RTG
MINING INC.

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MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")
PERIOD ENDED DECEMBER 31, 2013

(All figures are in US dollars unless otherwise indicated and the effective date of this MD&A is March 31, 2014)

Introduction

Management's discussion and analysis provides a review of the performance of RTG Mining Inc.'s ("RTG", "Company" or the "Group") operations and compares its performance with those of the preceding year and quarters. This discussion also provides an indication of future developments along with issues and risks that can be expected to impact future operations. The comparative financial information presented in the report relates to both RTG and Ratel Group Limited ("Ratel Group"). This report has been prepared on the basis of available information up to March 31, 2014 and should be read in conjunction with the audited financial statements of the Company for the period ended 31 December 2013 and the audited financial statements of the Company for the year ended 30 June 2013 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards and the Annual Information Form dated 31 March 2014 for 31 December 2013.

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

Cautionary Note Regarding Forward Looking Statements

Certain statements contained in this MD&A constitute forward looking statements within the meaning of applicable securities laws including, among others, statements made or implied relating to the Company's objectives, strategies to achieve those objectives, the Company's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward looking statements generally can be identified by words such as "objective", "may", "will", "expect", "likely", "intend", "estimate", "anticipate", "believe", "should", "plans" or similar expressions suggesting future outcomes or events. Such forward looking statements are not guarantees of future performance and reflect the Company's current beliefs based on information currently available to management. Such statements involve estimates and assumptions that are subject to a number of known and unknown risks, uncertainties and other factors inherent in the business of the Company and the risk factors discussed in the AIF and other materials filed with the securities regulatory authorities from time to time which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Those risks and uncertainties include, but are not limited to: the mining industry (including operational risks; risks in exploration, and development; the uncertainties involved in the discovery and delineation of mineral deposits, resources or reserves; and the uncertainty of mineral resource and mineral reserve estimates); the risk of gold, copper and other commodity price and foreign exchange rate fluctuations; the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company; the uncertainty associated with commercial negotiations and negotiating with foreign governments; the risks associated with international business activities; risks related to operating in Nigeria and the Philippines; environmental risk; the dependence on key personnel; and the ability to access capital markets.

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

Background and Review of Operations

RTG was incorporated on 27 December 2012 and is domiciled in the British Virgin Islands. On 28 March 2013, Ratel Group and RTG completed the merger (the “Merger”) of Ratel Group and Ratel Merger Ltd., a wholly-owned subsidiary of RTG. As a result, the surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG. On 15 April, 2013, the restructuring transaction was fully completed along with the satisfaction of the escrow release conditions pursuant to the private placement (the “Private Placement”) of 162,538,641 subscription receipts of RTG at C$0.13 each, raising gross proceeds in the order of C$21.1M. As a result, the previously issued ordinary shares of Ratel Group (the “Ratel Shares”) were exchanged for ordinary shares of RTG (the “RTG Shares”) and the surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG; and the 162,538,641 previously issued subscription receipts were automatically converted (for no additional consideration) into 162,538,641 RTG Shares and the gross proceeds of the Private Placement, less the commission payable to Haywood Securities Inc. as agent under the Private Placement and less the fees payable to the subscription receipt agent under the Private Placement, were released to RTG. The RTG Shares began trading on the TSX under the former symbol for the Ratel Shares, “RTG”, effective as of the open of markets on April 15, 2013.

Ratel Group was incorporated on October 18, 2010 and is domiciled in the British Virgin Islands. Both CGX Limited (“CGX”) and Zambian Mining Limited (“Zambian Mining”) were incorporated on August 22, 2006 and are also domiciled in the British Virgin Islands. Ratel Group, CGX and Zambian Mining were previously wholly owned subsidiaries of Ratel Gold (now St Augustine Gold & Copper Limited). On December 17, 2010, the shares held by Ratel Gold (now SAU) were transferred to Ratel Group who acquired a 100% interest in Zambian Mining and CGX. Ratel Group was previously listed on the TSX on January 4, 2011 under the symbol “RTG” and pursuant to the Merger, has since ceased trading on the TSX and as of May 1, 2013, ceased to be a reporting issuer. CGX and Zambian Mining were incorporated to act as holding companies respectively for the interests in the Segilola Gold Project in Nigeria and the Mkushi Copper Project in Zambia (sold during the current period, as discussed below).

Mkushi Copper Project

A joint venture was entered into with African Eagle Resources (“AFE”) for the Mkushi Copper Project in Zambia whereby the Company’s wholly owned subsidiary Seringa Mining Limited (“SML”) acquired a 51% interest in the project through its 51% shareholding in Mkushi Copper Joint Venture Limited (“MCJVL”) which holds the mine tenements, with AFE retaining a 49% interest. SML was responsible for funding a bankable feasibility study, while AFE managed exploration initiatives outside the initial development zones, with funding proportional to the percentage interest held by each party in the project. The joint venture agreement was finalised and executed on May 30, 2007. SML prepared a detailed feasibility study. On 3 December 2012, AFE announced it had sold its 49% interest to Elephant Copper Ltd (“Elephant Copper”) who we have now also sold our interest in the joint venture to, as detailed below.

RTG announced on 29 August 2013 that it had sold its interest in the Mkushi Copper Project for US$13.1 million to Elephant Copper. Pursuant to the Share Sale Agreement between Zambian Mining and Elephant Copper, Zambian Mining agreed to sell 100% of the share capital of RTG’s wholly owned subsidiary SML, which holds the 51% interest in MCJVL. The purchase price of US$13.1 million was satisfied by:

1. the issue of 20 million fully paid ordinary shares at an issue price of US$0.33 per share in Elephant Copper to ZML to the value of US$6.6 million (“Consideration Shares”); and
2. a US$6.5 million unsecured redeemable convertible note (“Convertible Note”);

Elephant Copper also agreed to payment of the Deferred Heap Leach payment totalling US$1,399,064 million (“DHL Payment”). The DHL Payment represents amounts paid by Zambian Mining on behalf of Elephant Copper to MCJVL.

On 22 October 2013, the conditions precedents to the Share Sale Agreement with Elephant Copper were satisfied and the sale was completed. Elephant Copper is in the process of completing a listing on the TSX ("IPO") by way of signing a non-binding letter of intent (the "LOI") on 19 December 2013, with International Millennium Mining Corp. ("IMMC"), a TSX Venture Exchange ("TSXV") listed entity, outlining the general terms and conditions pursuant to which IMMC and Elephant Copper would be willing to complete a business combination transaction ("Listing Transaction"). The LOI is to be superseded by a definitive merger, amalgamation or share exchange agreement ("Definitive Agreement"). IMMC proposes to acquire all of the issued and outstanding ordinary shares of Elephant Copper (each, an "Elephant Share") pursuant to the terms of the Definitive Agreement. It is expected that each Elephant Copper shareholder will receive one post-Consolidation (as defined below) common share of IMMC ("IMMC Share"), at a deemed value of C$0.30 per IMMC Share for each Elephant Share held. It is anticipated that immediately prior to the closing of the Listing Transaction, IMMC will complete a consolidation (the "Consolidation") of all of its outstanding common shares and convertible securities (the "IMMC Securities") on the basis of one IMMC Security for each three outstanding IMMC Securities. The completion of the Listing Transaction will be subject to the satisfaction of certain conditions prior to closing, including, but not limited to, the following:

Elephant Copper must complete a financing (the "Offering") for minimum gross proceeds of not less than C$1 million at an issue price of not less than C$0.30 per security. It is expected that the Offering will be completed prior to the closing of the Listing Transaction and the securities of Elephant Copper issued pursuant to the Offering will be exchanged into corresponding securities of IMMC in accordance with the exchange ratio. The net proceeds of the Offering will be released to the resulting issuer upon completion of the Listing Transaction.Elephant Copper and IMMC will enter into a Definitive Agreement in respect of the Listing Transaction. The Transaction is conditional upon all requisite regulatory approvals relating to the Transaction, including, without limitation, TSXV approval, being obtained.

The Convertible Note will be repayable on or before 1 January 2015, unless converted earlier, and will have an exercise price for conversion equal to the lesser of US$0.45 and 1.36 times the IPO price for shares in Elephant Copper. The Convertible Note is convertible at the sole election of Zambian Mining. Under the Share Sale Agreement, if:

1. the IPO does not proceed, or proceeds at a price less than US$0.33 per share, Zambian Mining will be entitled to additional Consideration Shares so that the total value of the Consideration Shares is US$6.6 million; or

2. if Elephant Copper enters into an alternative transaction;

then, the total consideration payable under the Share Sale Agreement is to be satisfied in cash or alternatively, Elephant Copper will be required to buy all of the Consideration Shares and any shares to be issued under the Convertible Note at a price of US$0.33 per share.

Pursuant to the Share Sale Agreement, Elephant Copper undertook to complete its IPO by 31 December 2013 and repay the DHL Payment by 1 January 2014.

On 30 December 2013, RTG received a letter from Elephant Copper requesting consideration of an amendment to the Share Sale Agreement to permit Elephant Copper more time to complete the IPO and repay the DHL Payment. SML issued a demand letter on 8 January 2014 demanding payment of the outstanding DHL Payment. SML has advised Elephant Copper that it fully reserves all of its rights and remedies under the Share Sale Agreement and has not agreed to any amendment.

Segilola Gold Project

In May 2007 Segilola Gold Limited ("SGL"), a wholly owned subsidiary of RTG, entered into a joint venture with Tropical Mines Limited ("TML"), a private company based in Nigeria, to earn a 51% interest in the Segilola Gold Project in Nigeria. An initial maiden indicated resource estimate was declared for the Segilola Gold Project comprising 3,620,386 tonnes at a grade of 4.50g/t for 521,814 ounces of gold plus an inferred resource of 747,590 tonnes at a grade of 4.00g/t for 96,445 ounces of gold. The maiden resource was 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 initial exploitation by open pit mining methods. The metallurgical characteristics of the ore are amenable to conventional CIL processing techniques.

On 30 March 2012, SGL exercised the third and final option lifting its percentage interest in the mineral tenements from 38% to 51%. TML has refused to accept that SGL validly exercised this option. On 18 May 2012, SGL gave TML a notice of dispute advising of its intention to refer the dispute to arbitration under the joint venture agreement and to seek a declaration that SGL is the holder of a 51% interest in the mineral tenements the subject of the Segilola Gold Project ("Notice of Arbitration").

On 18 June 2012, TML was granted interim orders in the Federal High Court of Nigeria restraining SGL from proceeding further with the arbitration or commencing a new arbitration until the hearing and determination of TML's motion. On 27 June 2012, SGL consented to orders that SGL not proceed further with the arbitration the subject of the Notice of Arbitration. The remaining issue in dispute is in relation to orders sought by TML that SGL is required to pay TML's legal fees to defend its interest in response to the Notice of Arbitration before it may re-commence the arbitration process under the Joint Venture Agreement.

A hearing was due to be held on 4 October 2012 to hear arguments on the point of costs but was adjourned to 14 November 2012 and further adjourned to 22 April 2013 for report of the settlement or hearing of the pending applications. At the hearing on 22 April 2013, counsel informed the Court that settlement discussions were underway and that parties needed time to conclude the same. As a result the matter was adjourned to 17 June 2013, 16 October 2013, and has subsequently been further adjourned to 9 June 2014 for report of settlement.

RTG has now entered into an unconditional Share Sale and Purchase Agreement for the sale of RTG's 51% interest in the Segilola Gold Project in Nigeria for approximately US$14 million to RTG's joint venture partner, Segilola Resources Operating Limited ("SROL"). The Segilola sale transaction also provides for the settlement of the related disputes in relation to the Segilola Gold Project between Ratel Group, SGL, TML, SROL, NGML, Bakrie Delano Africa Limited, NGM Resources Limited and Mr Oladipo Delano under the terms of an agreed Settlement Deed. The disputes concern a purported termination of the Joint Venture Agreement. This includes the settlement of the injunctive proceedings brought by SGL before the Federal High Court of Nigeria and the interim injunction issued against SGL by the Federal High Court of Nigeria dated 18 June 2012. On the Completion Date of the Segilola sale transaction, signed counterparts of the Settlement Deed will be released from escrow and come into effect. As a result each of the injunctive proceedings will be discontinued with no order as to costs and each party will bear their own costs.

Obuasi Joint Venture

In 2010 Ratel Group entered into an acquisition agreement to purchase all the shares in CAML Ghana Limited ("CAML Ghana"). CAML Ghana is an unrelated entity to Ratel Group. CAML Ghana and Westchester Resources Limited ("Westchester") are participants in a gold exploration project in Ghana pursuant to the Obuasi Prospecting Farmin and Joint Venture Agreement.

The acquisition agreement was conditional upon the approval of the transaction by the relevant Ghanaian Minister. Ministerial approval was not obtained, and on 3 November 2011 Ratel Group announced that the Obuasi Prospecting Farmin and Joint Venture Agreement had been terminated. Westchester issued proceedings in Ghana against a number of parties, including Ratel Group in February 2012, which are considered both unsubstantiated and without foundation (the "Proceedings").

CAML Ghana had the Proceedings stayed following an order from the London Court of Arbitration in April 2012 in the context of arbitration proceedings launched against Westchester by CAML Ghana. On its application, Ratel has been joined as a party to the arbitration. On 27 November 2012, on the application of Westchester, the High Court of Ghana set aside that stay order. CAML Ghana has appealed that decision and in February 2013 the Proceedings were stayed pending the outcome of that appeal. A hearing took place before the Court of Appeal on 4 March 2014. The Court of Appeal has adjourned the matter until 5 June 2014 for judgement.

In July 2013 a hearing took place in the arbitration before the Arbitral Tribunal in London. The Arbitral Tribunal delivered its award on all matters of liability in September 2013, finding in favour of CAML Ghana on all points and ordering Westchester to pay to CAML Ghana US$940,000 in damages and costs ("Arbitration Award").

On 14 November 2013, CAML Ghana filed a petition in the United States District Court for the Southern District of New York seeking to confirm the Arbitration Award and to obtain an anti-suit injunction in relation to the Proceedings. Ratel Group is a co-petitioner. Westchester is opposing the petition. A hearing took place on 24 March 2014. The matter has been adjourned without a new date being set.

Loan Facility

During September 2012, Ratel Group entered into a Loan Facility Agreement with CGA Mining Limited for the sum of $2.5M. In April 2013, the outstanding principal and interest on the loan facility was fully repaid.

Sierra Scheme of Arrangement

On 24 February 2014, RTG announced it had entered into a conditional Scheme Implementation Deed ("Merger Agreement") with Sierra Mining Limited ("Sierra") to combine the two companies at an agreed exchange ratio of:

- 3 RTG shares for each Sierra share held; plus
- 1 RTG option for every 3 Sierra shares held.

The RTG options will be exercisable for a period of three years at an exercise price of C$0.15.

This consideration represents:

- approximately A$0.301 (C$0.30) per Sierra share (based on the closing share price for RTG on TSX on 21 February 2014, and the Black-Scholes option pricing model based on Sierra's 12 month volatility, and the exchange rate on 21 February 2014 of CAD:AUD 1.005);
- a premium of 27.4% to the 30 day VWAP of the Sierra share price based on the 30 day VWAP of the RTG share price; and
- a premium of 15.9% to the closing price of Sierra shares of A$0.26 on 21 February 2014 (being the date prior to the announcement).

The merger will be implemented by way of Scheme of Arrangement between Sierra and its shareholders under the Australian Corporations Act 2001. RTG will also seek a listing on the Australian Securities Exchange ("ASX") (in addition to its current TSX listing) as part of the transaction.

The merger is conditional upon approvals from Sierra shareholders, RTG shareholders and the Australian Court as well as necessary regulatory approvals and other customary conditions (see Merger Agreement for more details). In conjunction with the merger, RTG also intends to undertake a consolidation of its shares on a 10:1 basis.

RTG is currently expecting to send a circular to shareholders in mid April 2014, with a shareholders meeting to approve the share and option issuances under the merger, along with other matters, to be held in mid May 2014.

Risk Factors

The business of RTG should be considered speculative given the volatility in world stock markets (particularly with respect to mining and exploration companies) and the uncertain nature of mining and exploration activities generally. Amongst other things, some of the key risk factors faced by RTG and its subsidiaries:

- foreign exchange movements;
- movements in commodity prices (in particular the gold, copper and magnetite price and costs of production);
- securing offtake agreements for non-gold products;
- access to new capital (both debt and equity) and meeting liquidity requirements;
- the uncertain nature of exploration and development activities;
- increases in capital expenditures necessary to advance the Company's projects;
- the ability to profitably exploit new development projects;
- political, security and sovereign risks of Nigeria and the Philippines;
- joint venture partner relationships and disputes;
- permitting and local government and community support; and
- environmental obligations.

For further information on these and other risks inherent in the Company's business, we direct readers to the Annual Information Form for the December 31, 2013 financial year lodged on SEDAR at www.sedar.com.

Consolidated Results
(US$000's, except per share information)

Profit and Loss

	Three month period ended			Year to Date
	December 31 2013	**September 30 2013**	**Variance**	**December 31 2013**
Income	12	12	-	24
Group net profit/(loss)	557	(1,438)	1,995	(881)
Exploration and evaluation costs	(45)	(46)	1	(91)
Heap leach operating costs	-*	(182)*	182*	-*
Depreciation	(1)*	(117)*	108*	(118)*
Basic profit/(loss) per share	0.17	(0.44)	0.17	(0.27)

*As Seringa Mining Limited was sold during the current period, its profit and loss results were reclassified to discontinued operations in the 31 December 2013 financial statements.

Consolidated Cash Flows from Operating Activities
(US$000's, except per share information)

	Three month period ended		Year to Date
	December 2013	**September 2013**	**December 31 2013**
Reconciliation of net loss after tax to net cash flows from operations			
Net profit/(loss) after related income tax	557	(1,438)	(881)
Adjustments for non-cash income and expense items			
Depreciation	1	117	118
Share based payments			
Borrowing costs			
Unrealised foreign exchange gain/(loss)	255	(188)	67
Gain from discontinued operation	(2,216)	-	(2,216)
Changes in Assets & Liabilities			
Change in working capital	57	(603)	(546)
Net cash inflow/(outflow) from operating activities	(1,344)	(2,114)	(3,458)

Consolidated Balance Sheet
(US$000's, except per share information)

	For the period ended		
	December 31 2013	**September 30 2013**	**Variance**
Cash and cash equivalents	10,987	12,823	(1,836)
Current Assets	**11,264**	**13,149**	**(1,885)**
Property, Plant & Equipment	362	1,085	(723)
Total Assets	**14,798**	**14,234**	**564**
Total Liabilities	**208**	**202**	**6**
Shareholders' Equity	**14,590**	**14,033**	**557**

Selected Annual Data
(US$000's, except per share information)

	2013 December (6 months)	2013 June (12 months)
Total Revenue	12	11
Net profit/(loss)	(881)	(8,323)
Net profit/(loss) per share		
Undiluted cents per share	(0.27)	(5.04)
Diluted cents per share	(0.27)	(5.04)
Total Assets		16,194
Total long term financial liabilities	-	-
Net Assets	**14,590**	**15,471**

As RTG changed its financial year end from 30 June to 31 December, at 31 December 2013, it is in a transitional financial year, hence the 31 December year end result reflects the 6 months result as compared to the 30 June 2013 year end result which reflects the 12 month period.

Fluctuations in the financial position over the period from July 2013 to December 2013 are predominantly due to the following factors:

- The change of year end during the period from 30 June to 31 December, resulting in a comparison of 6 months profit and loss for the 31 December 2013 period end against 12 months of profit and loss for the 30 June 2013 prior year end.

- The disposal of Seringa Mining Limited during the 31 December 2013 period, for a net accounting gain of $2.216M, resulting in a total net loss for the Company of $0.881M for the December 2013 six month period, as compared to a net loss of $8.323M for the June 2013 12 month period.

- As consideration for the sale of Seringa Mining Limited, the Company has recognised on its balance sheet an investment of $1.842M in relation to the 20M Elephant Copper shares received (together with the top up right) and a derivative financial asset of $1.330M in relation to the convertible note due from Elephant Copper.

- During the June 2013 financial year, the Company recognized a notional expense of $1.915M on the deemed embedded option expense for shares issued under the Loan Funded Share Plan, as required by accounting standards and also fully provided for the joint venture partner receivable of $1.181M due from its Mkushi Copper joint venture partner. No further shares have been issued during the 6 month to the 31 December year end and a further provision of $0.215M was made against the Mkushi Copper joint venture partner receivable.

- The merger of Ratel Group and Ratel Merger Ltd. which resulted in RTG being the head entity of the surviving Group, which occurred on 28 March 2013. Following the Merger the Company appointed a full time management team and now bears 100% of its running costs, including salary and rental expenses, which were previously only partially apportioned to the Company under the management services agreement it previously shared with CGA Mining Limited.

Selected Quarterly Data

(US$000's, except per share information)

	31 December Year end total (6 months)	Q2 Dec 2013	Q1 Sep 2013	*30 Jun 2013 Year end total (12 months)*	Q4 Jun 2013	Q3 Mar 2013	Q2 Dec 2012	Q1 Sept 2012	*30 June 2012 Year end total (12 months)*	Q4 Jun 2012	Q3 Mar 2012
Total income	*25*	13	12	*11*	11	-	-	-	*4*	-	1
Net profit/(loss)	*(881)*	557	(1,438)	*(8,323)*	(5,405)	(1,103)	(1,031)	(784)	*(4,847)*	(1,026)	(1,049)
Per share (undiluted US$ cents per share)	*(0.27)*	0.17	(0.44)	*(4.98)*	(3.27)	(0.74)	(0.69)	(0.52)	*(3.23)*	(0.68)	(0.70)
Per share (diluted US$ cents per share)	*(0.27)*	0.17	(0.44)	*(5.04)*	(3.27)	(0.74)	(0.69)	(0.52)	*(3.23)*	(0.68)	(0.70)

Quarterly and Year to Date Results

Three Months Ended December 31, 2013 as Compared to the Three Months Ended September 30, 2013 and the Three Months Ended December, 2012

The Company's result for the three months to December 31, 2013 was a net gain of $0.557M, as compared to a net loss of $1.438M for the previous quarter, and $1.031M for the prior year comparative period, an improvement of $1.995M or 138% from the previous quarter and an improvement of $1.588M or 154% from the prior year. The current quarter result is due a net accounting gain of $2.216M recorded on the sale of Seringa Mining Limited during the current period. The Company did not declare any dividends during the previous quarter.

Revenues and foreign exchange gains/losses

The Company does not have any producing assets hence earns only minimal interest income on its cash balances. The Company earned interest income of $0.013M for the December quarter as compared to $0.012M for the September 2013 quarter and nil for the December 2012 quarter. A foreign exchange loss of $0.201M was recorded in the December 2013 quarter, as compared to foreign exchange gain of $0.188M in the September 2013 quarter and a loss of $0.006M for the December 2012 quarter. The foreign exchange movements for the current quarter relate predominantly to currency movements between the US and Canadian dollar.

Expenses

Expenses for the December 2013 quarter were $1.670M as compared to $1.451M in the September 2013 quarter and $1.031M for the December 2012 quarter, an increase of $0.219M or 15% from the previous quarter and an increase of $0.639M or 62% from the prior year quarter.

Specific items discussed below:

Administrative expenses

The Company incurred administrative costs of $0.983M in the December 2013 quarter, as compared to $1.056M in the September 2013 quarter and $0.498M during the December 2012 quarter, a decrease of $0.073M or 7% from the September 2013 quarter and an increase of $0.485M or 97% from the December 2012 quarter. The increase from the prior year December 2012 quarter is due to the appointment a full time management team following the Merger and listing of RTG on the TSX in the June 2013 quarter, whereas in the prior year, the management and running costs were only partially apportioned to the Company under the management services agreement it previously shared with CGA Mining Limited. Legal and accounting fees for the current quarter were $0.293M as compared to $0.639M in the September 2013 quarter, a decrease of $0.346M or 54%. The legal fees incurred in the current and prior period relate the sale of the

Company's interest in the Segilola Gold Project, the sale of the Mkushi Copper Project, arbitration for CAML Ghana and the Bleeker arbitration in connection with the, now sold, Mkushi Copper Project. These matters were predominantly finalised during the previous quarter, hence the legal costs incurred in the current quarter have significantly reduced. Legal fees of $0.079M were incurred in the December 2012 quarter, largely in relation to the Merger of Ratel Group and Ratel Merger Ltd.

Business development expenditure
The Company incurred business development expenses of $0.434M in the current quarter as compared to $0.356M in the September 2013 quarter and nil in the prior year quarter. Following the Merger and listing of RTG on the TSX in the June 2013 quarter, the Company's activities have been focussed on pursuing new opportunities for the group, hence the significant expenditure on business development during the current and previous quarters as compared to nil in the prior year. The costs incurred across the current and previous quarters relate predominantly to travel, employee costs allocated to business development and conference attendance.

Full Year Results
Year ended 31 December 2013 compared to the year ended 30 June 2013

As discussed above RTG changed its financial year end from 30 June to 31 December during the period, hence the 31 December 2013 result reflects the transitional financial year showing the 6 months period as compared to the 30 June 2013 year end result which reflects the 12 month period.

The Company's result for the transitional year ended 31 December was a net loss of $0.881M as compared to a net loss of $8.323M in the 12 month period for the previous June 2013 year, a decrease of $7.442M or 89%. As a result of the sale of Seringa Mining Limited during the current period, the Company has also reclassified $1.783M of expenses incurred in the prior year from operating expenses to discontinued operations in its 31 December 2013 financial statements.

Revenues and foreign exchange gains/losses

As discussed above, the Company does not have any producing assets hence earns only minimal interest revenue. The Company earned interest revenue of $0.025M for the current period as compared to $0.011M in the prior year. A foreign exchange loss of $0.201M was recorded in the in the current period as compared to a loss of $0.319M for the year ended 30 June 2013. The foreign exchange losses in both periods are largely related to foreign currency fluctuations of the USD against the CAD affecting the values of the capital raising funds held in CAD.

Discontinued operations

As discussed in the review of operations, SML was sold during the current period. Accordingly the current and prior year results of SML and the gain on sale have been accounted for under discontinued operations in the financial statements. The net accounting gain on the sale recognized in the current period was $2.216M, which included expenses incurred during the period of $0.219M, as compared to total expenses incurred during the prior June 2013 year of $1.783M. The expenses incurred in the prior year largely relate to operating expenses including a $1.181M expense for the provision against the receivable due from the joint venture partner for their 49% share of the development and operating costs and $0.313M in depreciation. The expenses during the current period related predominantly to salary and administration costs as operating activities were minimised whilst the sale agreement was negotiated and finalized.

Expenses

Expenses for the current period (not including those of discontinued operations) were $3.122M as compared to $6.540M for the prior 12 month year, a decrease of $3.418M or 52%. The prior year expenses included $3.096M of one off expense items, being a notional expense for the deemed embedded share option related to the shares issued under the Loan Funded Share Plan of $1.915M and a provision of $1.181M against the receivable due from the Company's then joint venture partner at the Mkushi Copper Project.

Specific items discussed below:

Administrative expenses
The Company incurred administrative costs of $2.038M during the current period as compared to $4.748M during the prior year, a decrease of $2.710M or 57%. As previously discussed, the prior year expense includes a notional non-cash expense of $1.915M for the deemed embedded option related to the shares issued under the Loan Share Plan. During the current period employees and directors expenses of $0.613M were incurred as compared to $1.067M in the June 2013 year as decrease of $0.454M or 45%. Prior to the Merger and listing of RTG on the TSX which occurred in June 2013 quarter, the majority of the management and executive expenses were shared with CGA Mining Limited through the management services agreement. Subsequent to the Merger and listing of RTG on the TSX, the Company has appointed a new board and management team and is responsible for 100% of the management and executive costs, hence the decrease in employee and directors costs incurred in the current 6 month period as compared to the prior 12 month year end are not directly proportional to the difference length of the periods being compared. The current period also included legal fees of $0.923M as compared to $1.203M in the prior year period, a decrease of $0.280M or 23%. Legal fees in the current period related largely to the sale of the Company's interest in the Segilola Gold Project, the sale of the Mkushi Copper Project, arbitration for CAML Ghana and the Mkushi Copper Project, as well as legal fees in relation to the Merger Agreement with Sierra Mining Limited. Legal fees in the prior year related to the CAML Ghana arbitration, the Bleeker dispute at the Mkushi Copper Project, and the dispute with the Company's joint venture partner at the Segilola Gold Project. As discussed in the review of operations section, an award was delivered in September 2013 by the London Court of International Arbitration finding in favour of CAML Ghana on all points and ordering Westchester to pay to CAML Ghana US$940,000 in damages and costs. The Bleeker dispute is no longer connected to the Company following the sale of Seringa Mining limited. The Segilola sale transaction also provides for the settlement of the related disputes in relation to the Segilola Gold Project.

Business development expenses
The Company incurred business development expenses of $0.790M during the current period as compared to $0.811M during the prior year, a decrease of $0.021M or 3%. Business development expenses were relatively similar during the period as they have largely been incurred following the Merger and listing of RTG on the TSX. Since this transaction, the Company's activities have been focussed on identifying new opportunities and acquisitions for the Company. As discussed in the Review of Operations, subsequent to the December 2013 year end, the Company has entered into the Merger Agreement with Sierra to combine the two companies.

Liquidity and Capital Resources

As at December 31, 2013, the Company had cash and cash equivalents of $10.987M compared to $12.823M at September 30, 2013, and $0.221M at December 30, 2012.
On September 4, 2012 Ratel Group entered into a US$2.5M Loan Facility Agreement with CGA Mining Limited. The principal and interest totalling $2.611M was fully repaid in April 2013.

The Company manages liquidity risk through maintaining sufficient cash, loan facilities 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. The Company's liquidity needs can likely be met through existing cash on hand, subject to current operating parameters and budgets being met.

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 revenue 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. Expenditure to date for the Company has been largely in line with the overall initial budget forecasts, save for any costs related to legal disputes.

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 Company's balance sheet.

Contractual obligations

	Payments due by period				
Contractual obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**
Operating leases[1]	516,374	206,550	309,824	-	-
Total contractual obligations	516,374	206,550	309,824	-	-

[1] Corporate office lease payments due.

Transactions between the Group and its related entities

During the quarter ended December 30, 2013, the Company entered into transactions with related parties in the wholly-owned group:

Loans were advanced on short term inter-company accounts between;

- CGX and its wholly owned subsidiary SGL for the purpose of funding the day to day operating costs of SGL. The total amount loaned for the quarter was $0.055M;

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

- loans are repayable at call; and
- no interest is payable on the loans at present.

Transactions between the Group and other related parties

During the quarter, no other significant transactions with related parties were entered into.

Outstanding Share Data

As at March 31, 2014, the Company had 326,538,643 common shares outstanding. In conjunction with the proposed Merger Agreement, RTG also intends to undertake a consolidation of its shares on a 10:1 basis.

Subsequent Events

As discussed in the Review of Operations, on 24 February 2014, RTG announced it had entered into the Merger Agreement with Sierra to combine the two companies.

Indicative timing for implementation of the Merger Agreement is as follows:

Event	Target Date
Court hearing to approve scheme booklet	early April 2014
RTG Circular sent to RTG shareholders	mid April 2014
Scheme booklet sent to Sierra shareholders and optionholders	mid April 2014
RTG shareholders meeting	mid May 2014
Sierra shareholders meeting and optionholders meeting	mid May 2014
Court hearing to approve merger and option scheme	late May 2014
Merger and option scheme become effective	late May 2014
Sierra shareholder and optionholders receive RTG shares and options	early June 2014
RTG listed on ASX	early June 2014

Additionally, post year end RTG announced it has entered into a sale agreement for its interest in the Segilola Gold Project in Nigeria to the current joint venture partner for a total consideration of US$14M, with US$1M due on completion, US$5M due in 18 months after completion and a 3% net smelter royalty, under which up to a maximum of US$8M may be paid to RTG. The sale also resolves the existing dispute with the current joint venture partner. Completion is anticipated in the next couple of months.

Critical Accounting Estimates

The significant accounting policies used by Ratel Group are disclosed in Note 2 to the annual financial statements for the year ended 31 December, 2013. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

Accounting Policies

The Group's consolidated financial report as at 31 December 2013 complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The accounting policies of the Group are set out in Note 2 to the 31 December, 2013 Annual Financial Statements, available on www.sedar.com.

Income Taxes

The determination of income and other tax liabilities requires interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ from that estimated and recorded by management.

Internal Controls and Disclosure Controls

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

During the year ended 31 December, 2013, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

The Company's CEO and CFO are also responsible for the design and effectiveness of disclosure controls and procedures (as such term is defined in NI 52-109) to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's CEO and CFO believe that the Company's disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed under applicable securities legislation is recorded, processed, summarized and reported in a timely manner.

The Company's CEO and CFO have each evaluated the effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures as of 31 December, 2013 and have concluded that these controls and procedures are effective in reasonably assuring the reliability of financial reporting and that material information relating to the Company is made known to them by others within the Company and that such controls and procedures have no material weaknesses and no limits on the scope of their design.

Future Outlook

During the next quarter and financial year, the Company's activities will primarily focus on the completion of the Merger Agreement with Sierra. Following this the Company intends to conduct a review of current and proposed exploration properties of Sierra, including a review of all available technical and financial data, so that ongoing and future exploration and development programs can be optimised. The Company also intends to proceed with Sierra's existing planned exploration and development projects, including Sierra's Mabilo Project, along with the definition of a NI 43-101 compliant resource for the Mabilo Project and the preparation of a feasibility study on the project.