RTG
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MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")
PERIOD ENDED JUNE 30, 2013

(All figures are in US dollars unless otherwise indicated and the effective date of this MD&A is September 27, 2013)

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 September 27, 2013 and should be read in conjunction with the interim unaudited financial statements of the Company for the period ended 31 March 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 27 September 2013 for June 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 Zambia and Nigeria; environmental risk; the dependence on key personnel; and the ability to access capital markets.

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

Background and Review of Operations

RTG Mining Inc 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 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") the surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG; and the 162,538,641 previously issued subscription receipts have been 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, have been 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.

Mkushi Copper Project

A joint venture was entered into with African Eagle Resources ("AFE") for the Mkushi Copper Project in Zambia whereby Seringa Mining Limited ("SML") acquired a 51% interest in the project through its 51% shareholding in Mkushi Copper Joint Venture Limited ("MCJVL") who 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 has prepared a detailed feasibility study. On 3 December 2012, AFE announced it had sold its 49% interest to Elephant Copper Ltd ("Elephant Copper") who is now SML's joint venture partner.

In accordance with Ministry of Mines ("MOM") approval, Mkushi Copper Joint Venture Limited has developed stage one of a two stage approach in the development of a mine. Stage one of the development involves a heap leach operation to exploit the low grade portion of the ore body and potentially increase the LOM by exploiting fully the low grade portion of the deposit and thereby maximising the full potential of the deposit. Stage two involves a further pre-production stage with the aim of exploiting the high grade copper ore by means of conventional mining, leading to the mining plant implementation, contingent on the success of stage one.

In 2011, SML commenced the construction and development of a Heap Leach mining operation at the Mkushi Copper Project, which was finalised in the 2012 financial year. Irrigation (production) of the ore pile with sulphuric acid solution commenced in June 2012 at the project and is continuing. A total of 17,595 tonnes of ore has been crushed and loaded onto the pad for leaching. An estimated 53 tonnes of sulphuric acid has been introduced into the heap leach operation and the two pregnant solution (cementation) tanks will be used to precipitate the copper. Iron shavings have been added to these tanks. Once copper values of 1-2 g/l are achieved and the solution pH draining off the ore pile is 1.5 the pregnant trenches will be opened. The heap leach operation has caused oxidisation of the ore on the pad and is most noticeable around the lower edges of the pad area. Monitoring of the heap continues and the ore pile is generally well consolidated. Periodic sample analyses continue to be carried out on the pad area and pit water used for the leach irrigation process. Water sampling of the two environmental monitoring water boreholes continues. Analyses are carried out by the University of Zambia (Environmental Section), Lusaka. All analyses confirm that results are within the WHO guidelines and have not changed from the initial baseline sampling carried our prior to acid introduction. Regular and systematic sampling of the water monitoring boreholes and rivers has been taking place weekly with samples analysed at the University of Zambia. All results have been recorded and plotted. Analyses confirm that there is no contamination to the environment. Samples are being taken weekly for water monitoring boreholes and monthly from the rivers at strategic localities. Furthermore, acid pond levels are constant and will continue to be monitored closely. Acid liners at the leach operation are checked continuously. Dewatering of the main pit area continues. Comprehensive water sample analyses are carried out regularly on the water being discharged into the river system. All results are within WHO guidelines.

Under the Zambian *Mines and Minerals Development Act 2008* a land owner is entitled to compensation where any of its surface rights are disturbed. Mkushi Holdings Limited ("Mkushi Holdings") the landowner where the Mkushi Copper Project is situated has sought compensation of US$5.98 million from MCJVL, the holder of the Mkushi Copper tenements. MCJVL has rejected Mkushi Holdings' claim as it has not disturbed any rights of Mkushi Holdings. Mkushi Holdings advised MCJVL on May 17, 2012 that it has elected to pursue arbitral proceedings in light of the failure of negotiations between the parties. In August 2012 MCJVL wrote to Mkushi Holdings requesting it to explain how it arrived at the amount of compensation claimed, pointing out again that none of its rights had been disturbed. In June 2013, both parties submitted their witness statements to an arbitrator and an arbitration hearing was subsequently held in Zambia to allow the parties to cross examine each other based on these statements. The arbitrator requested an independent valuation report on the land area in dispute, which has been prepared and submitted in September 2013. Going forward, both parties are to submit their written legal arguments to the arbitrator to deliberate on, with the arbitrator currently expected to hand down his findings in December 2013.

On 29 August 2013, RTG announced it had entered into an agreement for the sale of its 51% interest in the Mkushi Copper Project in Zambia for US$13.1m ("Transaction"). The sale to our joint venture partner, Elephant Copper Ltd. is subject to conditions precedent, with completion expected in October 2013.The purchase price of US$13.1m will be satisfied by the issue of US$6.6m in new fully paid ordinary shares in Elephant Copper and a US$6.5m unsecured redeemable convertible note ("Convertible Note"). 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 (as defined in the agreement). Elephant Copper is in the process of completing a "go public event" ("IPO") through a transaction that would, after obtaining regulatory approval, be the qualifying transaction for Credent Capital Corp. If Elephant Copper enters into an "alternative transaction" (a sale of 20% or more of the shares or assets in Elephant Copper or similar transaction) both parties have rights to convert the US$6.6m share issue into a cash payment and Elephant Copper is entitled to redeem the Convertible Note early. Elephant Copper has also agreed to repay on or before 1 January 2014, certain debts owing to RTG, which are currently in the order of US$1.35m.

Segilola Gold Project

Segilola Gold Limited ("SGL"), a wholly owned subsidiary of Ratel Group, entered into a joint venture with Tropical Mines Limited ("TML"), a private company based in Nigeria, to earn a 51% interest in the Segilola Gold Project in Nigeria, considered to be the most advanced and prospective gold exploration project in the country. TML is a Nigerian company owned in joint venture by local investors and the Nigerian Government. A joint venture agreement was signed in May 2007 ("the JV Agreement"). 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. 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 initial exploitation by open pit mining methods. The metallurgical characteristics of the ore are amenable to conventional CIL processing techniques.

Under the terms of the JV Agreement, SGL was required to pay TML a signature bonus of US$650,000. US$250,000 of this bonus was due upon TML obtaining the necessary approvals to the farm in of SGL to the joint venture, and was paid to TML in August 2007. The balance of the signature bonus was due prior to the exercise by SGL of the third option, whereby it would acquire the final 13% interest to give SGL a 51% interest in the Segilola Gold Project. The balance of the signature bonus of US$400,000 was prepaid to TML on March 16, 2011 and in return TML agreed to extend the third option exercise deadline to March 30, 2012 in order to enable SGL to complete further drilling at the project. The most recent drilling campaign at the Segilola Gold Project was carried out from July to December 2011, where an additional 36 diamond boreholes totalling 3,704 metres were drilled. The rationale for this phase of drilling was to test the southern extension of gold mineralisation, for a further 400 metres from the open southern end of the previous drilling programme, and test both the strike and depth continuities including the interpreted plunge of the ore zone in the southern section of the project locality. The results were positive and indicate that the resource continues along strike to the south, is open ended at depth and that the ore body does plunge in the southern section. The latest drilling exercise further confirmed a total strike length of the ore zone of just over 2,000 metres. Drilling in the southern portion was discontinued due to the (current) presence of villages. Professional survey consultants from Ghana were contracted to survey all of the drill boreholes, including old workings and some of the streams within the project area.

A notice was submitted by SGL to TML on March 30, 2012 advising that SGL intended to acquire their final additional 13% interest in the Segilola Gold Project. On April 30, 2012 TML advised SGL that they were disputing SGL's notice on the grounds that they required a Production Sharing Contract to be executed prior to the exercise of the third option by SGL. SGL disputed the position adopted by TML and on May 18, 2012 SGL served on TML a notice of dispute pursuant to the Joint Venture Agreement seeking a declaration that SGL is the holder of a 51% beneficial interest in the mine tenements. On June 1, 2012 TML wrote to SGL denying that SGL holds a 51% beneficial interest in the tenements pointing to irregularities in the notice of arbitration. On June 18, 2012 TML applied for and was granted interim orders in the Federal High Court of Nigeria restraining SGL from proceeding with the arbitration or commencing a new arbitration until the hearing and determination of TML's motion. On June 27, 2012 SGL consented to orders that SGL not proceed with the arbitration commenced on May 18, 2012 however SGL has disputed orders sought that SGL is required to pay TML's legal fees to defend its interest in response to the purported notice of arbitration. A hearing was due to be held on October 4, 2012 to hear arguments on the point of costs but was adjourned to November 14, 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 was still on-going and that parties needed more time to conclude the same. As a result the matter was adjourned to 17 June 2013, and has subsequently been further adjourned to October 2013, for report of settlement.

SGL is also involved in separate proceedings with Segilola Resources Operating Limited ("SROL") whereby SGL is seeking injunctive relief to restrain SROL from acting on the basis of a purported termination of the Joint Venture Agreement between SGL and TML, which agreement was assigned to SROL on 1 April 2013. SGL's application for interim relief is due to be heard on 16 October 2013.

A Zambian drilling company, GeoHydro Consulting Services Limited ("GeoHydro"), a diamond drilling campaign, concluded in December 2011. Demobilisation of the drilling equipment out of Nigeria was undertaken in May 2012 and the drill rig was damaged in transit. By way of a Notice of Dispute dated September 10, 2012 GeoHydro is claiming that TML and SGL are responsible for the damage to the drill rig which GeoHydro has estimated at US$79,000. TML and SGL have rejected responsibility for the damage as the drill rig was handed over in good order to the carrier responsible for transporting the drill rig back to Zambia. TML and SGL have the export release note from the Nigerian Export authority which notes the release of the drill machine and associated equipment.

In addition, GeoHydro are claiming damages for breach of contract by TML and SGL for allegedly terminating the drilling contract prematurely. Again, TML and SGL reject these claims and a written response dated October 9, 2012 to the Notice of Dispute has been forwarded to GeoHydro and its lawyers. No further response has been received from GeoHydro.

The Company has not committed to any further exploration activities at the Segilola Gold Project whilst the Joint Venture partners negotiate to resolve the dispute between the parties. SGL as the operator continues to ensure that the tenements are maintained in good standing by ensuring all relevant annual licence fees are paid in a timely manner.

On November 3, 2011, Ratel Group announced that the share sale agreement to acquire CAML Ghana Limited ("CAML Ghana") (the holder of the interest in the Obuasi Prospecting Farmin and Joint Venture Agreement in Ghana) had been terminated. Westchester Resources Limited ("Westchester") (a party to the Obuasi Joint Venture) 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 was subsequently successful in having the Proceedings stayed following an order from the London Court of Arbitration on April 3, 2012 in the context of arbitration proceedings launched against Westchester by CAML Ghana (an unrelated entity to Ratel Group). On its application, Ratel Group has been joined as a party to the arbitration. On November 27, 2012, on the application of Westchester, the High Court of Ghana (the "Court") set aside that stay order. CAML Ghana has appealed that decision. In December 2012 Westchester filed an amended statement of claim in the Proceedings which particularised its claims against the defendants, including Ratel Group. On 12 February 2013, on the application of CAML Ghana, the Proceedings were stayed pending the outcome of its appeal. On 29 July 2013 a one day hearing took place in the arbitration before the Arbitral Tribunal in London. The Arbitral Tribunal has indicated its Award on all matters of liability will be delivered in late September. In relation to CAML Ghana's appeal in the Proceedings, the parties are currently exchanging pleadings. A date for the hearing of CAML Ghana's appeal has not yet been set.

During September 2012 the Company entered 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.

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 Ratel Group, CGX, Zambian Mining and the Company include:

- foreign exchange movements;
- movements in commodity prices (in particular the gold and copper price and costs of production);
- access to new capital (both debt and equity) and meeting liquidity requirements;
- the uncertain nature of exploration and development activities;
- increases in capital expenditures necessary to advance the Company's projects;
- the ability to profitably exploit new development projects;
- political, security and sovereign risks of Zambia and Nigeria;
- 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 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 ended
	June 30 2013	**March 31 2013**	**Variance**	**June 30 2013**
Income	10	1	10	11
Group net profit/(loss) from continuing operations	(5,404)	(1,103)	(4,203)	(8,224)
Exploration and evaluation costs	23	124	(101)	559
Heap leach operating costs	1,323	136	1,207	1,783
Depreciation	117	116	-	340
Basic loss per share	3.27	1.95	1.32	5.04

Consolidated Cash Flows from Operating Activities

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

	Three month period ended		Year ended
	June 30 2012	**March 31 2013**	**June 30 2013**
Reconciliation of net loss after tax to net cash flows from operations			
Net profit/(loss) after related income tax	(5,404)	(1,103)	(8,323)
Adjustments for non-cash income and expense items			
Depreciation	117	116	340
Share based payments	1,915	-	1,915
Borrowing costs			112
Unrealised foreign exchange gain/(loss)	180	120	319
Changes in Assets & Liabilities			
Change in working capital	1,255	288	1,319
Net cash inflow/(outflow) from operating activities	(1,937)	(579)	(4,317)

Consolidated Balance Sheet

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

	For the period ended		
	June 30 2013	**June 30 2012**	**Variance**
Cash and cash equivalent	14,988	145	14,843
Current Assets	**15,232**	**1,293**	**13,939**
Property, Plant & Equipment	961	1,224	(263)
Total Assets	**16,194**	**2,518**	**13,676**
Total Liabilities	**624**	**308**	**316**
Shareholders' Equity	**15,471**	**2,209**	**13,361**

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

	For the year ended	
	June 30 2013	**June 30 2012**
Total revenues	11	4
Net Loss	(8,323)	(4,847)
Net loss per share		
undiluted cents per share	(5.04)	(3.23)
diluted cents per share	(5.04)	(3.23)
Total assets	16,194	2,518
Total long term financial liabilities	**-**	**-**
Net Assets	**15,471**	**2,209**

Fluctuations in the annual financial position over the period from July 2012 to June 2013 are predominantly due to the following factors:

- the merger transaction and capital raising of C$21.1M by RTG completed in the second half of the 2013 year.

- A notional expense of $1.915M recorded in the June 2013 quarter, related to a deemed embedded option under accounting standards for shares issued under the Loan Funded Share Plan.

- The expensing of a previously recognised receivable from the joint venture partner for their 49% share of development costs at the Mkushi Copper Project. Subsequent to year end, the Company has entered into an agreement for the sale of its 51% interest in this project. The agreement also includes the repayment of the joint venture partner's share of development costs.

- Legal costs for the ongoing disputes related to the termination of the CAML Ghana acquisition and dispute with the joint venture partners at the Segilola Gold Project.

Selected Quarterly Data

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

	2013 Annual Total	Q4 Jun 2013	Q3 Mar 2013	Q2 Dec 2012	Q1 Sept 2012	2012 Annual Total	Q4 Jun 2012	Q3 Mar 2012	Q2 Dec 2011	Q1 Sep 2011
Total income	11	11	-	-	-	4	-	1	2	1
Net profit/(loss)	(8,323)	(5,405)	(1,103)	(1,031)	(784)	(4,847)	(1,026)	(1,049)	(1,505)	(1,267)
Per share (undiluted US$ cents per share)	(4.98)	(3.27)	(0.74)	(0.69)	(0.52)	(3.23)	(0.68)	(0.70)	(1.00)	(1.13)
Per share (diluted US$ cents per share)	(5.04)	(3.27)	(0.74)	(0.69)	(0.52)	(3.23)	(0.68)	(0.70)	(1.00)	(1.13)

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 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. Therefore the comparative figures are those of Ratel Group Limited.

Quarterly and Year to Date Results

Three Months Ended June 30, 2013 as Compared to the Three Months Ended March 31, 2013 and the Three Months Ended June 30, 2012

The Company's result for the three months to June 30, 2012 was a net loss of $5.405M, as compared to a net loss of $1.103M for the previous quarter, and $1.026M for the prior year comparative period, an increase of $4.302M or 390% from the previous quarter and $4.379M or 427% from the prior year. The significant increase in the June quarter is due the 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 the expensing of the joint venture receivable of $1.181M due from the Company's Mkushi Copper Joint venture partner. Subsequent to year end the Company has entered into an agreement to sell its share in this project, with the full joint venture partner receivable is also repayable under this agreement. As the agreement is still subject to completion, the receivable was fully provided for at 30 June 2013. In addition to these one off expenses, with the completion of the merger on 28 March 2013, the Company has also appointed a full time management team and now bears 100% of its running costs, which were previously only partially apportioned to the Company under the management services agreement it shared with CGA Mining Limited.

Revenues and Foreign Exchange Gains/Losses

As discussed above, the Company does not have any producing assets hence earns only minimal interest income on its cash balances. The Company earned interest income of $11k for the June quarter as compared to nil for the March 2013 quarter and $162k for the June 2012 quarter. The increase for the current quarter is due to interest earned on the cash at bank, which has increased significantly due to the capital raising funds which were received in April 2013. A foreign exchange loss of $180k was recorded in the June 2012 quarter, as compared to foreign exchange loss of $121k in the March 2013 quarter and a loss of $9k for the June 2012 quarter. The foreign exchange movements for the current quarter relate predominantly to the capital raising funds held in CAD, whereas the March 2013 loss was largely due to the rebasing of the Zambian Kwacha which occurred at 1 January 2013.

Expenses

Expenses for the June 2013 quarter were $5.405M as compared to $1.103M for the March 2013 quarter and $1.026M for the June 2012, an increase of $4.302M or 390% from the previous quarter and $4.379M or 426% from the prior year quarter.

Specific items discussed below:

Administrative expenses
The Company incurred administrative costs of $3.275M in the June 2013 quarter, as compared to $0.550M in the March 2013 quarter and $0.627M during the June 2012 quarter, an increase of $2.725M or 495% from the March 2013 quarter and $2.648M or 422% from the June 2012 quarter. As previously discussed, in the current quarter the Company recorded a notional non-cash expense of $1.915M for the deemed embedded option expense on shares issued under the Loan Funded Share Plan, as required by accounting standards. In addition, with the completion of the merger on 28 March 2013, the Company has also appointed a full time management team and now bears 100% of its running costs, including employee and directors expenses of $1.067M in the current quarter, which were previously only partially apportioned to the Company under the management services agreement it previously shared with CGA Mining Limited. Legal and accounting fees for the quarter were $0.395k, similar to $0.378k incurred in the March 2013 quarter, as the Company continues to seek to resolves its various legal disputes.

Business development expenditure
The Company incurred business development expenses of $0.598k in the current quarter as compared to $0.119k in the March 2013 quarter and nil in the prior year quarter. The increase in the current quarter relates predominantly to travel and consultants fees as the Company focusses on pursuing new opportunities.

Operating expenditure
The company incurred operating expenses of $1.323M in relation to its heap leach operations at the Mkushi Copper Project as compared to $0.136M in the March 2013 quarter. The mine was still under development in the prior year hence all of the costs at 30 June 2013 were capitalised to the balance sheet. The current period expense relates largely to the expensing of a provision of $1.181M to fully provide against the heap leach receivable due from the Company's joint venture partner for their 49% share of the heap leach development and operating costs. As discussed under the Review of Operations section, subsequent to year end, the Company has entered into an agreement to sell its 51% interest in the project and as part of this agreement the purchaser has agreed to repay the receivable by1 January 2014, however as the agreement is still subject to completion conditions, the Company has been conservative in fully providing for this receivable.

Full Year Results

Year ended 30 June 2013 compared to the year ended 30 June 2012

The Company's result for the year ended 30 June 2013 was a net loss of $8.323M as compared to a net loss of $4.847M in the 2012 year, an increased loss of $3.476M or 72%. As discussed in the June quarter analysis above, 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, as discussed above in the quarterly results section. In addition to these one off expenses, with the completion of the merger on 28 March 2013, the Company has also appointed a full time management team and now bears 100% of its running costs, which were previously only partially apportioned to the Company under the management services agreement with CGA Mining Limited.

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 $11k for the current year as compared to $4k in the prior year. A foreign exchange loss of $0.319k was recorded in the in the current year as compared to a loss of $0.073M for the year ended 30 June 2012. The current year loss was significantly higher than the prior year as it largely related to foreign currency fluctuations of the USD against the CAD affecting the values of the capital raising funds held in CAD.

Expenses

Expenses for the current year ended 30 June 2012 amounted to $8.324M as compared to $4.851M in the prior year, an increase of $3.473M or 72%. $3.096M of this increase relates to 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 joint venture partner at the Mkushi Copper Project, as discussed above the quarterly results section.

Specific items discussed below:

Exploration costs written off
The Company incurred exploration and evaluation costs of $0.559M during the current year as compared to $2.755M in the prior year, a decrease of $2.196M or 79%. Exploration and evaluation costs in the current year have decreased significantly. The Mkushi Copper Project moved into the production phase in July 2012, hence the exploration phase of this project has been minimized. A drilling program and revised mining optimization program was completed at the Segilola Gold Project in the prior year. Expenditure in the current year has been largely administrative as the Company seeks to resolve the disputes with its joint venture partner and evaluates potential future opportunities for the Company.

Administrative expenses
The Company incurred administrative costs of $4.748M during the current year as compared to $1.946M in the prior year, an increase of $2.802M or 144%. The current 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. Employee and directors expenses were significantly lower in the prior year $0.330M in the 2012 year as compared with $1.067M in the 2013 year, as 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 Mining Inc on the TSX, the Company has appointed a new board and management team and is responsible for 100% of the management and executive costs.

Operating expenditure
The Heap Leach development moved into the production phase in July 2012 and accordingly the associated costs for the current year have been expensed as compared the prior year where the development costs have been capitalized to the balance sheet. The operating expenses for the current year were $1.783M, of which $1.181M relates to the expense for the provision against the receivable due from the joint venture partner for their 49% share of the development and operating costs. $0.313M in depreciation was expensed to operating costs in the current year.

Liquidity and Capital Resources

As at June 30 2013, the Company had cash and cash equivalents of $14.988M compared to $19.993M at March 31, 2013, and $0.145M at June 30, 2012 the same period the previous year.

On September 4, 2012 the Company entered into a US$2.5M Loan Facility Agreement with CGA. 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 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**
Lease obligations[1]	619,650	206,550	413,100	-	-
Total contractual obligations	619,650	206,550	413,100	-	-

[1] Corporate office lease payments due.

Transactions between the group and its related entities

During the quarter ended June 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 feasibility study on the Segilola Gold Project and the funding of the day to day operating costs of SGL. The total amount loaned for the quarter was $0.391M; and

- between Zambian Mining and its wholly owned subsidiary SML for the purpose of funding the day to day operating costs of SML. The total amount loaned for the quarter was $0.244M;

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 financial year, the Company entered into the following transactions with a related party:

- On September 4, 2012 the Company entered a Loan Facility Agreement with CGA Mining Limited for the sum of $2.5M. The facility is for a term of 24 months and the drawn portion of the facility incurs interest at a rate 9% p.a. In April 2013 the Company repaid all of the principal and interest totalling $2.611M to CGA Mining Limited.

Outstanding Share Data

As at September 27, 2013, the Company had 326,538,643 common shares. During January 2013, the Company cancelled its outstanding 12,000,000 options, exercisable at C$0.25 per share and resolved to issue 14,000,000 loan funded shares, issued at C$0.165 per share. As discussed above, the Group entered into a restructuring transaction during the period, which involved the existing Ratel Shares on issue being converted into RTG Shares on a one for one basis, along with the issue of 162,538,641 new RTG Shares being issued upon the exercise of the subscription receipts.

Subsequent Events

On 29 August, the Company announced it had entered into an agreement for the sale of RTG's 51% interest in the Mkushi Copper Project in Zambia for US$13.1m ("Transaction"). The sale to our joint venture partner, Elephant Copper Ltd. ("Elephant Copper"), is subject to conditions precedent, with completion expected in October 2013.

The purchase price of US$13.1m will be satisfied by the issue of US$6.6m in new fully paid ordinary shares in Elephant Copper and a US$6.5m unsecured redeemable convertible note ("Convertible Note"). 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 (as defined in the agreement). Elephant Copper is in the process of completing a “go public event” (“IPO”) through a transaction that would, after obtaining regulatory approval, be the qualifying transaction for Credent Capital Corp.

If Elephant Copper enters into an “alternative transaction” (a sale of 20% or more of the shares or assets in Elephant Copper or similar transaction) both parties have rights to convert the US$6.6m share issue into a cash payment and Elephant Copper is entitled to redeem the Convertible Note early.

Elephant Copper has also agreed to repay on or before 1 January 2014, the joint venture partner receivable.

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 June 30, 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 current financial report complies with International Financial Reporting Standards (“IFRS”). The accounting policies of the Group are set out in Note 2 to the June 30, 2012 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 quarter ended June, 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 June 30, 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, the Company’s activities will primarily focus on:

- Completion of the sale of Seringa Mining Limited;
- Continue to pursue new opportunities and acquisitions for the Company; and
- Resolution of the dispute with the joint venture partners at the Segilola Gold Project.