



RTG Mining Inc.

Information Memorandum

for an application for admission to the official list of ASX Limited

9 April 2014

1 Purpose of Memorandum

This information memorandum (**Information Memorandum**) is dated 9 April 2014 and has been prepared by RTG Mining Inc. (**RTG**) in connection with its application for:

- (a) admission to the official list of ASX Limited (ABN 98 008 624 691) (**ASX**);
- (b) official quotation of Chess Depository Instruments in respect of its shares on the stock market conducted by ASX (**CDIs**); and
- (c) official quotation of Chess Depository Instruments in respect of its options on the stock market conducted by ASX (**Option CDIs**).

The CDIs and Option CDIs are to be issued in connection with:

- (a) the proposed scheme of arrangement between Sierra Mining Limited (ACN 118 060 441) (**Sierra**) and its members (**Share Scheme**) under Part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**);
- (b) the proposed scheme of arrangement between Sierra and its optionholders under Part 5.1 of the *Corporations Act* (**Option Scheme**); and
- (c) the acquisition by RTG of unlisted options in Sierra (**Unlisted Sierra Options**) under private agreements with the holders of Unlisted Sierra Options.

This document is not a prospectus complying with the *Corporations Act* and will not be lodged with the Australian Securities & Investments Commission (**ASIC**) under the *Corporations Act*.

Neither ASIC or ASX take any responsibility for the contents of this Information Memorandum.

This Information Memorandum does not constitute or contain any offer for sale or issue of RTG securities or any invitation to subscribe for or purchase any RTG securities.

Capitalised and defined terms in the scheme booklet dated 9 April 2014 (**Scheme Booklet**) have the corresponding meaning when used in this Information Memorandum unless stated otherwise. However, any capitalised or defined term in this Information Memorandum prevails to the extent there is any conflict or inconsistency with those in the Scheme Booklet.

2 Incorporation of documents by reference

This Information Memorandum should be read in conjunction with the Scheme Booklet issued by Sierra in respect of the Share Scheme and Option Scheme for the implementation of the merger between Sierra and RTG.

The Scheme Booklet is incorporated into this Information Memorandum by reference, subject to the allocations of responsibility statement on page one of the Scheme Booklet and the exceptions specified in section 8 below.

A copy of the Scheme Booklet is attached to this Information Memorandum as **annexure A** and is available free of charge to any person who asks for one. To request a copy call the Sierra Company Secretary on +61 8 9322 6322 between 9.00am and 5.00pm (WST) Monday to Friday. A copy of the Scheme Booklet can also be viewed on the ASX website: www.asx.com referenced under Sierra (ASX Code: SRM).

3 Application to be admitted to ASX

An application will be made to ASX on or about the date of this Information Memorandum for RTG to be admitted on the official list of ASX and for the CDIs and Option CDIs to be granted official quotation on the stock market conducted by ASX.

The fact that the ASX may admit RTG to the official list of ASX and permit CDIs and Option CDIs to be quoted on the stock market conducted by ASX is not to be taken, in any way, as an indication of the merits of RTG.

ASX accepts no responsibility for any statement in this Information Memorandum.

Details of the rights, privileges and restrictions attaching to RTG Shares, RTG Options, CDIs and Option CDIs are set out in section 10.4 of the Scheme Booklet.

4 Current Capital Structure

The capital structure of RTG at the date of this Information Memorandum is described in section 5.7 of the Scheme Booklet.

Other than the proposed issue of RTG Shares and RTG Options in connection with the proposed acquisition by RTG of the entire share capital and outstanding options of Sierra, RTG has not issued shares or raised any capital in Australia in the three months prior to, and will not raise capital in Australia for the three months after, the date of this Information Memorandum.

Details of the shares issued by RTG and Ratel Group Limited (**Ratel Group**) since incorporation of each company are set out in **schedule 1**.

Subject to the receipt of necessary consents and approvals for the RTG Share Consolidation and the Share Scheme becoming Effective, RTG proposes to undertake a share consolidation on the basis of 10:1 (meaning that every ten (10) RTG Shares outstanding prior to the RTG Share Consolidation would be consolidated into one (1) RTG Share). See sections 5.7(d) and 9.10 of the Scheme Booklet for further details of the RTG Share Consolidation.

Details of the proposed capital structure of RTG following the implementation of the Schemes is set out in section 6.1(b) of the Scheme Booklet.

5 Audited Accounts

Section 6.4 of the Scheme Booklet includes RTG financial information and an illustrative pro forma prepared in respect of the Combined Group. Information on which these figures are based has been derived from audited accounts for the financial year end as at 31 December 2013 and consolidated statement of comprehensive income of RTG for the period from 1 July 2013 to 30 December 2013.

6 CEO Employment Terms

The Company has entered into a service contract with Justine Magee, CEO, which expires on 1 February 2016. Details of the remuneration payable by RTG under the contract is included in **schedule 2**.

Ms Magee is entitled to 12 months' salary in lieu of notice and any accrued entitlements should RTG choose to terminate her services at its option.

The board of directors of RTG (**Board**) has not adopted a position description for the CEO. The CEO will be allocated a role and responsibility as determined necessary from time to time.

7 Disclosure of interests

7.1 Directors

The table shown at **schedule 2** details the remuneration for RTG directors for the previous two years together with the proposed remuneration following the implementation of the Schemes.

Independent directors are reimbursed for all reasonable business related expenses resulting from service to the Board.

In both the financial period ended 31 December 2013 and financial year ended 30 June 2012 no director received stock options.

RTG does not maintain any short term incentive plans for its directors. Equity participation by the directors and officers is accomplished through the RTG Plan under which shares, and not options, have been granted to the directors.

Details of the RTG Plan are set out in section 5.7(c) of the Scheme Booklet and details of the directors' interests in RTG are shown in **schedule 3**. Section 12.3 of the Scheme Booklet includes details of securities in Sierra currently held by RTG directors.

Michael Carrick is a director of B2Gold Corp. (**B2Gold**). Details of B2Gold's interest in Sierra is set out in section 5.7(b) of the Scheme Booklet.

Other than as set out in **schedule 3** or sections 5.7 and 12.3 of the Scheme Booklet, none of the directors or any entity in which any of the directors is a member or a partner, has at the date of this Information Memorandum, or within the preceding two years, any interest in:

- (a) the promotion of RTG; or

(b) any property acquired or proposed to be acquired by RTG, and none of the directors or an entity in which a director is a member or a partner, has been paid or agreed to be paid any amounts (whether in cash, securities or otherwise) by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them or by the relevant associated entity, in connection with the promotion or formation of RTG.

7.2 Experts

Except for fees and amounts to be paid or agreed to be paid and the interests set out in the Scheme Booklet, no expert named in the Scheme Booklet, or firm in which such an expert is a partner or principal, has any interest in the promotion of RTG or in any property acquired or proposed to be acquired by RTG, and no amounts (whether cash, securities or otherwise) have been paid or agreed to be paid by any person to any such expert or to any firm in which such an expert is a partner or principal for services rendered by him or by the firm in connection with the listing of RTG on ASX or the quotation of its CDIs and Option CDIs on ASX.

8 Consents

Sierra has given and has not before the date of this Information Memorandum withdrawn its written consent to the incorporation by reference of the Sierra Information contained in the Scheme Booklet into this Information Memorandum.

The persons listed in section 12.14 of the Scheme Booklet have given and have not before the date of this Information Memorandum withdrawn their written consent to be named in this Information Memorandum in the form and context in which they are named in the Scheme Booklet.

Each of the parties referred to above have made statements in the Scheme Booklet in the context of the Scheme Booklet and not for the purposes of this Information Memorandum. Section 12.14 of the Scheme Booklet contains details of each of the experts' consents in relation to the Scheme Booklet.

9 Other information

RTG is incorporated in BVI and is a registered foreign company under Part 5B.2 of the Corporations Act. It is not incorporated under the laws of Australia.

RTG's securities are listed on the TSX. RTG was listed on the TSX in April 2013 (TSX Code: RTG). It was created under a "top hat" scheme involving Ratel Group and so the current assets and operations of RTG have effectively been in a TSX listed company since the listing of Ratel Group on the TSX in early 2011.

RTG considers that it has sufficient working capital to carry out its objectives for the Combined Group as described in the Scheme Booklet following its

listing on ASX. Details of RTG's intentions in respect of the Combined Group are set out in section 6.2 of the Scheme Booklet. For risk factors in relation to the capital requirements of the Combined Group, refer to section 7.4(f) of the Scheme Booklet.

Information and documents filed by RTG with certain Canadian provincial securities regulators and the TSX (including financial statements and information circulars) are available on RTG's website (www.rtgmining.com) and under RTG's profile on SEDAR (www.sedar.com).

Information and documents filed by Ratel Group with the Canadian provincial securities regulators and the TSX (including financial statements and information circulars) are available under Ratel Group's profile on SEDAR (www.sedar.com).

As RTG is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC, but are instead regulated by the *BVI Business Companies Act 2004 (BVI Act)* and the Registrar of Corporate Affairs. Importantly, RTG is not subject to the following provisions of the Corporations Act:

- (a) Chapter 6, which regulates the conduct of takeovers of public companies;
- (b) Chapter 6A, which regulates compulsory acquisitions and buy-outs of shares in companies;
- (c) Chapter 6B, which sets out right, liabilities and defences in respect of matters in Chapters 6 and 6A; and
- (d) Chapter 6C, which regulates the disclosure of ownership information in respect of listed companies and listed management investment schemes.

In addition, the BVI Act does not include equivalent provisions to the 'two strikes' rule set out in Division 9 of Part 2G.2 of the Corporations Act. The 'two strikes' rule requires a company to propose that a special meeting be convened to consider a reconstitution of the board if the company's remuneration report receives more than a 25% "no" vote in two successive years.

Please refer to section 8 of the Scheme Booklet for a comparative summary of the relevant laws applicable to RTG in BVI, including the rights and obligations of securityholders.

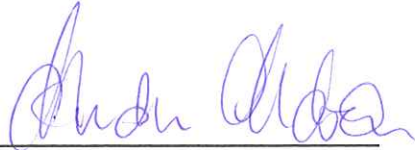
10 ASX and ASIC waivers

Section 12.11 of the Scheme Booklet includes a detailed summary of ASX waivers and ASIC relief requested by RTG in connection with the implementation of the Schemes and the quotation of CDIs and Option CDIs on the stock market conducted by ASX.

11 Directors' consent

Each director of RTG has consented to the lodgement of this Information Memorandum with ASX and has not withdrawn that consent.

This Information Memorandum is signed for and on behalf of RTG and each of the directors by



Hannah Hudson, Company Secretary

RTG Mining Inc.

Dated: 9 April 2014

Schedule 1

Share Issuances

Company	Date of issue	Number of shares issued
Ratel Group Limited	18 October 2010	2
Ratel Group Limited	17 December 2010	49,999,998
Ratel Group Limited	7 January 2011	100,000,000
Total number of shares issued		150,000,000
RTG Mining Inc.	27 December 2012	2
RTG Mining Inc.	15 April 2013	150,000,000 ¹
RTG Mining Inc.	15 April 2013	162,538,641 ²
RTG Mining Inc.	14 May 2013	14,000,000
Total number of RTG shares issued as at the date of this Information Memorandum		326,538,643

¹ 150,000,000 Ratel Group shares were exchanged for RTG shares (on a 1:1 basis) following a restructure of the group.

² Completion of the restructure of the group on 15 April 2013 satisfied the conditions to a private placement of 162,538,641 subscription receipts which were automatically converted into RTG shares. The subscription receipts were issued by RTG during the financial quarter ending on March 2013.

Schedule 2

Director Remuneration

Director Remuneration^{3, 4}

Name	Position	Salary/Fees for financial year ending 30 June 2012 (US\$)	Salary/Fees for financial year ending 30 June 2013 (US\$)	Salary/Fees for financial year ending 31 Dec 2013 (US\$)	Proposed Salary/Fees (US\$) ⁵
Michael Carrick	Chairman	34,942	53,236	151,104	222,800
Justine Magee	President and CEO	-	137,000	183,842	412,180
David Cruse	Non-executive director	-	15,546	26,618	66,840
Robert Scott	Non-executive director	-	14,262	26,618	66,840
Phil Lockyer	Non-executive director	-	15,546	28,680	66,840
Matthew Syme	Non-executive director	-	-	-	66,840

³ RTG was incorporated in December 2012 and became the head entity of the group following a restructure of the group which was completed on 15 April 2013. Remuneration figures prior to this date reflect payments made by Ratel Group, the previous head entity of the group.

⁴ Salary is calculated by reference to base salary including superannuation payments.

⁵ This assumes an exchange rate on 21 February 2014 of US\$:A\$ 1.114.

Schedule 3

Director Interests

Director Interests ⁶						
Name	Position	Ratel interest at 30 June 2012	RTG interest at 30 June 2013	RTG interest at 31 Dec 2013	Proposed interest ⁷ following implementation of the Schemes	
Michael Carrick	Chairman	416,658 Ratel Shares ⁸	5,227,334 RTG Shares ⁹	5,227,334 RTG Shares ¹⁰	5,227,334 RTG Shares ¹¹	
Justine Magee	President and CEO	454,044 Ratel Shares	3,454,044 RTG Shares	3,454,044 RTG Shares	3,454,044 RTG Shares	
David Cruse	Non-executive director	365,000 Ratel Shares	1,365,400 RTG Shares	1,365,400 RTG Shares	7,543,378 RTG Shares and 686,442 RTG Options	
Phil Lockyer	Non-executive director	153,850 Ratel Shares	653,850 RTG Shares	653,850 RTG Shares	653,850 RTG Shares	
Robert Scott	Non-executive director	307,700 Ratel Shares	807,700 RTG Shares	807,700 RTG Shares	807,700 RTG Shares	
Matthew Syme	Proposed non-executive director	-	-	-	50,074,031 RTG Shares and 5,563,780 RTG Options	

⁶ RTG was incorporated in December 2012 and became the head entity of the group following a restructure of the group which was completed on 15 April 2013. Details of the directors' interests prior to this date reflect interests held in Ratel Group, the previous head entity of the group.

⁷ Details are included on a pre-consolidation basis to allow comparison against previous interests.

⁸ 138,888 shares held beneficially by Dureg Pty Ltd (Dureg); 277,770 shares held beneficially by Castlesprings Pty Ltd (Castlesprings).

⁹ 138,888 RTG Shares held beneficially by Dureg; 277,770 RTG shares held beneficially by Castlesprings; and includes 1,860,676 RTG Shares held by Mountainside Investments Pty Ltd (Mountainside). Mr Carrick is a director of Mountainside but has no beneficial interest in the shares held by it.

¹⁰ 138,888 RTG Shares held beneficially by Dureg; 277,770 RTG Shares held beneficially by Castlesprings; and includes 1,860,676 RTG Shares held by Mountainside. Mr Carrick is a director of Mountainside but has no beneficial interest in the shares held by it.

Annexure A

Scheme Booklet