553)
Total net book value	103,115	109,972

9. INTERCOMPANY LOANS

	2010 US$	2009 US$
Loans from parent entity	7,787,468	5,837,014

The Company received loans from its ultimate parent company CGA Mining Limited advanced on short term inter-company accounts.

These transactions were undertaken on the following terms and conditions:
- loans are repayable at call; and
- no interest is payable on the loans at present.

10. EVENTS AFTER BALANCE SHEET DATE

Subsequent to 31 March 2010, Segilola Gold Limited has been granted an additional 13% interest in the Segilola Gold Project J.V, taking its total interest to 38%. The Company is also entitled to an additional 13% which will be granted upon the delivery of the bankable feasibility study.

11. ULTIMATE PARENT

CGA Mining Limited is the ultimate parent entity of the group which was incorporated in Australia and owns 100% of the Company.

12. ISSUED CAPITAL

	2010 Number	2010 US$	2009 Number	2009 US$
Issued and paid up capital:	2	2	2	2

No shares have been issued during the period ended 31 March 2010 (2009:nil).

13. RELATED PARTY DISCLOSURE

The consolidated entity consists of CGX Limited and its controlled subsidiary listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest (%)		Investment (US$)	
		2010	2009	2010	2009

Segilola Gold Ltd	Nigeria	100	100	-	-

Joint Venture

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

(a) Controlling entity

The ultimate controlling entity in the wholly owned group is CGA Mining Limited.

(b) Other transactions with related parties

Transactions with Related Parties

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

- loans were advanced on short term inter-company accounts;

These transactions were undertaken on the following terms and conditions:

- loans are repayable at call; and
- no interest is payable on the loans at present.

14. Commitment and contingencies

The Company did not have any outstanding commitments or contingencies requiring disclosure as at 31 March 2010.

15. SEGMENT INFORMATION

For management purposes, the Group is organised into one main operating segment, which involves mineral exploration for gold in Nigeria. All of the Group's activities are interrelated, and discrete financial information is reported to the Board of Directors (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

CGX LIMITED

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of CGX Limited, I state that:

In the opinion of the Directors:

(a) the financial statements of the Consolidated Entity:

(i) give a true and fair view of the Consolidated Entity's financial position as at 31 March 2010 and of its performance for the nine month period ended on that date; and

(ii) comply with IAS 34 *Interim Financial Reporting*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.

"Michael Carrick"

MICHAEL CARRICK
Director

Perth, 31 May 2010

CGX LIMITED

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

CGX LIMITED

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CGX LIMITED

CONSOLIDATED INCOME STATEMENTS

	Note	Year ended 30 June 2009	Year ended 30 June 2008	Period from date of Incorporation, 22 August 2006 to 30 June 2007
		US$	US$	US$
Continuing Operations				
Revenue	**3**	234	342	37
Exploration and evaluation expenditure	**4**	(3,107,421)	(1,575,380)	(557,176)
Foreign exchange losses		(112,069)	(45,763)	(135,634)
Administrative expenses		(44,485)	(19,191)	(100,117)
Loss from continuing operations before income tax expense		**(3,263,741)**	**(1,639,992)**	**(792,890)**
Income tax benefit	**5**	-	-	-
Loss from continuing operations after income tax		**(3,263,741)**	**(1,639,992)**	**(792,890)**

The above consolidated Income Statements should be read in conjunction with the accompanying notes

CGX LIMITED

CONSOLIDATED BALANCE SHEETS

	Note	30 June 2009 US$	30 June 2008 US$	30 June 2007 US$
ASSETS				
Current Assets				
Cash and cash equivalents	**6**	44,385	145,246	62,567
Trade and other receivables	**7**	394	413	312
Total Current Assets		**44,779**	**145,659**	**62,879**
Non-Current Assets				
Property, plant and equipment	**8**	109,972	65,554	58,879
Total Non-Current Assets		**109,972**	**65,554**	**58,879**
TOTAL ASSETS		**154,751**	**211,213**	**121,758**
LIABILITIES				
Current Liabilities				
Payables		(14,358)	(111,071)	(2,143)
Loans	**9**	(5,837,014)	(2,533,022)	(912,503)
Total Current Liabilities		**(5,851,372)**	**(2,644,093)**	**(914,646)**
TOTAL LIABILITIES		**(5,851,372)**	**(2,644,093)**	**(914,646)**
NET LIABILITIES		**(5,696,621)**	**(2,432,880)**	**(792,888)**
SHAREHOLDER'S DEFICIT				
Issued capital	**12**	2	2	2
Accumulated losses		(5,696,623)	(2,432,882)	(792,890)
TOTAL SHAREHOLDER'S DEFICIT		**(5,696,621)**	**(2,432,880)**	**(792,888)**

The above Balance Sheets should be read in conjunction with the accompanying notes

CGX LIMITED

CONSOLIDATED CASH FLOW STATEMENTS

	Note	Year ended 30 June 2009 US$	Year ended 30 June 2008 US$	Period from date of incorporation, 22 August 2006 to 30 June 2007 US$
Cash flows from operating activities				
Payments to suppliers and employees		(3,342,561)	(1,516,582)	(786,577)
Interest received		234	342	37
Net cash outflow from operating activities	**6(a)**	**(3,342,327)**	**(1,516,240)**	**(786,540)**
Cash flows from investing activities				
Payments for property, plant and equipment		(62,527)	(21,600)	(63,398)
Net cash outflow from investing activities		**(62,527)**	**(21,600)**	**(63,398)**
Cash flows from financing activities				
Proceeds from the issue of share capital		-	-	2
Loans from parent		3,303,993	1,620,519	912,503
Net cash inflow from financing activities		**3,303,993**	**1,620,519**	**912,505**
Net increase in cash and cash equivalents		(100,861)	82,679	62,567
Cash and cash equivalents at beginning of financial year		145,246	62,567	-
Cash and cash equivalents at end of the financial year	**6**	**44,385**	**145,246**	**62,567**

The above Cash Flow Statements should be read in conjunction with the accompanying notes

CGX LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2009

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2008	**2**	**(2,432,882)**	**(2,432,880)**
Loss for the period	-	(3,263,741)	(3,263,741)
Total income and expense for the period	**-**	**(3,263,741)**	**(3,263,741)**
At 30 June 2009	**2**	**(5,696,623)**	**(5,696,621)**

For the year ended 30 June 2008

	Issued Capital US$	*Accumulated losses US$*	*Total US$*
At 1 July 2007	**2**	**(792,890)**	**(792,888)**
Loss for the period	-	(1,639,992)	(1,639,922)
Total income and expense for the period	**-**	**(1,639,992)**	**(1,639,992)**
At 30 June 2008	**2**	**(2,432,882)**	**(2,432,880)**

For the period from the date of incorporation, 22 August 2006 to 30 June 2007

	Issued Capital US$	*Accumulated losses US$$*	*Total US$*
Loss for the period	-	(792,890)	(792,890)
Total income and expense for the period	**-**	**(792,890)**	**(792,890)**
Issue of share capital	2	-	2
At 30 June 2007	**2**	**(792,890)**	**(792,888)**

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

The financial statements of CGX Limited (”the Company”) for the year ended 30 June 2009 were authorised for issue in accordance with a resolution of directors on 31 May 2010.

The Company was incorporated in British Virgin Islands on 22 August 2006. The address of the Company’s registered office is Jayla Place, Wickhams Cay I, Road Town, Tortola, VG1110 British Virgin Islands. The Consolidated Entity’s ultimate parent company is CGA Mining Limited (“CGA”). CGA is a company limited by shares incorporated in Australia whose shares are publicly traded on both the Australian and Toronto Stock Exchanges.

The principal activity of the Consolidated Entity is mineral exploration and development, primarily through the Segilola Gold Project in Nigeria.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements cover the twelve-month periods ended 30 June 2009 and 2008 and the period from the date of incorporation, 22 August 2006, to 30 June 2007.

The financial statements have been prepared as a general purpose financial report.

The financial statements have been prepared on a historical cost basis and are presented in United States Dollars (US$).

(b) Statement of compliance

The financial statements comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

(c) New and amending Accounting Standards and Interpretations

In the current year, the Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the International Accounting Standards Boards (the “IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) that are relevant to its operations and effective for accounting periods beginning on 1 July 2008 including:

- Amendments to IAS 39, *Financial Instruments Recognition and Measurement*, and IFRS 7, *Financial Instruments Disclosure – Reclassification of Financial Assets*;
- IFRIC 4 (revised) *Determining Whether an Arrangement Contains a Lease*.

The adoption of these new and revised Standards and Interpretations had no material effect on the profit and loss or financial position of the group.

Certain International Financial Reporting Standards and IFRIC Interpretations have recently been issued or amended but are not yet effective for the annual reporting period ended on 30 June 2009. The directors have not early adopted any of these new or amended standards or interpretations as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New and amending Accounting Standards and Interpretations (continued)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
IFRS 8	Operating Segments and consequential amendments to other International Accounting Standards	New Standard replacing IAS 14 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	The new standard is not expected to impact the Group	1 July 2009
IAS 23 (Revised)	Borrowing Costs and consequential amendments to other International Accounting Standards	The amendments to IAS 23 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	The revised standard is not expected to impact the Group as it was already the Group's policy to capitalise borrowing costs associated with qualifying assets.	1 July 2009
IAS 1 (Revised)	Presentation of Financial Statements and consequential amendments to other International Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	The new statement of comprehensive income will set out the result for the Group for the reporting period plus other movements in retained earnings and reserves.	1 July 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New and amending Accounting Standards and Interpretations (continued)

IFRS 2 Amendments	Amendments to International Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of "vesting conditions", introducing the term "non-vesting conditions" for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The new standard is not expected to impact the Group	1 July 2009
IAS 32 Amendments	Amendments to International Accounting Standards – Financial Instruments Presentation: Puttable Financial Instruments and Obligations arising on Liquidation	The amendments provide a limited exception to the definition of a liability so as to allow an entity that issues puttable financial instruments with certain specified features, to classify those instruments as equity rather than financial liabilities.	1 January 2009	The interpretation is not expected to impact the Group, as changes are applied prospectively	1 July 2009
IFRS 3 (Revised)	Business Combinations	The revised Standard introduces a number of changes to the accounting for business combinations, the most significant of which includes the requirement to have to expense transaction costs and a choice (for each business combination entered into) to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the	1 July 2009	As changes are applied prospectively, the new standard is not expected to impact the Group on adoption	1 July 2009

		business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.			
IAS 27 (Revised)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to IAS 27 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the	1 July 2009	The new standard is not expected to impact the Group	1 July 2009
IAS 27 (Revised) (continued)		ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.			
IFRS Annual Improvement Project	Amendments to International Accounting Standards arising from the Annual Improvements Project [IFRS 5, IAS 1, 16, 19, 20, 23, 27, 28, 29, 31, 36, 38, 39, 40 and 41]	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact. This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify	1 January 2009	The Group is currently reviewing any potential impact.	1 July 2009

		wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].			
IFRS Annual Improvement Project	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [IFRS 2 and 8, IAS 1, 7, 17, 18, 36, 38, 39, IFRIC 9 and 16]	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer above for more details.	1 July 2009	The Group is currently reviewing any potential impact.	1 July 2009
Amendments to IAS 27	Amendments to IAS 27– Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance are those made to IAS 27 deleting the "cost method" and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. IAS 27 has also been amended to effectively allow the cost of an	1 January 2009	The Group is currently reviewing any potential impact	1 July 2009

		investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.			
IAS 39 Amendments	Amendments to International Accounting Standards – Financial Instruments Recognition and Measurement - Eligible Hedged Items	The amendment to IAS 39 clarifies how the principles underlying hedge accounting should be applied when (i) a one-sided risk in a hedged item is being hedged and (ii) inflation in a financial hedged item existed or was likely to exist.	1 July 2009	As the Group does not currently undertake hedging transactions, these amendments are not expected to impact the Group	1 July 2009
IFRS 7	Amendments to International Accounting Standards – Improving Disclosures about Financial Instruments	The main amendment to IFRS 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: ► quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); ► inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and ► inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of *Improving Disclosures*	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	The amendments to IFRS 7 are of a disclosure nature only and accordingly will not impact the Group's results or financial position.	1 July 2009

		about Financial Instruments (Amendments to IFRS 7) by the IASB in March 2009. The amendments to IFRS 4, IAS 23 and IAS 38 comprise editorial changes resulting from the amendments to IFRS 7.			
IFRIC 15	Agreements for the Construction of Real Estate	This interpretation requires that when the real estate developer is providing construction services to the buyer's specifications, revenue can be recorded only as construction progresses. Otherwise, revenue should be recognised on completion of the relevant real estate unit.	1 January 2009	The interpretation is not expected to impact the Group	1 July 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New and amending Accounting Standards and Interpretations (continued)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	This interpretation requires that the hedged risk in a hedge of a net investment in a foreign operation is the foreign currency risk arsing between the functional currency of the net investment and the functional currency of any parent entity. This also applies to foreign operations in the form of joint ventures, associates or branches.	1 October 2008	The interpretation is not expected to impact the Group	1 July 2009
IFRIC 17	Distributions of Non-Cash Assets to Owners and consequential amendments to International Accounting Standards IFRS 5 and IAS 10	This interpretation outlines how an entity should measure distributions of assets, other than cash, as a dividend to its owners acting in their capacity as owners. This applies to transactions commonly referred to as spin-offs, split offs or demergers and in-specie distributions.	1 July 2009	The interpretation is not expected to impact the Group	1 July 2009
IFRIC 18	Transfer of Assets from Customers	This interpretation provides guidance on the transfer of assets such as items of property, plant and equipment or transfers of cash received from customers. The Interpretation provides guidance on when and how an entity should recognise such assets and discusses the timing of revenue recognition for such arrangements and requires that once the asset meets the condition	Applies prospectively to transfer of assets from customers received on or after 1 July 2009.	The interpretation is not expected to impact the Group	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		to be recognised at fair value, it is accounted for as an 'exchange transaction'. Once an exchange transaction occurs the entity is considered to have delivered a service in exchange for receiving the asset.			
IFRIC 18 (continued)		Entities must identify each identifiable service within the agreement and recognise revenue as each service is delivered.			
IFRS 5, IFRS 7, IAS 7, IAS 12, IAS 36 & IAS 39 and IFRIC 17 amendments	Amendments to International Financial Reporting Standards	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	The amendments are not expected to impact the Group	1 July 2009
IFRS 2	Amendments to IFRS 2	The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular: ► the scope of IFRS 2; and ► the interaction between IFRS 2 and other standards. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. A "group" has the same meaning as in IAS 27 *Consolidated and*	1 January 2010	The amendments are not expected to impact the Group.	1 July 2010

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
		Separate Financial Statements, that is, it includes only a parent and its subsidiaries. The amendments also incorporate guidance previously included in IFRIC 8 *Scope of IFRS 2* and IFRIC 11 *IFRS 2—Group and Treasury Share Transactions.* As a result, IFRIC 8 and IFRIC 11 have been withdrawn.			
IFRS 9	Financial Instruments	IFRS 9 includes requirements for the classification and measurement of financial assets resulting from the first part of phase 1 of the IASB's project to replace IAS 39 Financial Instruments: recognition and measurement. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of IAS 39.	1 January 2015	The Group has not yet determined the extent of the impact of the new standard, if any.	1 July 2015

(d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its controlled entities, referred to collectively throughout these financial statements as the "Consolidated Entity" or the "Group", as at 30 June each year. Transactions between companies within the Consolidated Entity have been eliminated on consolidation.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

(e) Significant accounting estimates and assumptions

Judgements applied in the process of applying the Group's accounting policies, are disclosed in the appropriate accounting policy notes.

(f) Going concern – economic dependency

The Directors have prepared the financial statements on a going concern basis. At the date of signing the financial report the Directors believe that the company can continue as a going concern. In adopting the going concern basis the Directors have considered the following:

Subsequent to 30 June 2009, Ratel Gold Limited has agreed to acquire a 100% interest in CGX Limited.

CGA Mining Limited has agreed to provide additional funding as required by Ratel Gold Limited to enable the company and any controlled entities to operate and meet their
respective obligations for a period of the earliest of 12 months from the date of approval of these financial statements or to the date of Ratel Gold Limited successfully completing the proposed capital raising of up to C$14,000,000 (gross) on the Toronto Stock Exchange.

Ratel Gold Limited has agreed to provide additional funding as required to allow the company to continue to operate as a going concern.

(g) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office, plant and equipment – over 1 to 10 years

De-recognition and Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(h) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Income tax (continued)

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry–forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are recognised at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.
Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and the same taxation authority.

(i) Other taxes

Revenues, expenses and assets are recognized net of the amount of goods and services tax ("GST" or "VAT"), except where the amount of GST or VAT incurred is not recoverable from the relevant taxation authorities, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST or VAT included.

The net amount of GST or VAT recoverable from, or payable to, the relevant taxation authorities is included as a receivable or payable in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST or VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST or VAT recoverable from, or payable to, the taxation authority.

(j) Exploration and evaluation

Exploration and evaluation expenditure is written off as incurred, except for acquisition costs and where an area of interest is established.

Exploration assets acquired from a third party are carried forward provided that either i) the carrying value is expected to be recouped through the successful development and exploitation or sale of an area of interest or ii) exploitation and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in relation to the area are continuing and the rights of the tenure are current. If capitalised exploration and evaluation costs do not meet either of these tests, they are expensed to the profit and loss.

An area of interest is established where a discovery of economically recoverable resource is made. The area of interest will be established as a mineral project. All activity relating to the area of interest is then subsequently capitalised. Where development is anticipated, costs will be carried forward until the decision to develop is made.

Each area of interest is reviewed at least bi-annually to determine whether it is appropriate to continue to carry forward the capitalised costs.

Upon approval for the development of an area of interest, accumulated expenditure for the area of interest is transferred to capitalised development expenditure.

(k) Foreign currency translation

Both the functional currency and presentation currency of the Company is United States dollars (US$) (2008: United States dollars US$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The functional currency of the foreign operations, Segilola Gold Limited, is United States dollars (US$).

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(l) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to reporting date. Employee entitlements expected to be settled within one year have been measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit valuation method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Cash and cash equivalents

Cash and short term deposits in the balance sheet include cash at bank and short term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents include cash and cash equivalents defined above, net of outstanding bank overdrafts.

(o) Share capital

Share capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependant of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Provisions (continued)

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is represented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(r) Trade and other receivables

Trade receivables, which generally have 30 day terms are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(s) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(t) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(u) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

(v) Revenue recognition

Interest revenue

Revenue is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset

(w) Interests in Joint Ventures

The Group has an interest in a joint venture that is a jointly controlled asset. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group recognises its interest in the jointly controlled asset by recognising its interest in the assets and the liabilities of the joint venture. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods.

3. REVENUE

	2009 US$	2008 US$	2007 US$
Interest income	234	342	37

4. EXPLORATION AND EVALUATION EXPENDITURE

	2009 US$	2008 US$	2007 US$
Assay and drilling costs	1,382,403	710,619	-
Consultant fees	284,198	87,663	127,364
Travel and accommodation	254,126	101,855	85,147
Wages and salaries	435,262	226,744	131,897
Depreciation expense	18,109	14,925	4,519
Other expenses	733,323	433,574	208,249
	3,107,421	1,575,380	557,176

5. INCOME TAX BENEFIT

The major components of income tax benefit are:

Income Statement	2009 US$	2008 US$	2007 US$
Income tax expense / (benefit)	-	-	-
Current income tax charge	-	-	-
Deferred Income tax	-	-	-
Income tax benefit reported in the income statement	-	-	-

5. INCOME TAX BENEFIT (continued)

A reconciliation between tax benefit and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

	2009 US$	2008 US$	2007 US$
Accounting loss before income tax	(3,263,741)	(1,639,992)	(792,890)
At the Company's statutory income tax rate of 30% (2008: 30%, 2007: 30%)	(979,122)	(491,998)	(237,867)
Expenditure not deductible for income tax purposes	18	-	-
Unrecognised tax losses	979,104	491,998	237,867
Income tax benefit reported in the consolidated income statement	-	-	-
Deferred income tax at 30 June relates to the following:			
(i) Deferred tax liabilities	-	-	-
(ii) Deferred tax assets			
Tax Losses	**1,708,986**	729,864	**237,867**
Deferred tax assets not recognized	**(1,708,986)**	(729,864)	**(237,867)**
Gross deferred tax assets	-	-	-

The tax losses have not been recognized as their realization is not considered as probable.
There were no significant temporary differences as at 30 June 2009, 2008 or 2007.

6. CASH AND CASH EQUIVALENTS

	2009 US$	2008 US$	2007 US$
Cash at bank	35,797	132,649	61,777
Cash on hand	8,588	12,597	790
	44,385	145,246	62,567

Cash at bank earns interest at floating rates based on daily bank deposit rates.

	2009 US$	2008 US$	2007 US$
Reconciliation of net loss after tax to net cash flows from operations			
Net loss after related income tax	(3,263,741)	(1,639,992)	(792,890)
Adjustment for non-cash income and expense items:			
Depreciation	18,109	14,925	4,519
Changes in assets and liabilities			
(Decrease) /Increase in assets	18	(101)	(312)
(Decrease)/ increase in liabilities	(96,713)	108,928	2,143
Net cash outflow from operating activities	(3,342,327)	(1,516,240)	(786,540)

7. TRADE AND OTHER RECEIVABLES

	2009 US$	2008 US$	2007 US$
VAT and GST	255	254	-
Others	139	159	312
	394	413	312

Receivables are non-interest bearing and are generally on 30-90 day terms. There are no receivables past due or impaired. It is expected that these receivables will be received when due.

8. PROPERTY AND EQUIPMENT

	2009 US$	2008 US$	2007 US$
Balance at 1 July /	65,554	58,879	-
Additions	62,527	21,600	63,398
Depreciation	(18,109)	(14,925)	(4,519)
Balance at 30 June	109,972	65,554	58,879
Total accumulated costs	147,525	84,998	63,398
Total accumulated depreciation	(37,553)	(19,444)	(4,519)
Total net book value	109,972	65,554	58,879

9. LOANS

	2009 US$	2008 US$	2007 US$
Loans from parent entity	(5,837,014)	(2,533,022)	(912,503)

The Company received loans from its ultimate parent company CGA Mining Limited advanced on short term inter-company accounts.

These transactions were undertaken on the following terms and conditions:
- loans are repayable at call; and
- no interest is payable on the loans at present.

10. EVENTS AFTER BALANCE SHEET DATE

There have been no significant events subsequent to balance date.

11. ULTIMATE PARENT

CGA Mining Limited is the ultimate parent entity of the group which was incorporated in Australia and owns 100% of the Company.

12. ISSUED CAPITAL

	2009 Number	2009 US$	2008 Number	2008 US$	2007 Number	2007 US$
Issued and paid up capital:	2	2	2	2	2	2

No shares have been issued during the year ended 30 June 2009 (2008:nil, 2007: 2)

Fully paid ordinary shares carry one vote per share and the right to dividends. The company is authorised to issue an unlimited number of Shares of no par value of a single class.

13. AUDITORS REMUNERATION

The auditor of the Company is Ernst & Young.

	2009	2008	2007
Amounts received or due and receivable by Ernst & Young (Australia) for:			
• an audit or review of the financial report of the entity and any other entity in the consolidated group	13,840	1,433	-

Ernst & Young (Australia) fees are paid by the ultimate parent entity of the Group.

14. RELATED PARTY DISCLOSURE

The consolidated entity consists of CGX Limited and its subsidiary listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest (%)		Investment (US$)	
		2010	2009	2010	2009
Segilola Gold Ltd	Nigeria	100	100	-	-

Joint Venture

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

(a) Controlling entity

The ultimate controlling entity in the wholly owned group is CGA Mining Limited.

(b) Other transactions with related parties

Transactions with related parties

From the incorporation on 22 August 2006 to 30 June 2009, the Company entered into transactions with related parties in the wholly-owned group:

- loans were advanced on short term inter-company accounts;

These transactions were undertaken on the following terms and conditions:

- loans are repayable at call; and
- no interest is payable on the loans at present.

15. COMMITMENT AND CONTINGENCIES

The Company did not have any outstanding commitments or contingencies requiring disclosure as at 30 June 2009.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, receivables, payables and borrowings. The Company currently has in place an active program of financial forecasting and budgeting both at a corporate and project level to manage both the application of funds and planning for future financial needs to ensure that any shortfall in funds is adequately covered by cash reserves or planned new sources being either debt or equity based on the then most cost effective weighted average cost of capital.

Risk Management is carried out by management and the board of directors of the ultimate parent company (the "Board") under policies approved by the Board. The Board also provides regular guidance for overall risk management, including guidance on specific areas, such as mitigating foreign exchange, interest rate and credit risk. The Company does not enter into financial instruments, including derivative financial instruments, for trade or speculative purposes.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, credit limits and future cash flow forecast projections. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2.

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at the reporting date in relation to each class of financial asset is the carrying amounts of those assets as indicated in the Balance Sheets. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group monitors this credit risk through holding its cash through banks with a Standard and Poors credit rating of 'A' or greater. The credit risk associated with cash and cash equivalents is considered negligible by the Group. The Group does not hold collateral as security. The Group does not have any receivables past due or impaired.

Interest rate risk

At balance date, the Group's maximum exposure to interest rate risk is as follows:

	2009 US$	2008 US$	2007 US$
Cash and cash equivalents			
NGN $ balances held	15,111	87,301	33,795
US$ balances held	20,686	45,348	27,982
	35,797	132,649	61,777

The Group considers this exposure is not material.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The Group's policy is to manage its exposure to interest rate risk by holding cash in short term fixed rate deposits and variable rate deposits. The Group's exposure to interest rate risk on post-tax profit or loss arises from higher or lower interest income from cash and cash equivalents.

Foreign currency risk

The Group's policy is to manage its foreign currency exposure through holding its cash largely in USD, being the same currency as the majority of its costs. As a result the Group does not have a material exposure to foreign currency risk.

Foreign currency risk (continued)

At balance date, the Group had the following exposure to foreign currencies (NGN) on financial instruments that are not designated as cash flow hedges:

	2009 US$	2008 US$	2007 US$
Financial Assets			
Cash and cash equivalents	28,557	99,895	34,583
Trade and other receivables	394	413	312
	28,951	100,308	34,895
Financial Liabilities			
Trade and other payables	(14,358)	(111,071)	(2,143)
	(14,358)	(111,071)	(2,143)
Net exposure	(14,593)	(10,763)	32,752

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without occurring unacceptable losses or risking damage to the Group's reputation.

The responsibility for liquidity risk rests with the Board of Directors. The Company's liquidity needs can likely be met through cash on hand, short and long-term borrowings subject to the current forecast operating parameters being met.

The contractual maturities of the Group's financial liabilities are as follows:

	2009 US$	2008 US$	2007 US$
Within one month			
Trade creditors	14,358	111,071	2,143
Loans from CGA Mining Limited	5,837,014	2,533,022	912,503
	5,851,372	2,644,093	914,646

Future capital needs can be met through our cash position and future loans from the parent entity. These will likely be sufficient to meet our necessary capital requirements, subject to the current forecast operating parameters being met.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital risk management

The Group's total capital is defined as equity attributable to equity holders of the parent, cash and cash equivalents and borrowings net of cash which amounted to $96,008 at 30 June 2009 (2008: (($45,104)), 2007: $57,048).

The Group's capital management objectives are to safeguard the business as a going concern, to maintain a capital base sufficient to maintain future exploration and development of its projects. Management may issue more shares or repay debts in order to maintain the optimal capital structure.

The Group does not have a target debt/equity ratio, but maintains a flexible financing structure so as to be able to take advantage of new investment opportunities that may arise. The Group monitors its capital risk management through annual cash flow projections and monthly reporting against budget.

17. SEGMENT INFORMATION

The Company's operations are primarily focussed on mineral exploration at the Segilola Gold Project in Nigeria.

CGX LIMITED

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of CGX Limited, I state that:

In the opinion of the Directors:

(c) the financial statements of the Consolidated Entity:

(i) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2009, 2008 and 2007 and of its performance for each of the three years ended on that date; and

(ii) comply with International Financial Reporting Standards; and

(d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.

"Michael Carrick"

MICHAEL CARRICK
Director

Perth, 31 May 2010

Independent auditor's report to the Board of Directors of CGX Limited

We have audited the accompanying financial report of CGX Limited, prepared for the purposes of complying with Canadian securities regulatory requirements, which comprises the balance sheets as at 30 June 2009, 2008 and 2007 and the related consolidated income statements, statements of changes in equity and cash flow statements for the years ended 30 June 2009 and 2008 and for the period from incorporation, 22 August 2006, to 30 June 2007, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the Australian and International professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of CGX Limited, prepared for the purposes of complying with Canadian securities regulatory requirements, presents fairly, in all material respects, the financial position of CGX Limited consolidated entity at 30 June 2009, 2008 and 2007 and of its financial performance and cash flows for the years ended 30 June 2009 and 2008 and for the period from incorporation, 22 August 2006, to 30 June 2007 in accordance with International Financial Reporting Standards.

(signed) "Ernst & Young"

Ernst & Young
Perth, Australia
31 May 2010

Auditor's Report in Respect of Compatibility with Canadian GAAS

To the Board of Directors of CGX Limited

In accordance with the requirement contained in National Instrument 52-107, we report below on the compatibility of Canadian Generally Accepted Auditing Standards ("Canadian GAAS") and International Standards on Auditing.

We conducted our audits for the years ended 30 June 2009, 2008 and for the period from incorporation, 22 August 2006, to 30 June 2007 in accordance with International Standards on Auditing. There are no material differences in the form or content of our report as compared to an auditor's report prepared in accordance with Canadian GAAS and if this report was prepared in accordance with Canadian GAAS it would not contain a reservation.

(signed) "Ernst & Young"

Ernst & Young
Perth, Australia
31 May 2010

RATEL GOLD LIMITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

RATEL GOLD LIMITED

Pro Forma Consolidated Statement of Comprehensive Income for The Period 27 January 2010 to 31 March 2010 (unaudited)

	Ratel Gold Limited	Zambian Mining Limited	CGX Limited	Notes	Proforma Adjustments	Proforma Consolidated
Continuing Operations						
Revenue	-	-	622		-	622
Exploration and evaluation expenditure	-	(59,186)	(574,092)		-	(633,278)
Foreign exchange losses	-	(672)	(5,224)		-	(5,896)
Administrative expenses	-	(642)	(5,465)		-	(6,107)
Loss from continuing operations	**-**	**(60,500)**	**(584,159)**		**-**	**(644,659)**
Income tax benefit	-	-	-		-	-
Loss for period	-	(60,500)	(584,159)		-	(644,659)
Other comprehensive (loss)/income for the period, net of income tax	-	-	-		-	-
Total comprehensive income for the period	-	(60,500)	(584,159)		-	(644,659)
Loss attributable to:						
Owners of the Company						
	-	(60,500)	(584,159)		-	(644,659)
Total comprehensive loss attributable to:						
Owners of the Company	**-**	**(60,500)**	**(584,159)**		**-**	**(644,659)**

RATEL GOLD LIMITED

Pro Forma Consolidated Statement of Financial Position as at 31 March 2010 (unaudited)

	Ratel Gold Limited	Zambian Mining Limited	CGX Limited	Notes	Pro forma Adjustments – Restructuring and Minimum Offering	Total - Minimum Offering	Additional Pro forma Adjustments – Maximum Offering	Total – Maximum Offering
ASSETS								
Current Assets								
Cash and cash equivalents	16,595	5,084	69,114	**2.1**	7,037,996	7,128,789	5,571,750	12,700,539
Trade and other receivables	-	219,905	255		-	220,160	-	220,160
Total Current Assets	**16,595**	**224,989**	**69,369**		**7,037,996**	**7,348,949**	**5,571,750**	**12,920,699**
Non Current Assets								
Plant and equipment	-	47,167	103,115		-	150,282	-	150,282
Total Non-Current Assets	**-**	**47,167**	**103,115**		**-**	**150,282**	**-**	**150,282**
TOTAL ASSETS	**16,595**	**272,156**	**172,484**		**7,037,996**	**7,499,231**	**5,571,750**	**13,070,981**
LIABILITIES								
Current liabilities								
Trade and other payables	-	(6,324)	(90,354)		-	(96,678)	-	(96,678)
Interest bearing loans and borrowings	-	(11,203,054)	(7,787,468)	**2.2**	18,990,522	-	-	-

RATEL GOLD LIMITED

	Ratel Gold Limited	Zambian Mining Limited	CGX Limited	Notes	Pro forma Adjustments – Restructuring and Minimum Offering	Total - Minimum Offering	Additional Pro forma Adjustments – Maximum Offering	Total – Maximum Offering
Total Current Liabilities	**-**	**(11,209,378)**	**(7,877,822)**		**18,990,522**	**(96,678)**	**-**	**(96,678)**
TOTAL	**-**	**(11,209,378)**	**(7,877,822)**		**18,990,522**	**(96,678)**	**-**	**(96,678)**
NET ASSETS/ (LIABILITIES)	**16,595**	**(10,937,222)**	**(7,705,338)**		**26,028,518**	**7,402,553**	**5,571,750**	**12,974,303**
Equity								
Contributed equity	16,595	2	2	**2.3**	7,037,996	7,054,595	5,571,750	12,626,345
Reserves	-	-	-	**2.3**	(18,642,568)	(18,642,568)	-	(18,642,568)
Accumulated losses	-	(10,937,224)	(7,705,340)	**2.3**	37,633,090	18,990,526	-	18,990,526
Total Equity	**16,595**	**(10,937,222)**	**(7,705,338)**		**26,028,518**	**7,402,553**	**5,571,750**	**12,974,303**

RATEL GOLD LIMITED

BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated statement of financial position and pro forma consolidated statement of comprehensive income of Ratel Gold Limited ("Ratel" or the "Company") as at 31 March 2010 and for the period from the Company's incorporation on 27 January 2010 to 31 March 2010. The pro forma consolidated statement of comprehensive income has been prepared by management as if the proposed restructuring and offering transactions as described in Note 1 occurred at the beginning of the period presented. The pro forma consolidated statement of financial position has been prepared as if the transaction occurred at the date of the statement of financial position.

The unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statement of comprehensive income have been derived from the following:

(i) The unaudited interim consolidated statement of financial position and unaudited consolidated statement of comprehensive income of CGX Limited ("CGX") as at 31 March 2010 and for the three month period thereended, adjusted to reflect only the period from 27 January 2010 to 31 March 2010;

(ii) The unaudited interim consolidated statement of financial position and unaudited consolidated statement of comprehensive income of Zambian Mining Limited ("Zambian Mining") as at 31 March 2010 and for the three month period thereended, adjusted to reflect only the period from 27 January 2010 to 31 March 2010; and

(iii) The audited interim consolidated statement of financial position and consolidated statement of comprehensive income of Ratel Gold Limited as at 31 March 2010 and for the period from its date of incorporation on 27 January 2010 to 31 March 2010.

As the acquisitions of CGX and Zambian Mining on 1 June 2010 are business combinations under common control, the Company intends to carry forward the basis of measurement of the assets and liabilities as reflected in CGX and Zambian consolidated financial statements and, as such, the pro forma consolidated statement of financial position has been prepared on this basis.

The unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statement of comprehensive income have been prepared using the same accounting policies as described in the financial statements of the Company.

The unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statement of comprehensive income have been prepared for illustrative purposes only and may not be indicative of the Company's consolidated statement of financial position and consolidated statement of comprehensive income had the proposed transaction been in effect at the dates indicated. The unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statement of comprehensive income should be read in conjunction with the audited interim financial statements of the Company and the audited and unaudited financial statements of CGX Limited and Zambian Mining Limited.

As Ratel Gold Limited was only incorporated on 27 January 2010 and the Company has been dormant since then, no pro forma earning per share information has been presented. The Company has elected to apply the 'pooling of interest' method to account for the acquisition of CGX Limited and Zambian Mining Limited, and as a consequence, this acquisition does not have any impact on the statement of comprehensive income. Therefore, no pro forma income statement has been presented for the year ended 30 June 2009. Please refer to the historical information for CGX Limited and Zambian Mining Limited included in the prospectus.

RATEL GOLD LIMITED

1. PROPOSED RESTRUCTURING AND OFFERING TRANSACTIONS

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

The proposed transactions are as follows:

1.1 Restructuring:

Effective 1 June 2010, the Company has acquired a 100% interest in Zambian Mining Limited and CGX Limited. The entities were acquired from Zambian Holdings Pty Ltd and CGX Holdings Pty Ltd, both 100% owned subsidiaries of CGA Mining Limited. CGA Mining Limited is the ultimate parent of Ratel Gold Limited prior to this Offering.

The consideration paid by Ratel Gold Limited for Zambian Mining Limited was $2 and for CGX Limited was $2. In addition, the Company assumed the liabilities owed by Zambian Mining Limited and CGX Limited to CGA Mining Limited. As part of this transaction, and subject to CGA Mining Limited shareholder approval, CGA Mining Limited will forgive these liabilities of Ratel Gold Limited. The Company has elected to apply the 'pooling of interest' method to account for the above mentioned acquisitions.

1.2 Offering:

Ratel Gold Limited is undertaking an initial public offering with a view to issue a minimum of 40,000,000 common shares and a maximum of 70,000,000 common shares at a price of Cdn$0.20 per common share. Following this offering, Ratel Gold Limited will no longer be a subsidiary of CGA Mining Limited who will only retain a minority interest of between 37% and 20% in the Company. The effects of this Offering have been reflected in the pro forma financial statements as described below.

2. PRO FORMA FINANCIAL ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated statement of comprehensive income gives effect to the following adjustments as if as if the proposed restructuring and offering transactions as described below occurred at the beginning of the period presented and the statement of financial position has been prepared as if these transactions occurred at the date of the statement of financial position:

Restructuring:

(a) The purchase of CGX Limited shares for $2 and the purchase of Zambian Mining Limited shares for $2 by the Company;
(b) The effects of the above acquisitions of Zambian Mining Limited and CGX Limited using the "pooling of interest" method, which result in a discount on the acquisition of $18,642,564 recognised in equity;
(c) The forgiveness of the loans due to CGA Mining for an amount of $18,990,522 which have been recognised in equity;

Offering:

(d) Under the Minimum Offering, 40,000,000 common shares will be issued at Cdn$0.20 per share, resulting in net cash proceeds of US$7,038,000 after deducting fees payables by Ratel to the Agent of US$391,000 and estimated expenses of the offering of US$391,000; and
(e) Under the Maximum Offering, 70,000,000 common shares will be issued at Cdn$0.20 per share, resulting in net cash proceeds of US$12,609,750, ie. additional cash proceeds of US$5,571,750 compared to the minimum offering, after deducting additional fees payables by Ratel to the Agent of US$293,250.

2.1 CASH

	$

Ratel Gold Limited	16,595
Zambian Mining Limited	5,084
CGX Limited	69,114
Total as at 31 March 2010	90,793
Pro forma adjustments to cash:	
Consideration paid by Ratel for the acquisition of	
- Zambian Mining Limited	(2)
- CGX Limited	(2)
Cash raised under the minimum Offering	7,820,000
Agent fees to be paid under the minimum Offering	(391,000)
Estimated expenses of the offering	(391,000)
Total Pro forma Adjustments to cash	7,037,996
Pro forma Cash Balance under the Minimum Offering	**7,128,789**
Additional cash raised under the Maximum Offering	5,865,000
Additional Agent fees to be paid under the Maximum Offering	(293,250)
Total additional pro forma adjustments to cash	5,571,750
Pro forma Cash Balance under the Maximum Offering	**12,700,539**

2.2 INTEREST BEARING LOANS AND LIABILITIES

	$
Ratel Gold Limited	0
Zambian Mining Limited	(11,203,054)
CGX Limited	(7,787,468)
Total as at 31 March 2010	(18,990,522)
Pro forma adjustments to interest bearing loans and liabilities:	
Forgiveness of amounts due to CGA Mining Ltd	18,990,522
Pro forma Interest Bearing Loans and Liabilities	**0**

2.3 EQUITY

	$
Ratel Gold Limited	16,595
Zambian Mining Limited	(10,937,222)
CGX Limited	(7,705,338)
Total as at 31 March 2010	(18,625,965)
Pro forma adjustments to equity:	
Restructuring:	
Impact of acquisition of Zambian Mining Limited and CGX Limited:	
Elimination of pre acquisition equity of Zambian Mining Limited	10,937,224
Elimination of pre acquisition equity of CGX Limited	7,705,340
Impact of acquisition of Zambian Mining Limited and CGX Limited (using the pooling of interest method)	(18,642,568)
Impact of loan forgiveness by CGA Mining Ltd	18,990,522
Offering:	
40,000,000 common shares issued under the Minimum Offering	7,820,000
Agent fees to be paid under the minimum Offering	(391,000)
Estimated expenses of the offering	(391,000)
Total Pro forma Adjustments on equity	26,028,518
Pro forma Equity under the minimum Offering	**7,402,553**
Additional issue of 30,000,000 common shares under the Maximum Offering	5,865,000
Additional fees to be paid under the maximum Offering	(293,250)
Total additional pro forma adjustments on Equity	5,571,750
Pro forma Equity under the maximum Offering	**12,974,303**

11. SOLICITORS' REPORTS

ÆLEX

Legal Practitioners & Arbitrators

Funke Adekoya (SAN)
'SojiAwogbade
L. FubaraAnga
Theophilus I. Emuwa
'Gbite Adeniji
Adedapo Tunde-Olowu

Wole Adesola
Bimbo Fowler-Ekar
Olanipekun Orewale
David Emagun
Godwin Etim
Olusina Sipasi
Gideon Agbedo
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Emmanuel Gilbert
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Elu Mbakwe
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Stanley Chikwendu
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Bunmi Awofisayo
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Adedoyin Afun
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Olakemi Salau
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28th June, 2010

Ratel Gold Limited
Level 5
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Perth, WA 6000

Dear Sirs,

INITIAL PUBLIC OFFERING OF SHARES BY RATEL GOLD LIMITED

TITLE OPINION IN RESPECT OF MINING INTERESTS HELD IN NIGERIA

We act as local counsel to Ratel Gold Limited and Segilola Gold Limited (SGL) in connection with the initial public offering of up to sixty million ordinary shares of Ratel Gold Limited. This opinion is being provided for inclusion in the prospectus ("Prospectus") to be issued by Ratel Gold Limited dated on or about 5 July, 2010 making a priority offer to CGA Mining Limited's Australian shareholders to subscribe for ordinary shares in Ratel Gold Limited at an issue price of Cdn.$0.20 per share. ÆLEX consents to the inclusion of this Opinion in the Prospectus in the form and context in which it appears.

This Opinion is in respect of the following mineral rights (the "Tenements") in Nigeria in which SGL has an interest by virtue of its being an assignee of a participating interest in the Tenements and a party to a Joint Venture Agreement.

(i) 39 EL; and

(ii) 41 ML

We are a firm of lawyers, duly qualified to practice in Nigeria and we provide this Opinion on matters concerning Nigerian law alone.

We have reviewed and reported on:

(a) available public documents filed and maintained at the Mining Cadastre Office (MCO)

(b) the documents contained in Appendix 3

(c) the impact of the Nigerian Minerals and Mining Act, 2007 (the "Mining Act")

Pursuant to such research, subject to the declarations contained in this Opinion, we are satisfied that the information and declarations of the present Opinion that relate to the Tenements accurately reflect the status of the Tenements as at the date when such research was effected.

Our review has addressed only issues we consider to be significant from a legal perspective and should not be seen as a substitute for the examination of appropriate documents by commercial and technical personnel. We do not accept responsibility for assessing the commercial or technical implications of the documents reviewed by us. A proper commercial assessment requires commercial and industry knowledge and expertise as well as a full understanding of the commercial plans of SGL. A proper technical assessment can only be undertaken by someone in possession of the appropriate underlying expertise.

The scope of this Opinion does not cover any investigations or review of documents in relation to the under listed:

(a) matters in relation to any law other than Nigerian law;

(b) environmental matters, whether of a legal or technical nature (other than to state the law);

(c) employee benefits, pensions and retirement plans;

(d) accounting, financial and tax matters; and

(e) insurance policies and the scope of insurance.

1. General conditions imposed upon the holder of an Exploration Licence and Mining Lease

1.1 The Tenements respectively comprise an Exploration Licence and a Mining Lease granted under the Mining Act.

1.2 The holder of an Exploration Licence granted under section 59 of the Mining Act has the exclusive right to conduct exploration upon the land within the area of the licence and to do all such other acts and things as are necessary for or reasonably incidental to the carrying on of those operations. The holder also has the exclusive right to apply for and be granted one or more Mining Leases in respect of any part of the Exploration Licence area subject to compliance with all obligations under the Act.

An Exploration Licence holder is required to comply with the requirements set out in Appendix 1.

1.3 The holder of a Mining Lease, granted under section 65 of the Mining Act has the exclusive right to use, occupy and carry out exploration and exploitation within the Mining Lease area and to do all such other acts and things as are necessary for or reasonably incidental to the carrying on of those operations including the right to market, sell or otherwise dispose of the minerals.

A Mining Lease holder is required to comply with the requirement set out in Appendix 1.

2. *Review of the Tenements*

2.1 The Tenements have been validly issued and are in good standing as of the date of this Opinion.

2.2 The Tenements were originally issued under the repealed Minerals and Mining Act of 1999 (the Repealed Act) as Exclusive Prospecting Licence No. EPL 13205 and Mining Lease No. ML 19706. Following the enactment of the Mining Act in 2007, the Tenements were re-issued and re-designated as 39 EL and 41 ML respectively.

2.3 The Tenements are registered in the name of Tropical Mines Limited (TML). SGL and TML are parties to a Joint Venture Agreement dated 25th May 2007 in respect of the exploration and development of the Tenements. Under the terms of the Joint Venture Agreement, SGL has the sole right to earn up to a 51% interest in the Tenements in 3 options of 25%, 13% and 13%. The Ministry of Mines and Steel Development on 2nd July 2007 gave its consent to the Joint Venture Agreement.

As of the date of this Opinion, SGL has exercised the first and the second options and has acquired a 38% interest in the Tenements in accordance with the Joint Venture Agreement.

2.4 The following information in respect of the Tenements was confirmed following searches at the MCO on 7th May 2010.

Tenement	**Registered Holder**	**Minerals**	**Tenure**	**Annual Services Fees**	**Comments**
39 EL	Tropical Mines Limited	Not stated in the register	Not stated in the register	The sum of N428,000 was paid on 9th September 2009 as Annual Service Fees for the years 2007, 2008 and 2009.	The certificate for 39 EL is yet to be issued The title register does not disclose any information on the tenure of the Exploration Licence and the minerals that it relates to. However, a Certificate of Revalidation which was issued in respect of EPL 13205 on 13th February 2006 indicates that the licence was issued on 29th September 2005 for a period of two years. The Certificate also indicates that the licence was issued for the exploration of gold. An application for the renewal of the Licence is being processed.
41 ML	Tropical Mines Limited	Gold	The Mining Lease was issued on 19th September 1995 and expires on 28th September 2017	The sum of N160,000 was paid on 9th September 2009 as Annual Service Fees for the years 2007, 2008 and 2009	The certificate for 41 ML is yet to be issued. A Certificate for Revalidation which was issued in respect of ML 19706 on 13th February 2006 indicates that the Mining Lease was granted for duration of 21 years. This implies that ML 41 should expire in 2016 and not 2017 as indicated on the register.

2.5 We conducted searches at the MCO on 7th May 2010 to establish the area size and co-ordinates of EL39 and ML41. The results of the search are attached in Appendix 2**.**

2.6 We confirm that as of 24th June 2010, the MCO has not recorded any change in the status of the Tenements.

2.7 ***Assignment and Transfers***

The Mining Act provides that the rights arising from a mineral can be wholly and partially assigned, sub-leased, pledged, mortgaged, charged, hypothecated or subject to any security interest. All transfers must be approved by the Minister and registered at the MCO. However, with respect to the assignment of part interests in mineral titles, the Ministry currently adopts the position that such assignments do not require approval and registration.

2.8 ***Duration and Renewals***

The duration of an Exploration Licence and a Mining Lease is 3 years and 25 years respectively. With respect to Exploration Licences and Mining Leases which were originally issued under the Repealed Act, as with the case with 39 EL and 41 ML, the Mining Act provides that such licences or leases shall retain the duration that was granted at the time of their issuance. Under the Repealed Act, Exclusive Prospecting Licences were granted for a duration of 2 years while Mining Leases were granted for a maximum of 21 years for Mining Leases.

An Exploration Licence is renewable for 2 terms of 2 years each provided that the licence holder has complied with its minimum work obligation commitments and all other requirements of the Mining Act and its Regulations.

A Mining Lease is renewable for further terms of 25 years provided that the licence holder has complied with its minimum work obligation commitments; and all other requirement of the Mining Act and its Regulations. An application for renewal of a Mining Lease must be made a year before the expiry of the Mining Lease.

There are no requirements to relinquish any part of an Exploration Licence area or a Mining Lease area prior to a renewal.

2.9 Holders of Exploration Licences and Mining Leases are required to pay annual service fees of such amount as may be prescribed by the MCO. The annual service fee is payable on the grant of the title and thereafter annually. In addition, holders of Mining Leases are required to pay annual surface rents in respect of the land occupied or used by them in connection with their mining operations. The annual surface rents are determined by Minister in accordance with the provisions of the Mining Act.

3. *Litigation*

To our knowledge, there is no pending or threatened action, suit, or proceedings before any court, government agency or body relating to the Tenements.

This Opinion has been prepared only for the purposes of the Prospectus and is not to be relied on or used for any other purpose.

Yours faithfully,
ÆLEX

'GBITE ADENIJI
aeadeniji@aelex.com
Ext. 104

APPENDIX I

GENERAL INFORMATION ON MINERAL TITLES

The right to search for or exploit mineral resources is obtained through a mineral title issued in accordance with the Mining Act. Exploration and mining rights are acquired upon application by a qualified person in the prescribed manner, following the payment of the prescribed fee. Rights are granted on a first-come, first served basis. Qualification for these rights is restricted to Nigerian citizens, companies incorporated in Nigeria and mining co-operatives.

Exploration Licences

The holder of an Exploration Licence has the exclusive right to explore for all mineral resources within the licence area and undertake operations connected to such exploration. The holder also has the exclusive right to apply for and be granted one or more mining leases in respect of any part of the exploration licence area subject to compliance with all obligations under the Act.

Obligations: Pursuant to section 61 of the Mining Act, the holder of an Exploration Licence is obliged to:

- conduct exploration activities in an environmentally and socially responsible manner;
- give notice to the occupiers of land or the relevant local government chairman before conducting exploration on any land subject to a right of occupancy;
- maintain and restore the licence area to a safe state and free from any disturbance resulting from exploration activities including but not limited to filling up any shafts, wells, holes or trenches made by the holder and in compliance with applicable environmental laws and regulations;
- abstain from abstracting, diverting or discharging water or effluent from any water course except in compliance with a water use permit and regulations;
- abstain from conducting exploration operations in forest reserves without proper authorization from the Minister and subject to conditions attached to such authorisation;
- compensate users and occupiers for damage to land and property resulting from activities in the exploration area;
- allow geological surveys and mapping by government agencies and scientific surveys by educational institutions if such activities will not interfere with exploration operations;
- submit information and such periodical reports as may be prescribed by Regulations;
- pay all applicable fees.

Mining Leases

The holder of a Mining Lease has the right to exclusively use, occupy and carry out mineral exploration and exploitation within the mining lease area. This includes the right to market, sell, export or otherwise dispose of mineral products resulting from the mining operations.

Obligations: Pursuant to section 70 of the Mining Act, the holder of a Mining Lease is obliged by the Mining Act to:

- commence mine development within 18 months, effective from the date the requirements of the Act have been met unless circumstances justify an extension of the period;

- commence production no later than 36 months, effective from the date the requirements of the Act have been met unless circumstances justify an extension of the period;

- carry out mining operations in a skilful and efficient manner and maintain the mining lease area in a safe manner in compliance with applicable mine health and safety regulations;

- comply with all requirements for environmental impact assessment studies and protection plans;

- comply with social obligations prescribed in regulations;

- abstain from diverting water from any water course in a manner contrary to the provisions of the Act;

- allow access to any adjoining land through the Mining Lease area insofar as such access would not interfere with Mining Operations;

- allow the construction and use on the Mining Lease area of such waterways, canals, pipelines, sewers, drains, wires, transmission lines, public roads and public utilities as shall not interfere with mining operations;

- compensate occupiers of land for the revocation of their rights to use the land;

- submit such information and periodical report as may be prescribed by the Regulations;

- cause to be maintained in Nigeria, plans and true and sufficient books of account of the mining operations and other business undertaken in the Mining Lease area, and the sale or other disposal of the mineral resources obtained and to produce such books upon request from duly authorised officers;

- pay all applicable fees, rents and royalties.

***Preconditions for Mine Development and Extraction*:** The holder of a mining lease shall not commence any development or extraction on the mining lease area until after -

- the submission and approval of all environmental impact assessment studies and mitigation plans required under applicable environmental laws and regulations;

- the submission and approval by the Mines Inspectorate Department of the work programme for carrying out any minimum work obligations imposed by the Mines Inspectorate Department;

- the conclusion of a Community Development Agreement between the holder and the host community where operations are to be conducted. The Community Development Agreement must contain undertakings with respect to the social and economic contributions that the project would make to the sustainability of such community;

- the holder has notified, compensated or offered compensation to all users of land within the Mining Lease as provided under the Mining Act.

Environmental Obligations

All mineral title holders are required, as far as is reasonably practicable, to minimize, manage and mitigate any environmental impact resulting from their activities. They are also required to rehabilitate and reclaim where applicable, any land that is disturbed by their operations to its natural or pre-determined state or to such state as may be specified by the Mining Act or its regulations and other laws in force and in accordance with best practices.

APPENDIX 2

CO-ORDINATES OF 39 EL

The co-ordinates of the area covered by the Licence are as follows:

POINT	LATITUDE	LONGITUDE
1	7° 29' 30"	4° 48' 0"
2	7° 34' 0"	4° 48' 0"
3	7° 34' 0"	4° 51' 0"
4	7° 29' 30"	4° 51' 0"
5	7° 31' 0"	4° 49' 45"
6	7° 31' 0"	4° 50' 0"
7	7° 31' 30"	4° 50' 0"
8	7° 31' 30"	4° 49' 45"

Area size: 214 cadastral units (1 cadastral unit is equivalent to approximately 3km^2)

The area identified by these coordinates has been wrongly recorded on the mineral titles map which is maintained by the MCO as 40 EL. The MCO has however confirmed that the above-listed coordinates are the coordinates of 39 EL. Our investigations showed that EPL 13205 was initially re-designated as 39 EL and 40 EL and that in order to conform to the new cadastre system which was introduced after the enactment of the Mining Act in 2007, 40 EL was merged into 39 EL. As a result, 40 EL is no longer in existence and the area covered by 40 EL on the map is in fact the area covered by 39 EL.

CO-ORDINATES OF 41 ML

The co-ordinates of the area covered by the Licence are as follows:

POINT	LATITUDE	LONGITUDE
1	7° 31' 0"	4° 49' 45"
2	7° 31' 30"	4° 49' 45"
3	7° 31' 30"	4° 50' 0"
4	7° 31' 0"	4° 50' 0"

Area size: 2 cadastral units (1 cadastral unit is equivalent to approximately 3km^2)

An application has been made for the enlargement of the Mining Lease area. This application was still pending as of the date of this Opinion.

APPENDIX 3

SCHEDULE OF DOCUMENTS

- Copies of Certificates of Revalidation issued to TML by the then Ministry of Solid Minerals Development in respect of TML 19706 and EPL 13205 dated 13th February 2006. These documents were issued following a title revalidation exercise that was conducted by the Ministry of Solid Minerals Development between 2005 and 2006.

- Copy of the Joint Venture Agreement between SGL and TML dated 25th May, 2007. Under the terms of the Joint Venture Agreement, SGL has the right to earn 51% interest in the Tenements in 3 options - 25% upon incurring expenditure of US$500,000 on exploration operations within 9 months from the date of the Joint Venture Agreement (the first option); 13% upon incurring a further expenditure of US$750,000 and demonstrating the existence of gold in excess of 400,000 ounces (the second option); and 13% upon incurring a further expenditure of US$750,000, completing a bankable feasibility study demonstrating the economic viability of the development of a gold mining project and executing a production sharing contract with TML (third option). SGL also has the option of acquiring the entire 51% interest at once if it can demonstrate the existence of one million ounces of gold on the tenements.

- Copy of letter from the Ministry of Solid Minerals Development dated 2nd July, 2007 with reference MSMD/LU/0143/I stating that the Ministry has no objection to the agreement for the transfer of 51% interest in the Tenements.

- Copy of Deed of Acknowledgement No. 1 between SGL and TML confirming the exercise of the First Option and the assignment of 25% interest in the Tenements to SGL with effect from 6th November, 2008.

- Letter dated 27th April 2010 from TML to SGL confirming that SGL has complied with all the conditions for the exercise of the second option and approving the request by SGL to exercise the second option.

- Letter of Good Standing from the Mining Cadastre Office dated 9th September 2009 with reference MMSD/MCO/0128/VOL.1/188 stating that 39 EL and 40 EL have been merged into one title to form 39 EL.

- Letter of Good Standing from the Mining Cadastre Office dated 7th May 2010 with reference MMSD/MCO/0128/VOL.1/297 stating that 39 EL and 41 ML are in good standing and that applications for the renewal of 39 EL and the enlargement of 41 ML are being processed. The letter also states that 39 EL and 40 EL have been merged to conform to the new Cadastral System and that 39 EL is the same as 40 EL. The following documents were attached to the letter:

- Data extract for Tropical Mines Limited
- Extract of the Mineral Titles Map relating to 40 EL and 41 ML

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28 June 2010

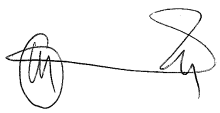
Ratel Gold Limited
Level 5
28 The Esplanade
PERTH WA 6000

Dear Sirs,

Legal due diligence report in respect of mining interest in Zambia held by Mkushi Copper Joint Venture Company Limited and Seringa Mining Limited

We refer to the above matter and confirm the contents of the legal due diligence report prepared for the purpose of inclusion in a Prospectus (the "Prospectus") to be issued by Ratel Gold Limited dated on or about 5 July 2010 making a priority offer to CGA Mining Limited's Australian shareholders to subscribe for ordinary shares in Ratel Gold Limited at an issue price of Cdn.$0.20 per share entitled "DUE DILIGENCE REPORT IN REPSECT OF MINING INTEREST IN ZAMBIA HELD BY MKUSHI COPPER JOINT VENTURE COMPANY LIMITED AND SERINGA MINING LIMITED". Corpus Legal Practitioners consents to the inclusion of this Report in the Prospectus in the form and context in which it appears. This report is dated 28 June 2010.

Yours sincerely,



Corpus Legal Practitioners

Encl.

DUE DILIGENCE REPORT IN RESPECT OF MINING INTEREST IN ZAMBIA HELD BY MKUSHI COPPER JOINT VENTURE COMPANY LIMITED AND SERINGA MINING LIMITED

CORPUS
LEGAL PRACTITIONERS
STAND 2386 LONGOLONGO ROAD
P O BOX 32115 LUSAKA
ZAMBIA

Tel: 260 1 235480/1 Fax: 260 1 238657

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Appendix I- General information on Prospecting Licences

Appendix II- General information on large scale mining licences

Appendix III- Co-ordinates

Appendix IV-Litigation Search Report

DUE DILIGENCE REPORT IN RESPECT OF MINING INTERESTS IN ZAMBIA HELD BY MKUSHI JOINT VENTURE COMPANY LIMITED AND SERINGA MINING LIMITED

1. Introduction

1.1 We have acted as local counsel to CGA Mining Limited ("**CGA Mining**"), Mkushi Joint Venture Company Limited and Seringa Mining Limited (the "**Companies"**) in connection with the proposed listing of Ratel Gold Limited ("**Ratel**") on the Toronto Stock Exchange ("**TSX**") and the issuance of a prospectus in respect of the initial public offering relating to Ratel. In the premises, we are providing an opinion with regards to the following licenses (the "**Licenses**"):

(a) LPL 114 (7391-HQ-LPL)
(b) LPL 290 (8361-HQ-LPL); and
(c) LML 67 (8624-HQ-LML)

1.2 CGA have requested Corpus to provide a report on the validity and standing of the Licenses for inclusion in the Prospectus.

1.3 We have reviewed and reported on the Licenses placing all reliance on:

(a) available public documents filed and maintained at the following government registry:

- the Registry of the Mining Rights at the Ministry of Mines and Minerals Development; and
- the Principal and Commercial Registries of the High Court for Zambia at Lusaka and the Industrial Relations Court Registry in Lusaka and Ndola.

(b) General information on prospecting licences and large scale mining licences as provided under the Mines and Minerals Development Act, No. 7 of 2008 (the "**Mines Act**").

1.4 Pursuant to such research, subject to the declarations contained in this Report, we are satisfied that the information and declarations of the present Report that relate to the Licences accurately reflect the status of the Licences as at the date when such research was effected.

1.5 Our review has addressed only the issues that we consider to be significant from a legal perspective and should not be seen as a substitute for examination of appropriate documents by commercial and technical personnel. We cannot accept responsibility for assessing the commercial or technical implications of the documents reviewed by us. A proper commercial assessment requires commercial and industry knowledge and expertise as well as a full understanding of the commercial plans of Mkushi Joint Venture Company Limited. A proper technical assessment (such as the location and citing of licences beacons) can only be undertaken by someone in possession of the appropriate underlying expertise.

1.6 We have not sought to investigate or review documents in relation to any of the following:

(a) any matters in relation to any law other than Zambian law;

(b) environmental matters, whether of a legal or technical nature (other than to state the law);

(c) employee benefits, pensions and retirement plans;

(d) accounting, financial and tax matters; and

(e) insurance policies and the scope of insurance.

2. Review of Licences

2.1 Save as set out in this section, the Licences appear to have been validly issued and are in good standing.

2.2 The following information in respect of the Licences was confirmed following searches at the Licence registry at the Ministry of Mines on the 5, 6 and 7 May 2010.

MINING RIGHTS REGISTRY SEARCH REPORT

	Licence	Minerals	Tenure	Area	Area charges
	LML 67(8624-HQ-LML)	Copper	Issued: The Licence was issued on 9 September 2009 to Mkushi Copper Joint Venture Limited Expiry date: 8 September 2034.	54.4246 km^2	The new licence fees in the sum of K360,000 and Area Charges in the sum of K3,920,000 were paid for the period 2009-2010 and 2010 - 2011
	LPL 114 (7391-HQ-LPL)	Base metals	The licence was issued to Katanga Resources Limited on 20 March 1998 Expiry date: 2 March 2008 As LPL 114 had	81.3068 km^2	Area charges of K2, 214, 720 were paid on the 31 July 2008, while the licence fee of K360,000 was paid on

			expired, an application for a large scale mining licence for the mining of minerals within the prospecting area was made on 2 May 2008. A large scale mining licence, namely LML 67(8624-HQ-LML), was granted to Mkushi Copper Joint Venture Limited on 9 September 2009.		31 March 2010
	LPL 290(8361-HQ-LPL)	Copper and Cobalt	The licence was issued to Katanga Resources Limited on 20 June 2006 for duration of 4 years. The licence was transferred to Mkushi Copper Joint Venture limited on 22 January 2007. An application for renewal and compliance under the new Mines Act was submitted on 17 April 2008. It appears the licence has not yet been issued but a letter dated 28 April 2009 granting the renewal for a duration of 2 years was found on the file.	229.6008 km^2	The renewal of license fee and area charges in the sum of K6, 497,280 were paid on 28 May 2009.

2.3 A quarterly report is required to be submitted to the Mines Department. The table below indicates the frequency of report submissions with respect to each Licence.
Licence No.

Licence				

No.	Quarter 1 June 2009	Quarter 2 September 2009	Quarter 3 December 2009	Quarter 4 March 2010
LPL 114	License had already expired	License had already expired	License had already expired	License had already expired
LPL 290	Submitted	Submitted	Submitted	Not submitted
LML 67	Submitted	Submitted	Submitted	Not submitted

2.4 **Consequences of non-filing of quarterly reports**

The consequence for non-filing of quarterly reports is particularly relevant at the point of renewal of the licence. The holder of a prospecting licence is required, among other terms and conditions, to submit quarterly reports as an administrative/statutory condition for the grant of the licence. Breach of any conditions of a licence could result in non-renewal although prior to any non-renewal, a licensee is required to be accorded the opportunity to remedy any breach of a condition on which a licence was granted (including the failure to file quarterly reports)

2.5 **Renewal of Prospecting Licence**

A holder of a prospecting licence may apply to the Director of Geological Survey for renewal for such period, not exceeding two years, as the licensee may require, if the holder of the licence:

(a) undertakes to carry out during the renewal period an adequate programme of prospecting operations;

(b) relinquishes fifty per centum of the initial prospecting area on a first renewal, and at least fifty per centum of the balance on a second renewal.

(c) is not in breach of any condition of his licence or in breach of any of the provisions of the Mines Act.

Further, in the event that the Minister of Mines considers it necessary for the completion of a feasibility study commenced by the holder into the prospects for recovery of any mineral deposit and its commercial significance, the licence may be renewed for such further period as the Minister may authorise but not exceeding one year.

It must be noted that the maximum period for which a person can hold a prospecting licence is 7 years.

2.6 We conducted searches at the Ministry of Mines Registry on 5, 6 and 7 May 2010 to establish the area size and co-ordinates of LPL 114 (7391-HQ-LPL), LPL 290 (8361-HQ-LPL) and LML 67(8624-HQ-LML). The results of the search are attached in **Appendix III.**

3. Litigation

3.1 We conducted searches at the main registries that record litigation matters (the Principal and Commercial Registries of the Lusaka High Court; the Industrial Relations Courts in Lusaka).

3.2 Searches at the various registries would assist in assessing whether there are recorded contentious matters that could have an impact on the validity and/or standing of the Licences. The results of the search are attached in **Appendix IV** of this report.

APPENDIX 1

GENERAL INFORMATION ON PROSPECTING LICENCES

Rights of prospecting for mining and disposing of minerals are acquired in accordance with the provisions of the Mines Act. A person may only prospect for minerals or carry on mining operations except under the authority of a mining right granted under the Mines Act.

All mining rights are acquired upon application in the prescribed manner and following the payment of the prescribed fee by either an individual or a company. Rights are granted on a first-come, first-served basis.

A prospecting licence grants the right of exploration for various minerals as indicated on the licence.

The holder of a prospecting licence is obliged by statute to:

(a) commence prospecting operations within ninety days, or such further period as the Director of Geological Survey may allow, after the date of the grant of the licence.

(b) give notice to the Director of Geological Survey of the discovery of any mineral deposit of possible commercial value within thirty days of the discovery; and

(c) expend on prospecting operations not less than the amount prescribed or required by the terms and conditions of the licence to be so expended.

(d) carry on prospecting operations in accordance with the programme of prospecting operations.

(e) notify the Director of Geological Survey of the discovery of the mineral to which the prospecting licence relates within a period of 30 days of such discovery.

(f) backfill or otherwise make safe any excavation made during the course of the prospecting operations, as the Director of Geological Survey may specify.

(g) permanently preserve and safeguard any borehole in a manner directed by the Director of Geological Survey, and to surrender to government without compensation, the drill cores, mineral samples, the boreholes and any water rights in respect therefor, on termination.

(h) unless the Director of Geological Survey stipulates otherwise, to remove within 60 days of the expiry of the prospecting licence, any camp, temporary buildings or machinery installed or erected, or make good any damage occasioned to the ground on account of such removal.

(i) keep full and accurate records of the prospecting operations which shall indicate;

- The boreholes drilled;
- The strata penetrated;
- The minerals discovered
- The results of any seismic survey or geo-chemical, geo-physical and remote sensing data analysis;
- The result of any analysis or identification of minerals removed;

- The geological interpretations of records maintained on the above matters;
- The number of persons employed;
- Any other prospecting work;
- The costs incurred; and
- Such other matters as may be prescribed by the Minister in a Statutory Instrument;

APPENDIX II

GENERAL INFORMATION ON LARGE SCALE MINING LICENCES

A holder of a large scale mining licence must comply with the following:

(a) Develop the mining area, and carry on mining operations, with due diligence and in compliance with the programme of mining operations and the environmental management plan;

(b) take all reasonable measures on or under the surface to mine the mineral to which the licence relates;

(c) implement the local business development proposals attached to the licence;

(d) employ and train citizens of Zambia in accordance with the proposals attached to the licence;

(e) to comply with the proposed forecast of capital investment as attached to the licence;

(f) demarcate the mining area and keep it demarcated in the prescribed manner.

(g) maintain at the holder's office:

(i) complete and accurate technical records of the operations in the mining area,

(ii) copies of all maps and geological reports, including interpretations, mineral analysis, aerial photographs, core logs, analysis and test results obtained and compiled by the holder in respect of the mining area;

(iii) drill cores in respect of the mining area;

(iv) accurate financial records of the operations in the mining area and such other books of account and financial records as the Director of Mines may require; and

(v) where the holder is engaged in any other activity not connected with the operations under the mining licence, separate books of account from the operations under the licence;

(h) permit an authorised officer at any time to inspect the books and records maintained in pursuance of (c) above and deliver to the Director of Mines, without charge, copies of any part of the books and records as the Director of Mines may require;

(i) Keep and preserve, as the Minister may prescribe, records in relation to the protection of the environment;

(j) furnish the Director of Mines with a copy of the annual audited financial statements within three months of the end of the financial year showing the profit

or loss for the year and the state of the financial affairs of the holder at the end of each financial year;

APPENDIX III

LPL 114 (7391-HQ-LPL) CO-ORDINATES

See Annexure 1

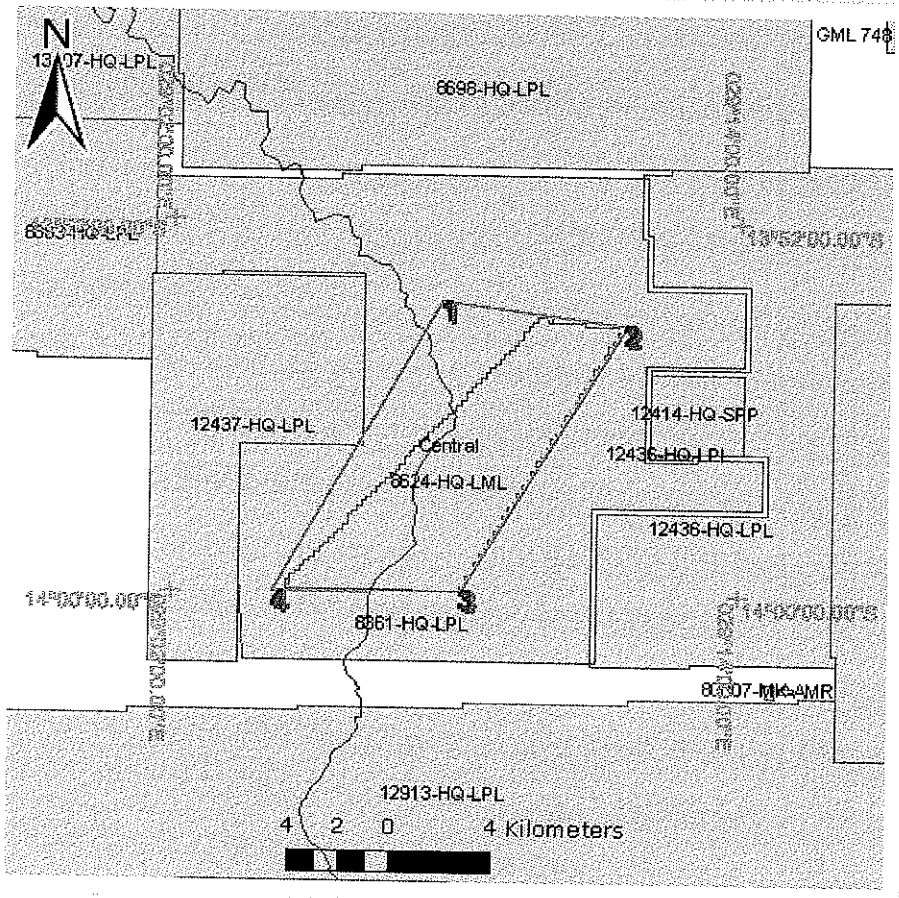
License Code: 7391-HQ-LPL
License Name:

Coordinates

Co-ordinate system: GCS_Arc1950

Part 1	North	East
1	13° 53' 41.89" S	029° 07' 42.13" E
2	13° 54' 12.35" S	029° 11' 35.52" E
3	13° 59' 55.79" S	029° 08' 08.88" E
4	13° 59' 57.88" S	029° 04' 09.01" E

License Shape



Map References

Count:4

Map Reference	Category	Map Reference In	Full Map Reference
Zambia	Country		Zambia
Central	Province	Zambia	Zambia, Central

LPL 290 (8361-HQ-LPL) CO-ORDINATES

See Annexure 2

License Code: 8361-HQ-LPL
License Name:

Coordinates

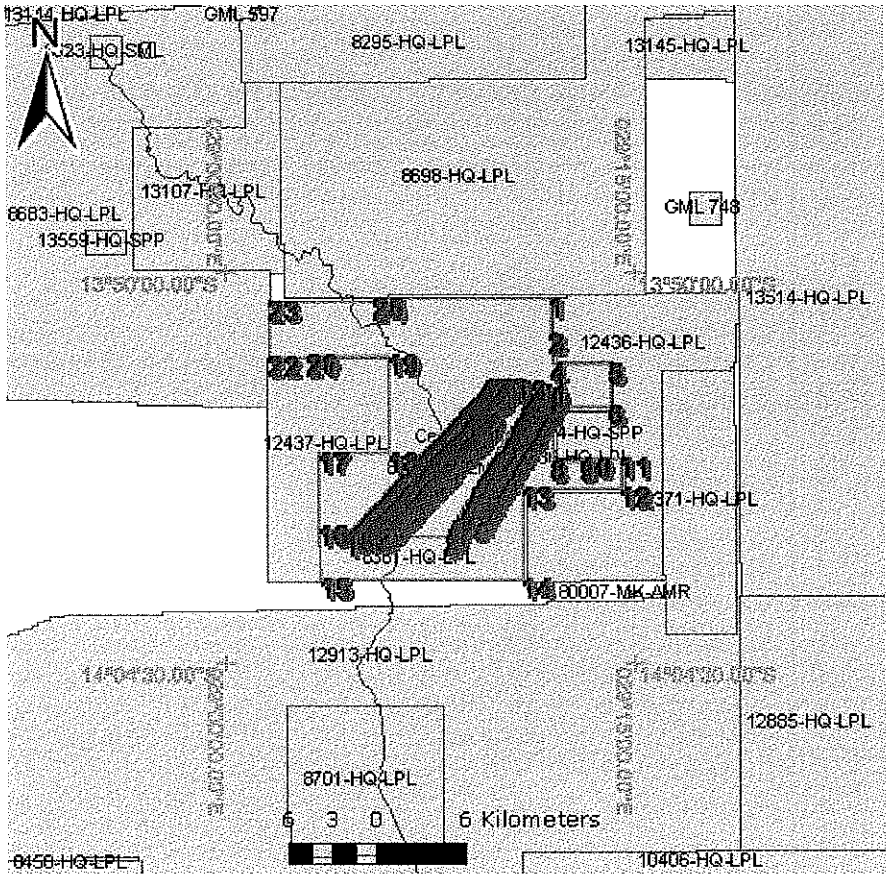
Co-ordinate system:

Exclusion coordinates	North	East

Co-ordinate system: GCS_Arc1950

Part 1	North	East
1	13° 51' 00.00" S	029° 11' 54.00" E
1	13° 59' 54.00" S	029° 04' 24.00" E
2	13° 52' 18.00" S	029° 11' 54.00" E
2	13° 59' 54.00" S	029° 08' 06.00" E
3	13° 52' 18.00" S	029° 12' 00.00" E
3	13° 59' 48.00" S	029° 08' 06.00" E
4	13° 53' 24.00" S	029° 12' 00.00" E
4	13° 59' 48.00" S	029° 08' 12.00" E
5	13° 53' 24.00" S	029° 14' 06.00" E
5	13° 59' 36.00" S	029° 08' 12.00" E
6	13° 55' 00.00" S	029° 14' 06.00" E
6	13° 59' 36.00" S	029° 08' 18.00" E
7	13° 55' 00.00" S	029° 12' 00.00" E
7	13° 59' 30.00" S	029° 08' 18.00" E
8	13° 57' 06.00" S	029° 12' 00.00" E
8	13° 59' 30.00" S	029° 08' 24.00" E
9	13° 57' 06.00" S	029° 13' 06.00" E
9	13° 59' 18.00" S	029° 08' 24.00" E
10	13° 57' 00.00" S	029° 13' 06.00" E
10	13° 59' 18.00" S	029° 08' 30.00" E
11	13° 57' 00.00" S	029° 14' 30.00" E
11	13° 59' 06.00" S	029° 08' 30.00" E
12	13° 58' 06.00" S	029° 14' 30.00" E
12	13° 59' 06.00" S	029° 08' 36.00" E
13	13° 58' 06.00" S	029° 10' 54.00" E

License Shape



License Code: 8361-HQ-LPL
License Name:

	Coordinates	
13	13° 59' 00.00" S	029° 08' 36.00" E
14	14° 01' 24.00" S	029° 10' 54.00" E
14	13° 59' 00.00" S	029° 08' 42.00" E
15	14° 01' 24.00" S	029° 03' 30.00" E
15	13° 58' 48.00" S	029° 08' 42.00" E
16	13° 59' 30.00" S	029° 03' 24.00" E
16	13° 58' 48.00" S	029° 08' 48.00" E
17	13° 56' 48.00" S	029° 03' 24.00" E
17	13° 58' 36.00" S	029° 08' 48.00" E
18	13° 56' 48.00" S	029° 06' 00.00" E
18	13° 58' 36.00" S	029° 08' 54.00" E
19	13° 53' 06.00" S	029° 06' 00.00" E
19	13° 58' 30.00" S	029° 08' 54.00" E
20	13° 53' 06.00" S	029° 03' 00.00" E
20	13° 58' 30.00" S	029° 09' 00.00" E
21	13° 53' 12.00" S	029° 03' 00.00" E
21	13° 58' 18.00" S	029° 09' 00.00" E
22	13° 53' 12.00" S	029° 01' 36.00" E
22	13° 58' 18.00" S	029° 09' 06.00" E
23	13° 51' 06.00" S	029° 01' 36.00" E
23	13° 58' 06.00" S	029° 09' 06.00" E
24	13° 51' 06.00" S	029° 05' 30.00" E
24	13° 58' 06.00" S	029° 09' 12.00" E
25	13° 51' 00.00" S	029° 05' 30.00" E
25	13° 58' 00.00" S	029° 09' 12.00" E
26	13° 58' 00.00" S	029° 09' 18.00" E
27	13° 57' 48.00" S	029° 09' 18.00" E
28	13° 57' 48.00" S	029° 09' 24.00" E
29	13° 57' 36.00" S	029° 09' 24.00" E
30	13° 57' 36.00" S	029° 09' 30.00" E
31	13° 57' 30.00" S	029° 09' 30.00" E

License Code: 8361-HQ-LPL
License Name:

	Coordinates	
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35	13° 57' 06.00" S	029° 09' 42.00" E
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37	13° 57' 00.00" S	029° 09' 48.00" E
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41	13° 56' 36.00" S	029° 10' 00.00" E
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43	13° 56' 30.00" S	029° 10' 06.00" E
44	13° 56' 30.00" S	029° 10' 12.00" E
45	13° 56' 18.00" S	029° 10' 12.00" E
46	13° 56' 18.00" S	029° 10' 18.00" E
47	13° 56' 06.00" S	029° 10' 18.00" E
48	13° 56' 06.00" S	029° 10' 24.00" E
49	13° 56' 00.00" S	029° 10' 24.00" E
50	13° 56' 00.00" S	029° 10' 30.00" E
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52	13° 55' 48.00" S	029° 10' 36.00" E
53	13° 55' 36.00" S	029° 10' 36.00" E
54	13° 55' 36.00" S	029° 10' 42.00" E
55	13° 55' 30.00" S	029° 10' 42.00" E
56	13° 55' 30.00" S	029° 10' 48.00" E
57	13° 55' 18.00" S	029° 10' 48.00" E
58	13° 55' 18.00" S	029° 10' 54.00" E
59	13° 55' 06.00" S	029° 10' 54.00" E
60	13° 55' 06.00" S	029° 11' 00.00" E
61	13° 55' 00.00" S	029° 11' 00.00" E
62	13° 55' 00.00" S	029° 11' 06.00" E

License Code: 8361-HQ-LPL
License Name:

	Coordinates	
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64	13° 54' 48.00" S	029° 11' 12.00" E
65	13° 54' 36.00" S	029° 11' 12.00" E
66	13° 54' 36.00" S	029° 11' 18.00" E
67	13° 54' 30.00" S	029° 11' 18.00" E
68	13° 54' 30.00" S	029° 11' 24.00" E
69	13° 54' 18.00" S	029° 11' 24.00" E
70	13° 54' 18.00" S	029° 11' 30.00" E
71	13° 54' 12.00" S	029° 11' 30.00" E
72	13° 54' 12.00" S	029° 10' 42.00" E
73	13° 54' 06.00" S	029° 10' 42.00" E
74	13° 54' 06.00" S	029° 10' 00.00" E
75	13° 54' 00.00" S	029° 10' 00.00" E
76	13° 54' 00.00" S	029° 09' 42.00" E
77	13° 54' 06.00" S	029° 09' 42.00" E
78	13° 54' 06.00" S	029° 09' 36.00" E
79	13° 54' 12.00" S	029° 09' 36.00" E
80	13° 54' 12.00" S	029° 09' 30.00" E
81	13° 54' 18.00" S	029° 09' 30.00" E
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83	13° 54' 30.00" S	029° 09' 24.00" E
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License Code: 8361-HQ-LPL
License Name:

	Coordinates	
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98	13° 55' 12.00" S	029° 08' 36.00" E
99	13° 55' 18.00" S	029° 08' 36.00" E
100	13° 55' 18.00" S	029° 08' 30.00" E
101	13° 55' 24.00" S	029° 08' 30.00" E
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104	13° 55' 30.00" S	029° 08' 18.00" E
105	13° 55' 36.00" S	029° 08' 18.00" E
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109	13° 55' 54.00" S	029° 08' 06.00" E
110	13° 55' 54.00" S	029° 08' 00.00" E
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112	13° 56' 00.00" S	029° 07' 54.00" E
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114	13° 56' 06.00" S	029° 07' 48.00" E
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116	13° 56' 12.00" S	029° 07' 42.00" E
117	13° 56' 18.00" S	029° 07' 42.00" E
118	13° 56' 18.00" S	029° 07' 36.00" E
119	13° 56' 24.00" S	029° 07' 36.00" E
120	13° 56' 24.00" S	029° 07' 30.00" E
121	13° 56' 30.00" S	029° 07' 30.00" E
122	13° 56' 30.00" S	029° 07' 24.00" E
123	13° 56' 36.00" S	029° 07' 24.00" E
124	13° 56' 36.00" S	029° 07' 18.00" E

License Code: 8361-HQ-LPL
License Name:

	Coordinates	
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129	13° 56' 54.00" S	029° 07' 06.00" E
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132	13° 57' 00.00" S	029° 06' 54.00" E
133	13° 57' 12.00" S	029° 06' 54.00" E
134	13° 57' 12.00" S	029° 06' 48.00" E
135	13° 57' 18.00" S	029° 06' 48.00" E
136	13° 57' 18.00" S	029° 06' 42.00" E
137	13° 57' 24.00" S	029° 06' 42.00" E
138	13° 57' 24.00" S	029° 06' 36.00" E
139	13° 57' 30.00" S	029° 06' 36.00" E
140	13° 57' 30.00" S	029° 06' 30.00" E
141	13° 57' 36.00" S	029° 06' 30.00" E
142	13° 57' 36.00" S	029° 06' 24.00" E
143	13° 57' 42.00" S	029° 06' 24.00" E
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146	13° 57' 48.00" S	029° 06' 12.00" E
147	13° 57' 54.00" S	029° 06' 12.00" E
148	13° 57' 54.00" S	029° 06' 06.00" E
149	13° 58' 00.00" S	029° 06' 06.00" E
150	13° 58' 00.00" S	029° 06' 00.00" E
151	13° 58' 06.00" S	029° 06' 00.00" E
152	13° 58' 06.00" S	029° 05' 54.00" E
153	13° 58' 12.00" S	029° 05' 54.00" E
154	13° 58' 12.00" S	029° 05' 48.00" E
155	13° 58' 18.00" S	029° 05' 48.00" E

License Code: 8361-HQ-LPL
License Name:

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159	13° 58' 36.00" S	029° 05' 36.00" E
160	13° 58' 36.00" S	029° 05' 30.00" E
161	13° 58' 42.00" S	029° 05' 30.00" E
162	13° 58' 42.00" S	029° 05' 24.00" E
163	13° 58' 48.00" S	029° 05' 24.00" E
164	13° 58' 48.00" S	029° 05' 18.00" E
165	13° 58' 54.00" S	029° 05' 18.00" E
166	13° 58' 54.00" S	029° 05' 12.00" E
167	13° 59' 00.00" S	029° 05' 12.00" E
168	13° 59' 00.00" S	029° 05' 06.00" E
169	13° 59' 06.00" S	029° 05' 06.00" E
170	13° 59' 06.00" S	029° 05' 00.00" E
171	13° 59' 12.00" S	029° 05' 00.00" E
172	13° 59' 12.00" S	029° 04' 54.00" E
173	13° 59' 18.00" S	029° 04' 54.00" E
174	13° 59' 18.00" S	029° 04' 48.00" E
175	13° 59' 24.00" S	029° 04' 48.00" E
176	13° 59' 24.00" S	029° 04' 42.00" E
177	13° 59' 30.00" S	029° 04' 42.00" E
178	13° 59' 30.00" S	029° 04' 36.00" E
179	13° 59' 36.00" S	029° 04' 36.00" E
180	13° 59' 36.00" S	029° 04' 30.00" E
181	13° 59' 42.00" S	029° 04' 30.00" E
182	13° 59' 42.00" S	029° 04' 24.00" E

Map References

Count:4

Map Reference	Category	Map Reference In	Full Map Reference
Zambia	Country		Zambia

LML 67 (8624-HQ-LML) CO-ORDINATES

See Annexure 3

License Code: 8624-HQ-LML
License Name:

Coordinates

Co-ordinate system: GCS_Arc1950

Part 1	North	East
1	13° 54' 00.00" S	029° 09' 42.00" E
2	13° 54' 00.00" S	029° 09' 54.00" E
3	13° 54' 06.00" S	029° 09' 54.00" E
4	13° 54' 06.00" S	029° 10' 42.00" E
5	13° 54' 12.00" S	029° 10' 42.00" E
6	13° 54' 12.00" S	029° 11' 30.00" E
7	13° 54' 18.00" S	029° 11' 30.00" E
8	13° 54' 18.00" S	029° 11' 24.00" E
9	13° 54' 30.00" S	029° 11' 24.00" E
10	13° 54' 30.00" S	029° 11' 18.00" E
11	13° 54' 36.00" S	029° 11' 18.00" E
12	13° 54' 36.00" S	029° 11' 12.00" E
13	13° 54' 48.00" S	029° 11' 12.00" E
14	13° 54' 48.00" S	029° 11' 06.00" E
15	13° 55' 00.00" S	029° 11' 06.00" E
16	13° 55' 00.00" S	029° 11' 00.00" E
17	13° 55' 06.00" S	029° 11' 00.00" E
18	13° 55' 06.00" S	029° 10' 54.00" E
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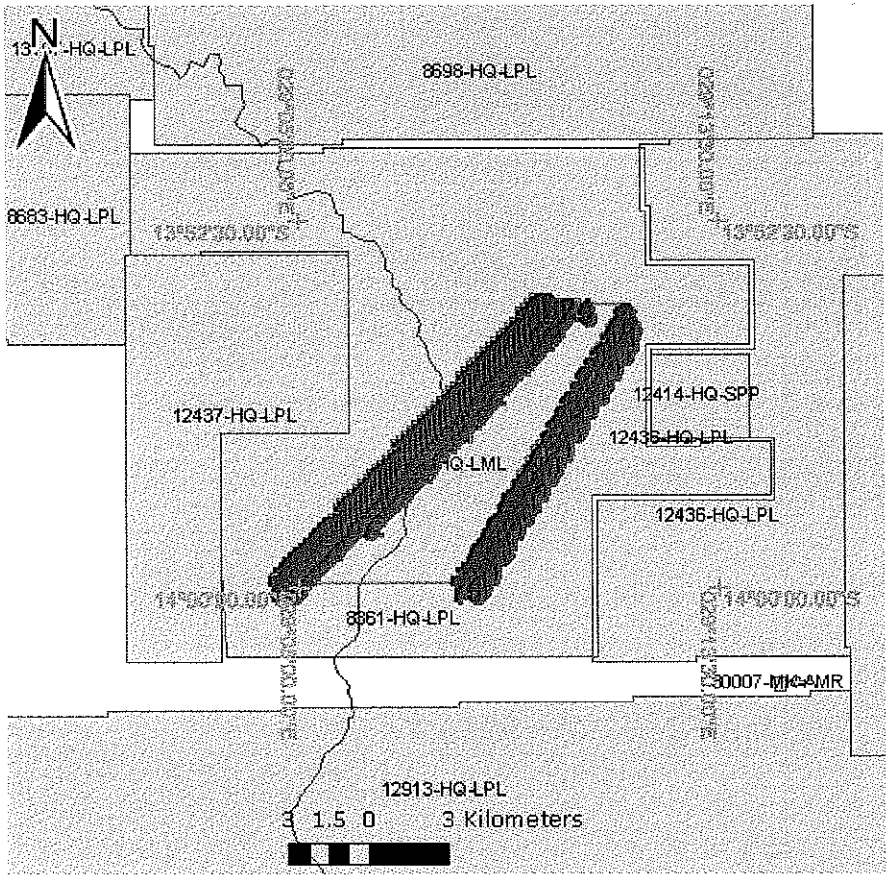
20	13° 55' 18.00" S	029° 10' 48.00" E
21	13° 55' 30.00" S	029° 10' 48.00" E
22	13° 55' 30.00" S	029° 10' 42.00" E
23	13° 55' 36.00" S	029° 10' 42.00" E
24	13° 55' 36.00" S	029° 10' 36.00" E
25	13° 55' 48.00" S	029° 10' 36.00" E
26	13° 55' 48.00" S	029° 10' 30.00" E
27	13° 56' 00.00" S	029° 10' 30.00" E
28	13° 56' 00.00" S	029° 10' 24.00" E
29	13° 56' 06.00" S	029° 10' 24.00" E

License Shape



License Code: 8624-HQ-LML
License Name:

	Coordinates	
30	13° 56' 06.00" S	029° 10' 18.00" E
31	13° 56' 18.00" S	029° 10' 18.00" E
32	13° 56' 18.00" S	029° 10' 12.00" E
33	13° 56' 30.00" S	029° 10' 12.00" E
34	13° 56' 30.00" S	029° 10' 06.00" E
35	13° 56' 36.00" S	029° 10' 06.00" E
36	13° 56' 36.00" S	029° 10' 00.00" E
37	13° 56' 48.00" S	029° 10' 00.00" E
38	13° 56' 48.00" S	029° 09' 54.00" E
39	13° 57' 00.00" S	029° 09' 54.00" E
40	13° 57' 00.00" S	029° 09' 48.00" E
41	13° 57' 06.00" S	029° 09' 48.00" E
42	13° 57' 06.00" S	029° 09' 42.00" E
43	13° 57' 18.00" S	029° 09' 42.00" E
44	13° 57' 18.00" S	029° 09' 36.00" E
45	13° 57' 30.00" S	029° 09' 36.00" E
46	13° 57' 30.00" S	029° 09' 30.00" E
47	13° 57' 36.00" S	029° 09' 30.00" E
48	13° 57' 36.00" S	029° 09' 24.00" E
49	13° 57' 48.00" S	029° 09' 24.00" E
50	13° 57' 48.00" S	029° 09' 18.00" E
51	13° 58' 00.00" S	029° 09' 18.00" E
52	13° 58' 00.00" S	029° 09' 12.00" E
53	13° 58' 06.00" S	029° 09' 12.00" E
54	13° 58' 06.00" S	029° 09' 06.00" E
55	13° 58' 18.00" S	029° 09' 06.00" E
56	13° 58' 18.00" S	029° 09' 00.00" E
57	13° 58' 30.00" S	029° 09' 00.00" E
58	13° 58' 30.00" S	029° 08' 54.00" E
59	13° 58' 36.00" S	029° 08' 54.00" E
60	13° 58' 36.00" S	029° 08' 48.00" E

License Code: 8624-HQ-LML
License Name:

	Coordinates	
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64	13° 59' 00.00" S	029° 08' 36.00" E
65	13° 59' 06.00" S	029° 08' 36.00" E
66	13° 59' 06.00" S	029° 08' 30.00" E
67	13° 59' 18.00" S	029° 08' 30.00" E
68	13° 59' 18.00" S	029° 08' 24.00" E
69	13° 59' 30.00" S	029° 08' 24.00" E
70	13° 59' 30.00" S	029° 08' 18.00" E
71	13° 59' 36.00" S	029° 08' 18.00" E
72	13° 59' 36.00" S	029° 08' 12.00" E
73	13° 59' 48.00" S	029° 08' 12.00" E
74	13° 59' 48.00" S	029° 08' 06.00" E
75	13° 59' 54.00" S	029° 08' 06.00" E
76	13° 59' 54.00" S	029° 04' 24.00" E
77	13° 59' 48.00" S	029° 04' 24.00" E
78	13° 59' 48.00" S	029° 04' 30.00" E
79	13° 59' 36.00" S	029° 04' 30.00" E
80	13° 59' 36.00" S	029° 04' 36.00" E
81	13° 59' 30.00" S	029° 04' 36.00" E
82	13° 59' 30.00" S	029° 04' 42.00" E
83	13° 59' 24.00" S	029° 04' 42.00" E
84	13° 59' 24.00" S	029° 04' 48.00" E
85	13° 59' 18.00" S	029° 04' 48.00" E
86	13° 59' 18.00" S	029° 04' 54.00" E
87	13° 59' 12.00" S	029° 04' 54.00" E
88	13° 59' 12.00" S	029° 05' 00.00" E
89	13° 59' 06.00" S	029° 05' 00.00" E
90	13° 59' 06.00" S	029° 05' 06.00" E
91	13° 59' 00.00" S	029° 05' 06.00" E

License Code: 8624-HQ-LML
License Name:

	Coordinates	
92	13° 59' 00.00" S	029° 05' 12.00" E
93	13° 58' 54.00" S	029° 05' 12.00" E
94	13° 58' 54.00" S	029° 05' 18.00" E
95	13° 58' 48.00" S	029° 05' 18.00" E
96	13° 58' 48.00" S	029° 05' 24.00" E
97	13° 58' 42.00" S	029° 05' 24.00" E
98	13° 58' 42.00" S	029° 05' 30.00" E
99	13° 58' 36.00" S	029° 05' 30.00" E
100	13° 58' 36.00" S	029° 05' 36.00" E
101	13° 58' 30.00" S	029° 05' 36.00" E
102	13° 58' 30.00" S	029° 05' 42.00" E
103	13° 58' 18.00" S	029° 05' 42.00" E
104	13° 58' 18.00" S	029° 05' 48.00" E
105	13° 58' 12.00" S	029° 05' 48.00" E
106	13° 58' 12.00" S	029° 05' 54.00" E
107	13° 58' 06.00" S	029° 05' 54.00" E
108	13° 58' 06.00" S	029° 06' 00.00" E
109	13° 58' 00.00" S	029° 06' 00.00" E
110	13° 58' 00.00" S	029° 06' 06.00" E
111	13° 57' 54.00" S	029° 06' 06.00" E
112	13° 57' 54.00" S	029° 06' 12.00" E
113	13° 57' 48.00" S	029° 06' 12.00" E
114	13° 57' 48.00" S	029° 06' 18.00" E
115	13° 57' 42.00" S	029° 06' 18.00" E
116	13° 57' 42.00" S	029° 06' 24.00" E
117	13° 57' 36.00" S	029° 06' 24.00" E
118	13° 57' 36.00" S	029° 06' 30.00" E
119	13° 57' 30.00" S	029° 06' 30.00" E
120	13° 57' 30.00" S	029° 06' 36.00" E
121	13° 57' 24.00" S	029° 06' 36.00" E
122	13° 57' 24.00" S	029° 06' 42.00" E

License Code: 8624-HQ-LML
License Name:

	Coordinates	
123	13° 57' 18.00" S	029° 06' 42.00" E
124	13° 57' 18.00" S	029° 06' 48.00" E
125	13° 57' 12.00" S	029° 06' 48.00" E
126	13° 57' 12.00" S	029° 06' 54.00" E
127	13° 57' 00.00" S	029° 06' 54.00" E
128	13° 57' 00.00" S	029° 07' 00.00" E
129	13° 56' 54.00" S	029° 07' 00.00" E
130	13° 56' 54.00" S	029° 07' 06.00" E
131	13° 56' 48.00" S	029° 07' 06.00" E
132	13° 56' 48.00" S	029° 07' 12.00" E
133	13° 56' 42.00" S	029° 07' 12.00" E
134	13° 56' 42.00" S	029° 07' 18.00" E
135	13° 56' 36.00" S	029° 07' 18.00" E
136	13° 56' 36.00" S	029° 07' 24.00" E
137	13° 56' 30.00" S	029° 07' 24.00" E
138	13° 56' 30.00" S	029° 07' 30.00" E
139	13° 56' 24.00" S	029° 07' 30.00" E
140	13° 56' 24.00" S	029° 07' 36.00" E
141	13° 56' 18.00" S	029° 07' 36.00" E
142	13° 56' 18.00" S	029° 07' 42.00" E
143	13° 56' 12.00" S	029° 07' 42.00" E
144	13° 56' 12.00" S	029° 07' 48.00" E
145	13° 56' 06.00" S	029° 07' 48.00" E
146	13° 56' 06.00" S	029° 07' 54.00" E
147	13° 56' 00.00" S	029° 07' 54.00" E
148	13° 56' 00.00" S	029° 08' 00.00" E
149	13° 55' 54.00" S	029° 08' 00.00" E
150	13° 55' 54.00" S	029° 08' 06.00" E
151	13° 55' 48.00" S	029° 08' 06.00" E
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License Code: 8624-HQ-LML
License Name:

	Coordinates	
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156	13° 55' 30.00" S	029° 08' 24.00" E
157	13° 55' 24.00" S	029° 08' 24.00" E
158	13° 55' 24.00" S	029° 08' 30.00" E
159	13° 55' 18.00" S	029° 08' 30.00" E
160	13° 55' 18.00" S	029° 08' 36.00" E
161	13° 55' 12.00" S	029° 08' 36.00" E
162	13° 55' 12.00" S	029° 08' 42.00" E
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166	13° 55' 00.00" S	029° 08' 54.00" E
167	13° 54' 54.00" S	029° 08' 54.00" E
168	13° 54' 54.00" S	029° 09' 00.00" E
169	13° 54' 48.00" S	029° 09' 00.00" E
170	13° 54' 48.00" S	029° 09' 06.00" E
171	13° 54' 42.00" S	029° 09' 06.00" E
172	13° 54' 42.00" S	029° 09' 12.00" E
173	13° 54' 36.00" S	029° 09' 12.00" E
174	13° 54' 36.00" S	029° 09' 18.00" E
175	13° 54' 30.00" S	029° 09' 18.00" E
176	13° 54' 30.00" S	029° 09' 24.00" E
177	13° 54' 18.00" S	029° 09' 24.00" E
178	13° 54' 18.00" S	029° 09' 30.00" E
179	13° 54' 12.00" S	029° 09' 30.00" E
180	13° 54' 12.00" S	029° 09' 36.00" E
181	13° 54' 06.00" S	029° 09' 36.00" E
182	13° 54' 06.00" S	029° 09' 42.00" E

Map References

Count:4

APPENDIX IV

LITIGATION SEARCH REPORT

We conducted official civil litigation searches at the Commercial, Industrial Relations and Principal registries of the High Court for Zambia in respect of Mkushi Copper Joint Venture Limited and Seringa Mining Limited.

Based on the above, we deemed it appropriate to limit our litigation searches to civil matters in specific courts, all located in the Lusaka and Copperbelt regions of Zambia (these courts being the central ones in the region that the affiliates carry on their mining activity). The searches on civil matters were conducted in person at the Court Registries listed below:

(1) Lusaka Principle List:
From 11 October 2006 to 3 May 2010

(2) Lusaka Commercial List
From 8 September 2006 to 30 May 2010

(3) Lusaka Industrial Relations Court
From 5 February 2006 to 3 May 2010

(4) Ndola High Court Registry
From 28 August 2006 to 4 May 2010

(5) Ndola Industrial Relations Court
From 31 January 2006 to 5 May 2010

(6) Kitwe High Court Registry
From 30 January 2007 to 5 May 2010

Searches where conducted in the above mentioned Registries and restricted to the periods stated above to cover the periods from the time of incorporation of the companies to date.

It should be noted that registers of matters are only kept in the form of hard cover books which are normally not well maintained and that in some cases registers for certain years where missing, while others where tattered and torn or otherwise incomplete.

It is therefore advised that the records which were found should not be conclusively taken as the actual results of the search.

Our searches conducted at the Court Registries listed above revealed that there is no litigation past, present or on going against either Mkushi Copper Joint Venture Limited or Seringa Mining Limited.

12. ADDITIONAL INFORMATION

12.1 Attaching Rights to the New Shares

Ratel is authorized to issue an unlimited number of Common Shares. At the date of this Prospectus, Ratel has an aggregate of 17,500,000 Common Shares issued and outstanding all of which are held by CGA.

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

Generally, Shares are freely transferable, subject to formal requirements and to the registration of the transfer not resulting in a contravention of or failing to observe the provisions of applicable law. Applicable securities laws and rules of any stock exchange on which Shares may be listed may also impose hold period on such shares. Eligible CGA Shareholders are directed to Section 5.1 of this Prospectus regarding the risk associated with transferring the New Shares.

12.2 Summary of Material Agreements

A summary of the material contracts entered into by the Company since the beginning of the last financial year ending before the date of this Prospectus, and the material contracts entered into by the Company before the beginning of the last financial year ending before the date of this Prospectus that are still in effect, other than contracts entered into in the ordinary course of business follows:

Canadian Agency Agreement

Pursuant to the Canadian Agency Agreement dated 29 June 2010, the Agent has agreed with CGA and the Company to act as exclusive agent of the Company to offer a total of 70,000,000 Shares subject to the Canadian Priority Offer and the Australian Priority Offer, for sale to the public on a commercially reasonable efforts basis at a price of Cdn$0.20 per Share.

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for all of the Shares offered on behalf of the Company. It is a condition precedent to closing of the Offering under the Canadian Agency Agreement that SGL deliver the Feasibility Study to TML in accordance with the terms of the Segilola JV.

The obligations of the Agent under the Canadian Agency Agreement may be terminated if:

- there is an event, accident, governmental law or regulation or other occurrence of any nature which, in the opinion of the Agent, seriously affects or will seriously affect the financial markets or the business of the Company or the ability of the Agent to perform its obligations under the Canadian Agency Agreement or an investor's decision to purchase Shares;

- an adverse material change or change in a material fact relating to the Shares occurs or is announced by the Company;

- following a consideration of the history, business, products, property or affairs of the Company or its principals and promoters, or the state of the financial markets in general, or the state of the market for the

Company's securities in particular, or the possibility of investors exercising their statutory rights to withdraw from a purchase of the Company's securities, the Agent determines, in its sole discretion, that it is not in the interest of investors to complete the Offering;

- the Shares cannot, in the opinion of the Agent, be marketed due to the state of the financial markets, or the market for the Shares in particular;

- an enquiry or investigation (whether formal or informal) in relation to the Company, or the Company's directors, officers or promoters, is commenced or threatened by an officer or official of any competent authority;

- any order to cease trading (including communicating with persons in order to obtain expressions of interest) in the Shares prohibiting or restricting the Offering is made by a competent regulatory authority and that order is still in effect;

- the Company or CGA is in breach of any material term of the Canadian Agency Agreement; or

- the Agent determines that any of the representations or warranties made by the Company or CGA in the Canadian Agency Agreement is false or has become false.

Pursuant to the Canadian Agency Agreement the Company has agreed to pay the Agent a commission of 5% of the gross proceeds received by the Company from the Offering.

Ratel has agreed that it will not issue or announce the issue of any Shares or securities of the Company at a price lower than the Offering Price for a period of 120 days from the date of the Canadian Agency Agreement without the prior written consent of the Agent except in conjunction with the exercise of outstanding warrants or options and obligations in respect of existing mineral property agreements, including the Kankanfrasi Option.

Ratel has agreed that it will notify the Agent of the terms of any further brokered offering of securities of Ratel that it requires or proposes to obtain during the 12 months following closing of the Offering and the Agent will have the right of first refusal to act as lead agent or lead underwriter in respect of such offering.

Consultancy Agreement

Pursuant to the Consultancy Agreement, Ratel has agreed to engage Square Bolt to provide the services of Geoff Jones as chief executive officer ("**CEO Services**"). In consideration of Square Bolt providing the CEO Services, Square Bolt will receive a retainer of A$120,000 per annum payable in 12 equal monthly instalments. Square Bolt will be entitled to be reimbursed for all reasonable travelling, hotel and other expenses properly incurred by Square Bolt in providing the Services. Square Bolt or its nominees will be offered equity participation in Ratel by way of an issue of 1,500,000 options to subscribe for shares in Ratel on such terms as may be determined by the Board in accordance with the Stock Option Plan.

Management Services Agreement

Pursuant to the Management Services Agreement, CGA has agreed to provide management services to Ratel being:

- serviced offices including access to secretarial support, all infrastructure including telephone, photocopying, office supplies and related lease outgoings;

- company secretarial, legal and administrative services;

- financial and accounting services including the services of Ratel's Chief Financial Officer, Hannah Hudson;

- associated management services in support of the management and business development of Ratel as mutually agreed by CGA and Ratel.

The management services are to be provided for an initial term of 12 months. Provided Ratel is not in material breach of its obligations under the Management Services Agreement, Ratel may renew the Management Services Agreement for a further term of 12 months by giving CGA written notice not more than 60 days nor less than 30 days prior to the end of the initial term.

Ratel shall pay CGA an annual retainer of $403,129 for the provision of the management services.

Segilola JV

The Segilola JV between SGL and TML established an unincorporated joint venture for the purpose of discovering on the Mine Tenements an indicated resource of not less than 500,000 ounces of gold.

TML's contribution to the joint venture consists of the Mine Tenements, all technical information relating to the Mine Tenements that TML has in its possession and the provision of advice and assistance to the joint venture. SGL's contribution to the joint venture consists of providing funding to the joint venture of up to US$2,000,000 to enable SGL in the name of the joint venture to incur all required expenditure for the management and execution of exploration and mining operations required to develop the Mine Tenements to achieve an indicated resource of not less than 500,000 ounces of gold.

Pursuant to the Segilola JV TML granted to SGL the sole and exclusive right to earn a 51% interest in the Mine Tenements as summarised below.

<u>First Option</u>

TML granted to SGL the sole exclusive option to earn a 25% undivided interest in the Mine Tenements ("First Option").

To exercise the First Option SGL had to:

- pay the sum of US$250,000 to TML as part of a US$650,000 total signature bonus;
- satisfy the project accountant that SGL had incurred initial expenditure of US$500,000 for the exploration operations on the Mine Tenements on behalf of the joint venture for a period of not more than 9 months from 25 May 2007;
- exercise the First Option by 24 May 2008 ("First Option Period");
- deliver a written notice to TML within the First Option Period notifying TML that SGL wished to acquire a 25% undivided interest in the Mine Tenements and confirm that SGL would incur further expenditure of US$750,000 ("First Option Exercise Notice").

SGL provided the First Option Exercise Notice on 15 April 2008, TML and SGL entered into a Deed of Acknowledgement dated June 2009 ("Deed of Acknowledgement") whereby the parties agreed that 6 November 2008 is the effective date on which SGL was deemed to have exercised the First Option and acquired the 25% undivided interest in the Mine Tenements.

<u>Second Option</u>

TML granted to SGL the sole exclusive option to earn an additional 13% undivided interest in the Mine Tenements ("Second Option").

SGL is deemed to have exercised the Second Option and to have acquired and be vested with an additional 13% interest in the Mine Tenements provided SGL:

- exercises the First Option;

- satisfies the Mining Consultant and TML that it has established an Indicated Resources estimate compiled in accordance with the provisions of the JORC Code, demonstrating the existence of gold in excess of 400,000 ounces in the mine tenements;

- provides verifiable documentation, information or other evidence confirming and demonstrating to the satisfaction of the project accountant and TML that since exercising the First Option it has incurred the further sum of US$750,000 for exploration operations in the Mine Tenements;

- delivers to TML a notice in writing, not later than 12 months from the effective date of SGL's exercise of the First Option, that SGL wishes to acquire an additional 13% undivided interest in the Mine Tenements ("Second Option Exercise Notice"); and

- receives confirmation by the project accountant and TML that SGL has incurred a total expenditure of US$1,250,0000 for exploration operations in the Mine Tenements.

SGL issued the Second Option Exercise Notice on 28 August 2009. SGL received confirmation from TML of the expenditure on the Second Option and approval to SGL exercising the Second Option by way of a letter dated 27 April 2010.

Third Option

TML has granted to SGL the sole exclusive option to earn an additional 13% undivided interest in the Mine Tenements ("Third Option**"**).

To exercise the Third Option, SGL must:

- have exercised the First Option and the Second Option;

- pay the balance of the US$650,000 signature bonus, being the sum of US$400,000 to TML;

- provide to TML the Feasibility Study demonstrating the economic viability of the development of the gold mining project. SGL has agreed to provide the Feasibility Study to TML by 24 August 2010;

- provide verifiable documentation, information or other evidence confirming and demonstrating to the satisfaction of the project accountant that since exercising the Second Option SGL has incurred the further sum of US$750,000 on exploration operations on the Mine Tenements;

- execute a production sharing contract the form of which must be negotiated and agreed by TML and SGL;

- deliver to TML a notice in writing, not later than 12 months from the effective date of SGL's exercise of the Second Option, that SGL wishes to acquire an additional 13% undivided interest in the Mine Tenements; and

- receive confirmation from the project accountant that SGL has incurred a total expenditure in the sum of US$2,000,000 on exploration operations on the Mine Tenements.

In the event that SGL exercises the Third Option and the parties commence commercial production of gold at the Mine Tenements, no profits and/or dividends will be declared from the operations on the Mine Tenements except and until:

- the past expenditure incurred by TML of US$6,000,000; and

- the expenditure of SGL in exploration and mining operations on the Mine Tenements up to the sum of US$2,000,000 as may be certified by the project accountant,

is repaid in full from the proceeds of sale of gold extracted from the Mine Tenements.

Pursuant to the Segilola JV, if SGL fails to exercise the Third Option which includes delivery of the Feasibility Study to TML by 24 August 2010, or, once the Third Option has been exercised, if SGL fails:

- to commence commercial production of gold on the Segilola Gold Project within a period of 21 months from exercising the Third Option; or

- to sustain commercial production of gold from the Segilola Gold Project for a continuous period of 6 months,

the Segilola JV will terminate and SGL will automatically forfeit to TML its entire interest in the Segilola Gold Project. However, following the exercise of the Third Option SGL will not have to forfeit its 51% interest where:

- the international gold price on the London Mercantile Exchange falls to such a level that the project accountant certifies that commercial production of gold at economic viability is unattainable; or

- the mining consultant certifies that the proven reserves have fallen to a level that can no longer sustain commercial production and that ongoing exploration activities are yet to establish proven reserves that can sustain commercial production.

Management Committee

The joint venture has a management committee which is responsible for making all decisions on the conduct and affairs of the joint venture and consists of two nominees of TML and two nominees of SGL. One of SGL's nominees is the chair of the management committee. Each member of the management committee has one vote and in the case of a deadlock, the project accountant's or mining consultant's advice shall be adopted by the parties. The management committee meets at least once during each option period.

Mkushi Joint Venture

Pursuant to the Mkushi JV, Katanga and SML are associated in a joint venture to explore for mineral resources and development mining operations within the Mkushi licence area. The joint venture is conducted as an incorporated joint venture through the joint venture company, MCJVL. SML holds a 51% shareholding in MCJVL and Katanga holds a 49% shareholding in MCJVL.

Under the Mkushi JV, SML as operator for the joint venture company must prepare, complete and solely fund a feasibility study for the mining operation and related facilities for the Mkushi Copper Project.

SML was obliged to present the feasibility study to the management committee established under the Mkushi JV ("Management Committee") by 31 October 2008 or such later date as the Joint Venturers agreed in writing.

In November 2008, SML delivered a draft feasibility study to the Management Committee. The Management Committee agreed in light of the global financial crisis to deter the decision on project development.

The parties to the Mkushi JV have agreed to accept the draft feasibility study presented to the Management Committee subject to:

- SML providing certified statements of all feasibility expenditure as required under the Mkushi JV;

- all expenditure from 31 October 2008 until a decision to mine is made will continue to be counted as feasibility expenditure for which SML will sole fund.

Share Sale Agreements

Zambian Share Sale Agreement

Pursuant to a share sale agreement dated 1 June 2010 Zambian Holdings sold its shares in Zambian Mining ("Zambian Mining Shares") to Ratel for the consideration of US$2 ("Zambian Share Sale Agreement"). Completion under the Zambian Share Sale Agreement occurred on 1 June 2010.

Pursuant to the Zambian Share Sale Agreement, Zambian Holdings gave the following warranties as seller of the Zambian Mining Shares:

- Zambian Holdings is the legal owner of the Zambian Mining Shares and has full power to dispose of the Zambian Mining Shares;
- Zambian Holdings is able to sell and transfer the Zambian Mining Shares without the consent of any other person and free of any pre-emptive rights or rights of first refusal;
- the Zambian Mining Shares comprise all of the issued share capital of Zambian Mining;
- the Zambian Mining Shares are fully paid and no money is owing in respect of them;
- Zambian Mining is under no obligation to issue, and has not grated any person the right to call for the issue, of any shares or other securities in Zambian Mining;
- the execution and performance by Zambian Holdings of the Zambian Share Sale Agreement is in accordance with all applicable law, Zambian Holdings' constitution and any securities interest or document which is binding on Zambian Holdings;
- Zambian Holdings has taken all necessary action to authorise the execution, delivery and performance of the Zambian Share Sale Agreement;
- Zambian Mining is a limited company and has the power to own its assets and carry on its business and is not registered in any place outside of the British Virgin Islands; and
- the business affairs of Zambian Mining have at all material times been conducted in accordance with its constitution.

CGX Share Sale Agreement

Pursuant to a share sale agreement dated 1 June 2010 CGX Holdings sold its shares in CGX ("CGX Shares") to Ratel for the consideration of US$2 ("CGX Share Sale Agreement"). Completion under the CGX Share Sale Agreement occurred on 1 June 2010.

Pursuant to the CGX Share Sale Agreement, CGX Holdings gave the following warranties as seller of the CGX Shares:

- CGX Holdings is the legal owner of the CGX Shares and has full power to dispose of the CGX Shares;
- CGX Holdings is able to sell and transfer the CGX Shares without the consent of any other person and free of any pre-emptive rights or rights of first refusal;
- the CGX Shares comprise all of the issued share capital of CGX;
- the CGX Shares are fully paid and no money is owing in respect of them;

- CGX is under no obligation to issue, and has not grated any person the right to call for the issue, of any shares or other securities in CGX;

- the execution and performance by CGX Holdings of the CGX Share Sale Agreement is in accordance with all applicable law, CGX Holdings' constitution and any securities interest or document which is binding on CGX Holdings;

- CGX Holdings has taken all necessary action to authorise the execution, delivery and performance of the CGX Share Sale Agreement;

- CGX is a limited company and has the power to own its assets and carry on its business and is not registered in any place outside of the British Virgin Islands; and

- the business affairs of CGX have at all material times been conducted in accordance with its constitution.

Deeds of Assumption

Pursuant to the deed of assumption dated 24 May 2010 between CGA, Ratel, AFE, Katanga and SML, Ratel assumed all of the obligations of CGA pursuant to the Mkushi JV effective from closing of the Offering and AFE and Katanga consented to the assumption by Ratel of CGA's obligations under the Mkushi JV.

Pursuant to the Segilola JV, SGL has promised and represented that it:

- has access to the technical and managerial expertise and exploration and mining operations know how of CGA; and

- will appoint CGA as technical advisor to the exploration operations of the Mine Tenements,

(the "SGL Obligations").

Pursuant to the deed of assumption dated 25 June 2010 Ratel agreed with SGL to observe and fulfil the role of CGA in respect of the SGL Obligations as if Ratel were named in the Segilola JV in the place of CGA. The assumption by Ratel of the role of CGA in respect of the SGL Obligations is subject to:

- Ratel being admitted to the official list of the TSX; and

- the Offering being completed.

TML has provided its consent to the assumption and performance of the role of CGA by Ratel in respect to the SGL Obligations. TML has agreed that Ratel becoming the ultimate holding company of SGL has no adverse affect upon SGL's interest in and to the Mine Tenements and the Segilola JV, is not an event of default by SGL under the Segilola JV and is not a withdrawal or termination by SGL pursuant to the Segilola JV.

CGA has provided a guarantee in favour of TML guaranteeing the punctual performance by Ratel of the responsibilities of CGA in respect to the SGL Obligations under the Segilola JV. Ratel has indemnified CGA for any loss which CGA incurs or becomes liable for arising directly or indirectly from any act or omission of Ratel in respect of the SGL Obligations.

Inter-company Loan Agreements

Loan agreements between CGA and CGX and CGA and Zambian Mining, both dated 22 August 2006 ("Original Loan Agreements") were novated to Ratel pursuant to a deed of novation between CGX, Ratel and CGA and a deed of novation between Zambian Mining, Ratel and CGA both dated 1 June 2010 whereby Ratel assumed the debts owed by CGX and Zambian Mining to CGA.

The funds advanced under the Original Loan Agreements have been used by both CGX and Zambian Mining to fund exploration activities, preparation of feasibility studies and administrative expenses for the Segilola Gold Project and the Mkushi Copper Project through their subsidiaries, SGL and SML respectively, as both projects are non operational and accordingly, since being acquired by the CGA group of companies have been fully funded by CGA.

Pursuant to the CGX Loan Agreement and the Zambian Mining Loan Agreement Ratel agreed to advance funds to each of Zambian Mining and CGX equal to the debt assumed pursuant to the deeds of novation to be used for the same purpose as the funds advanced under the Original Loan Agreements.

Pursuant to deeds of forgiveness dated 23 June 2010 between:

- CGA and Ratel regarding the debt assumed by Ratel under the Original Loan Agreement between CGA and CGX; and
- CGA and Ratel regarding the debt assumed by Ratel under the Original Loan Agreement between CGA and Zambian Mining,

CGA has agreed to forgive the amounts owed under the Original Loan Agreements upon completion of the Offering.

Kankanfrasi Option Agreement

Pursuant to the Kankanfrasi Option Agreement dated 27 May 2010 between CAML and Ratel, CAML granted Ratel the sole and exclusive option to acquire 100% of CAML's interest in CAML Ghana Limited, which holds a 51% interest in the Kankanfrasi Gold Project in Ghana ("Option").

The term of the Option expires on 26 August 2010 and may be exercised by Ratel at any time during that term by providing written notice to CAML. The exercise of the Option is conditional on:

- completion to Ratel's satisfaction of due diligence on all matters as required by Ratel including, amongst other things, the prospectivity of the tenement, legal title, commitments and contingent liabilities;
- completion to both CAML and Ratel's satisfaction and execution of a sale and purchase agreement including the representations and warranties typical of a contract of that nature;
- the successful listing of Ratel on the official list of the TSX.

If the Kankanfrasi Option is exercised, the purchase consideration will be satisfied by an issue of 2,500,000 Ratel Shares to CAML within fourteen days of the exercise of the Option.

Escrow Agreement

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

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

These Common Shares will be held in escrow by Computershare Investor Services Inc as escrow agent pursuant to the terms of an escrow agreement dated 29 June 2010 and such escrowed securities will be released from escrow as follows:

On the date on which the Shares of the Corporation are listed (the "Listing Date")	¼ of the escrowed Shares
6 months after the Listing Date	⅓ of the escrowed Shares
12 months after the Listing Date	½ of the escrowed Shares
18 months after the Listing Date	the remaining escrowed securities

12.3 Interests of Directors

Except as disclosed in this Prospectus, no Director or proposed Directors holds, or during the past two years, has held any interest in:

- the formation or promotion of Ratel;
- property acquired or proposed to be acquired by Ratel in connection with its formation or promotion or the Offer; or
- the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him or her to become or to qualify as a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

Executive Compensation

The Directors are currently not paid any compensation by Ratel, but upon completion of the Offering, each of the Directors will be paid an annual retainer of A$25,000 per annum which is paid in equal quarterly instalments in advance. The Chair of the audit committee will also receive, in addition to the annual retainer, an A$10,000 payment per annum.

The CEO is retained pursuant to the Consultancy Agreement and payment for the CEO Services will be made in accordance with the terms of the Consultancy Agreement which is more particularly described under the heading "Consultancy Agreement" in Section 12.2.

The Company's secretarial, financial (including the services of the CFO), accounting and general management services are provided to Ratel pursuant to the Management Services Agreement which is more particularly described under the heading "Management Services Agreement" in Section 12.2.

Each Director and executive officer is entitled to participate in any security-based compensation arrangement or other plan adopted by Ratel from time to time with the approval of the Board.

The Directors are reimbursed for expenses incurred on Ratel's behalf. No additional fees, including meeting fees, are paid to directors or executive officers.

Compensation Discussion and Analysis

The Board is responsible for maintaining the integrity of executive compensation programs and reviewing and, in certain cases, recommending modifications to the Company's executive base salary and annual incentive compensation programs. The incentive plans will typically be awarded in the form of cash and equity-based compensation arrangements, and are based on the competitive practices of comparable companies and serve to align the interests of the executives with those of the Company's shareholders.

The general objectives of the Company's compensation strategy are to:

- compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long term shareholder value;
- align management's interests with the long term interests of shareholders;
- provide a compensation package that is commensurate with other comparable companies to enable the Company to attract and retain talent; and
- ensure that the total compensation package is designed in a manner that takes into account the Company's present stage of development and its available financial resources.

The Company's executive compensation program is comprised of four components: (i) base salary, (ii) a stock option plan; (iii) discretionary cash bonuses; and (iv) benefits. The Company's compensation packages have been designed to provide a blend of a non-cash stock option component and a reasonable salary and benefits component based on industry comparable companies at similar levels of development. Salaries for the CEO, the CFO and other senior executives of the Company are determined by evaluating the responsibilities inherent in the position held, and the individual's experience, as well as by reference to the competitive marketplace for management talent at other mining companies.

Following the end of each year, the Board will review the actual performance for the Company and the employee for such year, including the quality and measured progress of the Company's exploration projects, raising of capital, corporate alliances and similar achievements.

Stock Option Plan

The key features of our Stock Option Plan, which has been approved by the Board and CGA, currently Ratel's only shareholder, are as follows:

- The Stock Option Plan will be administered by the Board and provides for grants of options at the discretion of the Board, to directors, executive officers, employees and consultants (each an "Eligible Person").
- The total number of Shares reserved and available for grant and issuance pursuant to the Stock Option Plan is 10% of the total issued and outstanding Shares. In addition: (i) the number of Shares reserved for issuance to any one person pursuant to options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding shares; (ii) the number of Shares which may be reserved for issuance pursuant to the Stock Option Plan (together with those Shares which may be issued pursuant to any other of our equity compensation arrangements) to all of our insiders (within the meaning of the rules of the TSX) shall not exceed 10% of the shares outstanding on a non-diluted basis at any time; (iii) the number of Shares which may be issued pursuant to the Stock Option Plan (together with those Shares which may be issued pursuant to any other of our equity compensation arrangements) to all of our insiders, within a one year period, shall not exceed 10% of the Shares outstanding on a non-diluted basis from time to time.
- All options outstanding under the Stock Option Plan will have an expiration date specified in the stock option certificate ("Option Agreement"). Exercise of an option will be subject to the following:

(i) if an Eligible Person ceases to qualify as an Eligible Person under the Stock Option Plan prior to expiry of the term of their respective options, those options will terminate at the end of the period of time permitted for exercise of the option;

(ii) if such cessation as an Eligible Person is on account of disability or death, the options terminate 12 months after such cessation.

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

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

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

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

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

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

- to change the vesting provisions of an option;

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

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

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

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

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

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

- a reduction in the exercise price of an option;

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

- options becoming transferable or assignable; or

- a change to any of the above.

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

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

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

Security Holdings of Directors and Officers

As of the date of this Prospectus, none of our directors and officers beneficially own, directly or indirectly, or exercise control or direction over any Shares. Mr Michael Carrick, a director of CGA and Ratel, holds directly 55,000 shares in CGA as at the date of this Prospectus. Accordingly, under the Australian Priority Offer Mr Michael Carrick will be entitled to apply for 9,961 Shares in Ratel. It is the intention of Mr Michael Carrick to take up his full entitlement. Mr Mark Savage is not entitled to participate in the Canadian Priority Offer nor the Australian Priority Offer. However, it is anticipated that Mr Mark Savage will be offered Shares by the Agent under the Base Offer following closing of both the Canadian Priority Offer and the Australian Priority Offer. As the number of Shares forming part of the Base Offer will be subject to the number of Shares subscribed for under the Canadian Priority Offer and the number of New Shares subscribed for under the Australian Priority Offer it is not possible to determine the number of Shares to be offered to Mr Mark Savage under the Base Offer. In addition, Mr Mark Savage may be offered Shares as a member of the President's List once the President's List is determined by the Agent and the Company.

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

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

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

[1] Mr. Mark Savage will also be offered Shares under the Base Offer but it is currently not possible to determine the number of Shares he will be offered or subscribe for.
[2] Includes approximately 199,218 to be held by Mountainside.

12.4 Interests of Persons Named

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has or has had within two years before lodgement of this Prospectus with ASIC any interest in:

(a) the formation of Ratel;

(b) any property acquired or proposed to be acquired by Ratel in connection with its formation or promotion or in connection with the Offering including the Australian Priority Offer; or

(c) the Offering including the Australian Priority Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to any expert, promoter or any person named in this Prospectus as performing a function in a professional, advisory or any other capacity in connection with the preparation of this Prospectus, or to any firm in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offering including this Australian Priority Offer.

Ernst & Young will receive professional fees of approximately A$90,000 for the Financial Statements and Independent Auditors' Report set out in section 10 of this Prospectus and for the work they have undertaken in respect of the Canadian Prospectus.

Middletons are named as the Company's Australian legal advisers. They (and Middletons (Perth) Pty Ltd) will receive professional fees of approximately A$65,000 for legal work undertaken by them in connection with this Prospectus. They (and Middletons (Perth) Pty Ltd) have also undertaken work for CGA in connection with the negotiating and drafting of the material contracts referred to in this Prospectus, drafting shareholder meeting materials seeking approval for the spin off of Ratel, reviewing the Canadian Prospectus as well as other legal work in connection with Ratel and will be paid approximately A$57,000 for that work by CGA.

Computershare Investor Services Pty Limited has been appointed to handle the receipt and collation of Application Forms and Application Monies submitted by Eligible CGA Shareholders and will be paid approximately $7,450 for this service.
Corpus Legal Practitioners prepared the Solicitor's Report in regards to the Mkushi Copper Project included in section 11 of this Prospectus and fulfilled aspects of due diligence pertaining to the laws of Zambia. Corpus will receive fees of approximately US$8,901.92 for legal work undertaken by them in connection with this Prospectus.

Aelex Legal Practitioners prepared the Solicitor's Report in regards to the Segilola Gold Project included in section 11 of this Prospectus and fulfilled aspects of due diligence pertaining to the laws of Nigeria. Aelex will receive fees of approximately US$13,319 for legal work undertaken by them in connection with this Prospectus.

Odessa prepared the Segilola Technical Report in Section 8 of this Prospectus. Odessa will receive professional fees of approximately A$26,961 for the preparation of that report.

Snowden prepared the Mkushi Technical Report in Section 9 of this Prospectus. Snowden will receive professional fees of approximately A$3,000 for the preparation of that report.

Computershare Investor Services Inc. has been appointed as Ratel's share registry and will be paid for these services on commercial terms.

12.5 Consents

The following persons have consented to being named in this Prospectus in the form and context in which they are named and to the inclusion of the following statements and statements identified in this Prospectus as being based on statements made by those persons in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC.

CGA – each and every statement contained in this Prospectus that is said to be made by CGA.

Odessa Resources Pty Ltd – Segilola Technical Report in Section 8 of this Prospectus.

Snowden Mining Industry Consultants – Mkushi Technical Report in Section 9 of this Prospectus.

Aelex Legal Practitioners - Solicitor's Report in respect of the Segilola Gold Project in Section 11 of this Prospectus.

Corpus Legal Practitioners – Solicitor's Report in respect of the Mkushi Copper Project in Section 11 of this Prospectus.

Ernst & Young – Financial Statements and Independent Auditor's Report in Section 10 of this Prospectus.

African Mining Consultants - each and every statement contained in this Prospectus that is said to be made or based upon a statement made by African Mining Consultants.

RW Bourne & Associates - each and every statement contained in this Prospectus that is said to be made or based upon a statement made by RW Bourne & Associates.

DE Cooper & Associates Pty Ltd - each and every statement contained in this Prospectus that is said to be made or based upon a statement made by DE Cooper & Associates Pty Ltd.

AMMTEC Limited - each and every statement contained in this Prospectus that is said to be made or based upon a statement made by AMMTEC Limited.

Fugro Nigeria Ltd - each and every statement contained in this Prospectus that is said to be made or based upon a statement made by Fugro Nigeria Ltd.

To the maximum extent permitted by law, each of the persons referred to above (except CGA) expressly disclaims and undertakes no responsibility for any part of this Prospectus other than the statements referred to above and the statements identified in this Prospectus as being based on statements made by those persons. Except CGA none of the persons named above has caused or authorised the issue of this Prospectus.

The following persons have consented to being named in this Prospectus in the form and context in which they are named but have not made any statements that are included in this Prospectus or statements identified in this Prospectus as being based on any statements made by those persons and have not withdrawn their consent before lodgement of this Prospectus with ASIC:

Middletons, Australian legal advisers to Ratel;

Computershare Investor Services Inc as Share Registry;

Haywood Securities Inc. as Agent;

Computershare Investor Services Pty Limited as the handler of the Application Forms and Application Monies.

To the maximum extent permitted by law each of the persons referred to above expressly disclaims and undertakes no responsibility for any part of this Prospectus other than the references to their name. None of them has caused or authorised the issue of this Prospectus.

Each of the Directors and officers of Ratel named in this Prospectus has consented to the statement in Section 13 of this Prospectus and to being named in this Prospectus in the form and context in which they are named and have not withdrawn their consent before lodgement of this Prospectus with ASIC.

12.6 Expenses of the Offering

Save and except for the fees to be paid to the Agent which are set out elsewhere in this Prospectus it is estimated that the total costs of the Offering (both the Australian Prospectus and the Canadian Prospectus) and fees involved in the application for listing on the TSX (assuming a Maximum Offering) are estimated to be Cdn$391,062.09. Of this sum the costs of the Australian Priority Offer are estimated to be A$93,158.85 made up as follows:

Australian Legal	A$65,000
Printing and Distribution	A$18,640.85
ASIC Fee	A$2,068
Share Handling Fee	A$7,450

12.7 Legal Proceedings

Ratel is not the subject of any material legal proceedings, nor is Ratel or any of Ratel's properties a party to or the subject of any such proceedings and no such proceedings are known to be contemplated.

12.8 Taxation

The acquisition and disposal of shares in Ratel will have tax consequences which will differ depending on the individual financial affairs of each investor. All potential investors in Ratel are urged to obtain independent financial advice about the consequences of acquiring shares from a taxation viewpoint and generally.

12.9 Consolidated Capitalisation

The following table sets forth the consolidated capitalisation of Ratel as at the dates indicated before and after giving effect to the Offering.

Description	Outstanding as at 31 March 2010 (US$)	Outstanding as at 31 March 2010 after giving effect to the acquisition of CGX and Zambian Mining (US$)	Outstanding as at 31 March 2010 after giving effect to the Acquisition and the Minimum Offering (US$)	Outstanding as at 31 March 2010 after giving effect to the Acquisition and the Maximum Offering (US$)
Indebtedness				
Accounts payable	-	(96,678)	(96,678)	(96,678)
Shareholders' equity:				
Common shares	16,595	16,595	7,054,591	12,626,314
Common Shares (authorized-unlimited)				
Accumulated other comprehensive loss	-	-	-	-
Asset acquisition reserve	-	(18,642,568)	(18,642,568)	(18,642,568)
Deficit/Retained earnings	-	18,990,526	18,990,526	18,990,526
Total shareholders' equity	16,595	364,553	7,564,553	13,264,553
Total capitalisation	16,595	364,553	7,564,553	13,264,553

12.10 Principal holder of Shares

The following table sets forth the only person who owns of record or, to the knowledge of the Directors and officers of the Company, directly or indirectly beneficially owns or exercises control or direction over, more than 10% of any class of securities of the Company as the date of this Prospectus:

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

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

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

12.11 Dividend Record and Policy

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

13. CONSENT BY THE DIRECTORS

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive, and that in respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making statements or including statements being included in this Prospectus were competent to make such statements, those persons having given their consent to the statements in the form and context in which they are included, and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors knowledge before any issue of Shares pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Ratel has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

Dated 6 July 2010

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Signed for and on behalf of

Ratel Gold Limited

Ron Clarke

Director

14. GLOSSARY

"$", "US$", "dollars"	means United States dollars;
"A$"	means Australian dollars;
"AFE"	means African Eagle Resources plc;
"Agency Agreement"	means the agency agreement dated 29 June 2010 between the Agent and Ratel as more particularly described in Section 12.2;
"Agent"	means Haywood Securities Inc.;
"Agent's Fee"	means the cash commission paid to the Agent pursuant to the terms and conditions of the Agency Agreement;
"AIM"	means the alternative investment market, being a sub-market of the London Stock Exchange;
"Applicant"	means a person who submits an Application Form;
"Application"	means an application for New Shares pursuant to this Prospectus;
"Application Form"	means an application form attached to this Prospectus;
"Application Money"	means money received from Applicants in respect of their applications;
"ASIC"	means the Australian Securities and Investment Commission;
"ASX"	means the Australian Securities Exchange;
"Australian Priority Offer" or **"Offer"**	means the offer contained in this Prospectus of up to 4,383,208 New Shares at an issue price of Cdn$0.20 per New Share to raise up to Cdn$876,641 before the costs of the Offer available to Eligible CGA Shareholders on a pro rata basis to their holding of CGA Shares as at the Record Date;
"Base Offer"	means 60,000,000 Shares that will be offered to the public pursuant to the Canadian Prospectus, subject to the Australian Priority Offer and the Canadian Priority Offer;
"Board"	means the board of directors of the Company;
"Board Mandate"	means a written mandate adopted by the Board of Ratel;
"CAML"	means Central Asia Minerals Limited;
"Canadian Priority Offer"	means the offer contained in the Canadian Prospectus of up to 53,312,446 Shares at an issue price of Cdn$0.20 per New Share to raise up to Cdn$10,662,489 before the costs of the Offer available to Eligible Canadian CGA Shareholders on a pro rata basis to their holding of CGA Shares as at the Record Date;
"Canadian Prospectus"	means the prospectus of the Company approved by the Ontario Securities Commission and which was filed with it on 29 June 2010, describing the Offering and the Canadian Priority Offer. A copy of the Canadian Prospectus can be viewed on www.sedar.com;

"Cdn$"	means Canadian dollars;
"CEO"	means Chief Executive Officer of the Company;
"CFO"	means Chief Financial Officer of the Company;
"CGA"	means CGA Mining Limited ACN 009 153 128;
"CGA Shareholders"	means the shareholders of CGA;
"CGA Shares"	means shares in CGA;
"CGX"	means CGX Limited;
"CGX Holdings"	means CGX Holdings Pty Ltd;
"CGX Loan Agreement'	means the loan agreement dated 1 June 2010 between Ratel and CGX;
"Charter"	means the charter of the Audit Committee of the Board;
"Closing"	means the closing of the Australian Priority Offer which will take place on the Closing Date;
"Closing Date"	means 28 July 2010, but the Directors in consultation with the Agent, have the right to close the Australian Priority Offer either earlier than that date or later than that date;
"Code"	means a Code of Business Conduct adopted by the Board;
"Common Shares" or **"Shares"**	means the common shares of Ratel;
"Company" or **"Ratel**"	means Ratel Gold Limited, a corporation incorporated pursuant to the laws of the British Virgin Islands;
"Consultancy Agreement"	means the consultancy agreement between Square Bolt and Ratel dated 1 June 2010 more particularly described in Section 12.2;
"Directors"	means the directors of Ratel in office on the date of this Prospectus;
"EL 39"	means Exploration License 39 of the Segilola Gold Project;
"Eligible CGA Shareholder"	means a shareholder of CGA registered as such on the Record Date and being a resident of Australia, New Zealand or the United Kingdom;
"Eligible Canadian CGA Shareholder"	means a shareholder of CGA registered as such on the Record Date and being a resident of an Eligible Canadian Jurisdiction;
"Eligible Canadian Jurisdictions"	means each Province of Canada, except Quebec;
"Equator Principles"	means a voluntary set of standards for determining, assessing and managing social and environmental risk in project financing;

"Escrow Agreement"	means the escrow agreement dated 29 June 2010 between the Company, CGX Holdings and Computershare Investor Services Inc. as escrow agent;
"Escrowed Shares"	means the Common Shares that will be held in escrow pursuant to the Escrow Agreement;
"Feasibility Study"	means the bankable feasibility study of the Segilola Gold Project, being a study of all aspects of the mining operation in such form and containing such details as is customarily required by a bank to enable it to determine whether to finance the development of a commercial mining operation, demonstrating the economic viability of the Segilola Gold Project for the purposes of satisfying the minimum project parameters as set out in the Segilola JV, where "economic viability" means the establishment of a project of an annual throughput of not less than 500,000 tonnes of ore resulting in an internal rate of return of not less than 25%, provided, however, that the feasibility study contemplates an enlarged mining license area which TML has not yet secured and in the event TML is unable to secure the enlarged mining license area, Ratel will review the proposed development plan and make necessary changes. The project economics may be affected by such changes but Ratel is unable to determine what the effect is at this point in time and there is no certainty that the minimum throughput of 500,000 tonnes of ore or an internal rate of return of not less than 25% (the parameters for economic viability in the definition of Feasibility Study) will be obtained;
"Fugro"	means Fugro Nigeria Ltd;
"IFRS"	means International Financial Reporting Standards as issued by the International Accounting Standards Board;
"JORC" or "JORC Code 2004"	means the Australian Code for the Reporting of Mineral Resource and Mineral Reserves;
"Kankanfrasi Option"	means the Kankanfrasi Option Agreement between Ratel and CAML dated 27 May 2010;
"Katanga"	means Katanga Resources Limited;
"Management Services Agreement"	means the management services agreement dated 1 June 2010 between the Company and CGA;
"Maximum Offering"	means 70,000,000 Shares as the maximum number of Shares offered under the Offering;
"MCJVL"	means Mkushi Copper Joint Venture Ltd;
"Mine Tenements"	means ML41 and EL39;
"Minimum Offering"	means 40,000,000 Shares as the minimum of the number of Shares offering under the Offering;
"Mkushi Copper Project"	means the Mkushi copper project in Zambia;
"Mkushi JV"	means the joint venture agreement dated May 2007 between CGA, SML, AFE and Katanga in respect of the Mkushi Copper Project;

"Mkushi Technical Report"	means the independent Technical Report Resource Estimate of the Mkushi Copper Project, Zambia dated August 2008 prepared by Mr Matthew Nimmo of Snowden Mining Industry Consultants;
"ML 41"	means Mining Lease 41 of the Segilola Gold Project;
"Mountainside"	means Mountainside Investments Pty Ltd;
"New Share"	means each Common Share in Ratel offered for subscription under this Prospectus;
"Odessa"	means Odessa Resources Pty Ltd;
"Offering"	means the initial public offering of a minimum of 40,000,000 Shares at an issue price of Cdn$0.20 and a maximum of 70,000,000 Shares at an issue price of Cdn$0.20 to raise a maximum of Cdn$14,000,000 pursuant to the Canadian Prospectus and includes the Australian Priority Offer;
"Offering Price"	means a price of Cdn$0.20 per common share;
"Opening Date"	means 9:00 am WST on 13 July 2010, or such later time as the Directors in consultation with the Agent, may determine;
"Option Agreement"	means stock option certificate for options outstanding under the Stock Option Plan;
"President's List"	means a list of strategic investors, family members, friends and business associates of Ratel as determined by Ratel and the Agent;
"President's List Offer"	means the 10,000,000 Shares that will be offered pursuant to the Canadian Prospectus to the President's List;
"Prospectus"	means this Prospectus;
"Record Date"	means 11 June 2010;
"Section"	means a section of this Prospectus;
"SEDAR"	means the system for electronic document analysis and retrieval (SEDAR) at **www.sedar.com**;
"Segilola Gold Project"	means the Segilola gold project in Nigeria;
"Segilola JV"	means the joint venture agreement dated 25 May 2007 between SGL and TML in respect of the Segilola Gold Project as varied by supplementary agreement between SGL and TML dated 25 May 2007 and letter from SGL to TML dated 29 April 2010;
"Segilola Technical Report"	means the independent Technical Report Resource Estimate of the Segilola Gold Project, Osun State, Nigeria dated 1 May 2010 prepared by Mr Alfred Gillman;
"SGL"	means Segilola Gold Limited;
"Shares"	means common shares of the Company;
"SML"	means Seringa Mining Limited;

"Snowden"	means Snowden Mining Industry Consultants;
"Square Bolt"	means Square Bolt Australia Pty Ltd ACN 009 148 734;
"Stock Option Plan"	means the Stock Option Plan which has been approved by the Board and Ratel's shareholder and which is described in Section 12.3 under the heading "Stock Option Plan";
"TML"	means Tropical Mines Limited;
"TSX"	means the Toronto Stock Exchange;
"Zambian Holdings"	means Zambian Holdings Pty Ltd;
"Zambian Mining"	means Zambian Mining Limited; and
"Zambian Mining Loan Agreement"	means the loan agreement dated 1 June 2010 between Ratel and Zambian Mining.