RTG
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MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")
PERIOD ENDED MARCH 31 2013

(All figures are in US dollars unless otherwise indicated and the effective date of this MD&A is May 15, 2013)

Introduction

Management's discussion and analysis provides a review of the performance of the operations of RTG Mining Limited ("RTG", "Company" or "the Group") 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 this report is that of Ratel Group Limited ("Ratel Group"). This report has been prepared on the basis of available information up to May 15, 2013 and should be read in conjunction with the interim unaudited financial statements of Ratel Group for the period ended 31 December 2012 and the audited financial statements of Ratel for the year ended 30 June 2012 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards and Ratel Group's Annual Information Form dated 28 September 2012 for June 2012.

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 under the Company's profile.

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 Company's Annual Information Form 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 the Company's key personnel; and the ability of the Company 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 listed on the TSX on January 4, 2011 under the symbol "RTG". 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. On 3 December 2012, AFE announced it had sold its interest to Elephant Copper Ltd. SML was responsible for funding a bankable feasibility study, while AFE manages exploration initiatives outside the initial development zones, with funding proportional to the percentage interest held by each party in the project. The joint venture agreement was finalised and executed on May 30, 2007. SML has prepared a detailed feasibility study.

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 life of mine 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 has now commenced at the project and is continuing. An estimated 53 tonnes of sulphuric acid has been introduced into the heap leach operation. It is expected that the two pregnant solution (cementation) tanks will be used shortly in order 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. At 31 March 2013, a total of

17,595 tonnes of ore has been crushed and loaded on to the pad for leaching. 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$3.1 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. As at the date of this MD&A, no response has been received from Mkushi Holdings and an arbitrator is yet to be appointed.

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 had been adjourned to November 14, 2012. The matter was 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 ongoing and that parties needed more time to conclude the same. As a result the matter was adjourned to 17 June 2013, for report of settlement.

A Zambian drilling company, GeoHydro Consulting Services Limited ("GeoHydro"), undertook 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.

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 had 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. On 12 February 2013, on the application of CAML Ghana, the Proceedings were stayed pending the outcome of its appeal. A date for the hearing of CAML Ghana's appeal has not yet been set. In December 2012 Westchester filed an amended statement of claim in the Proceedings which particularised its claims against the defendants, including Ratel Group.

During September 2012 the Company entered a Loan Facility Agreement with CGA Mining Limited for the sum of $2.5M. Subsequent to 31 March 2013, the outstanding principal and interest on the loan facility has been 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 CGX, Zambian Mining, Ratel Group and RTG 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 Ratel Group Annual Information Form for the 2012 financial year lodged on SEDAR at www.sedar.com under the Company's profile.

Mr Mark Turner, BE Min (Hons), M.Aus.I.M.M. CP Man, is acting as the Qualified Person in compliance with NI 43-101 with respect to this announcement. He has prepared and or supervised the preparation of the scientific or technical information in this announcement and confirms compliance with NI43-101.

Mr. Alfred John Gillman of Odessa Resources Pty Ltd, an independent qualified person experienced in the style of mineralisation at the Segilola Gold Project, has completed the resource statement for the Segilola Project as referred to in this announcement, including verification of the sampling, analytical and test data underlying the estimate. Verification also included a site visit, database validation of historical drill results and a review of sampling and assaying protocols. The qualified person was satisfied with all of the protocols used during the drilling, sampling and in the Segilola resource estimate compilation and computation.

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

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

Profit and Loss

	Three month period ended			Year to Date
	Mar 31 2013	Dec 31 2012	Variance	
Income	-	-	-	-
Group net profit/(loss) from continuing operations	(1,103)	(1,031)	(72)	(1,815)
Exploration and drilling costs	(124)	-	(124)	(536)
Depreciation	(120)	(108)	(12)	(328)
Basic loss per share	(0.74)	(0.69)	(0.05)	(1.95)

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

	Three month period ended		Year to Date
	Mar 31 2013	Dec 31 2012	Mar 31 2013
Reconciliation of net loss after tax to net cash flows from operations			
Net profit/(loss) after related income tax	(1,103)	(1,031)	(2,918)
Adjustments for non-cash income and expense items			
Depreciation	120	108	328
Unrealised foreign exchange gain/(loss)	20	2	(32)
Changes in Assets & Liabilities			
Change in working capital	383	(203)	242
Net cash inflow/(outflow) from operating activities	(579)	(1,124)	(2,380)

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

	For the period ended		
	Mar 31 2013	Dec 31 2012	Variance
Cash and cash equivalents (including net subscription receipts)	20,000	175	19,825
Current Assets	21,355	1,397	19,958
Property, Plant & Equipment	966	1,069	(103)
Total Assets	22,321	2,466	19,855
Total Liabilities	3,220	2,072	1,148
Shareholders' Equity	19,101	394	18,707

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

	Q3 Mar 2013	Q2 Dec 2012	Q1 Sept 2012	2012 Annual Total	Q4 Jun 2012	Q3 Mar 2012	Q2 Dec 2011	Q1 Sep 2011	2011 Annual Total	Q4 Jun 2011
Total income	-	-	-	4	-	1	2	1	7	(1)
Net profit/(loss)	(1,103)	(1,031)	(784)	(4,847)	(1,026)	(1,049)	(1,505)	(1,267)	(4,360)	(1,638)
Per share (undiluted US$ cents per share)	(0.74)	(0.69)	(0.52)	(3.23)	(0.68)	(0.70)	(1.00)	(1.13)	(5.86)	(1.49)
Per share (diluted US$ cents per share)	(0.74)	(0.69)	(0.52)	(3.23)	(0.68)	(0.70)	(1.00)	(1.13)	(5.86)	(1.49)

Quarterly Results

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

The Company's result for the three months to March 31, 2013 was a net loss of $1.103M, a $0.072M or 7% increase from the previous quarter net loss of $1.031M, and a $0.054M increase from the prior year quarter loss of $1.049M. Expenditure at the Company's Segilola and Mkushi projects has been scaled back over the year, irrigation of the Heap Leach continuing at the Mkushi Copper Project in Zambia, which moved into the production phase during the September 2012 quarter and the restructuring of the Segilola Gold Project in Nigeria, as part of settlement negotiations of the current dispute with the joint venture partner. The current quarter result includes legal and accounting costs of $0.403M largely related to the restructuring of the Company, consolidating RTG with Ratel Group and business development expenditure of $0.119M, incurred in relation to pursuing new growth and development opportunities for the Company.

Revenues and Foreign Exchange Gains/Losses

The Company currently earns only minimal interest income on its cash balances. The Company holds its funds largely in US dollars. The foreign exchange movements relate predominantly to fluctuations of the USD against the Zambian Kwacha and Nigerian Naira as a result of expenditure at the Company's African projects. Foreign exchange losses for the March 2013 quarter were $0.120M as compared to $0.005M in the December 2012 quarter. The current period loss was exacerbated due to the rebasing of the Zambian currency, which occurred on 1 January 2013.

Expenses

Expenses for the March 2013 quarter were $1.103M, an increase of $0.072M or 7% from the December 2012 quarter result of $1.031M and $0.051M or 5% from the March 2012 quarter expenses of $1.052M.

Specific items discussed below:

Administrative expenses
The Company incurred administrative costs of $0.550M during the March 2013 quarter, an increase of $0.052M or 9% from the $0.498M incurred during the December 2012 quarter, and an increase of $0.305M from the $0.245M incurred in the March 2012 quarter. As discussed above, legal and accounting fees of $0.378M were incurred during the current quarter, largely related to the restructuring of the Group, as well as ongoing legal expenses relating to the CAML Ghana proceedings.

Business Development
During the March 2013 quarter business development costs of $0.119M were incurred, an increase of $0.025 or 21% from the December 2012 quarter costs of $0.094M and a decrease of $0.057M or 48% from the prior year comparative quarter costs of $0.176M. Business development costs for the current quarter related predominantly to travel costs incurred in relation to pursuing new growth and development

opportunities for the Company whereas the December quarter costs were predominantly due to the restructuring of the Company. The prior year period includes a notional amortisation expense for the Company's share options, which expired during the current period.

Borrowing Costs
The Company incurred borrowing costs of $0.055M during the current quarter, as compared to $0.032M during the December 2012 quarter. The borrowing costs relate to the interest accrued on the loan facility with CGA Mining Limited, which has been fully repaid subsequent to March 31 2013. Interest was charged on the drawdowns at 9% per annum on a monthly basis.

Year to Date Results

Six Months Ended December 31, 2012 as Compared to the Six Months Ended December 31, 2011

The Company's result for the nine months ended 31 March 2013 was a net loss of $2.918M a decrease of $0.903M or 31% from the prior year net loss of $3.821M. The current year result reflects reduced exploration and evaluation expenditure as production at the Heap Leach at the Mkushi Copper Project began as well as the scaling back of activities at the Segilola Gold Project, whilst the Company works to resolves it dispute with the joint venture partner and consider various options for future development of the project. Expenditure during the current year has focussed on the restructuring of the Company, including restructuring of the Segilola Gold Project ownership chain to facilitate future development of the project, as well as the merger transaction and restructuring of RTG Mining Inc. as the parent entity of the Group.

Revenues and Foreign Exchange Gains/Losses

The Company predominantly holds its cash in US dollars and earns only minimal interest income on its cash balances. A foreign exchange loss of $0.139M was recorded in the current year to date as compared to foreign exchange loss of $0.065M for the prior year comparative period, an increased loss of $0.074M or 53%. The current year foreign exchange loss has been exacerbated due to the rebasing of the Zambian currency on 1 January 2013.

Expenses

Expenses for the nine months to March 2013 were $2.918M as compared to $3.825M for the nine months to March 2012, a decrease of $0.907M or 31%. Expenditure has reduced significantly from the prior year comparative period, as the Company was undertaking a drilling programme during that period, which has since been finalised. Significant items are discussed further below.

Specific items discussed below:

Exploration and evaluation costs written off
The Company incurred exploration and evaluation costs of $0.536M during the current period as compared to $2.593M in the March 2012 nine month period, a decrease of $2.057M or 384%. The expenditure in the prior year related predominantly to the drilling programme being carried out at the Segilola Gold Project which was finalised in December 2011.

Administrative expenses
The Company incurred administrative costs of $1.473M during the nine months to March 2013, as compared with $0.942M in the prior year comparative period, an increase of $0.531M or 36%. The increase from the prior year relates largely to an increase in legal and accounting fees incurred in relation to the ongoing CAML Ghana arbitration process as well as the restructuring of the group.

Capitalised development expenditure
Development of the Heap Leach at the Mkushi Copper Project commenced in the June 2011 quarter and has been capitalised to the balance sheet, in accordance with the Company's accounting policies, with $0.064M capitalised in the nine months to March 2013 as compared to $1.578M in the prior year comparative period. The variance from the prior year period is due to the completion of the development in June 2012 and subsequent moving into the production phase on June 27, 2012, with operational costs now being expensed.

Borrowing Costs
The Company incurred borrowing costs of $0.098M during the nine months to March 2013 as compared to nil in the prior year. The borrowing costs relate to the accrued interest on the loan facility CGA Mining Limited. This facility has been fully repaid subsequent to 31 March 2013.

Liquidity and Capital Resources

As at 31 March 2013, the Company has cash and liquid assets (including net subscription receipts proceeds of $19.811M) of $19.993M as compared to $0.175M at 31 December 2012 and $1.157M at 31 March 2012. During the March 2013 quarter, RTG closed its private placement offering, issuing 162,538,641 subscription receipts at C$0.13 per share. In April 2013 the restructuring transaction was completed and the escrow conditions were satisfied, releasing net funds of approximately $19.8M to the Company.

On September 4, 2012 Ratel Group entered into a US$2.5M Loan Facility Agreement with CGA. The facility is for a term of 24 months and the drawn portion of the facility incurs interest at a rate 9% p.a. The Company has fully repaid the facility subsequent to March 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 dispute.

Risks Associated with Financial Instruments

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 on the balance sheet.

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company's registered office is in the British Virgin Islands, its corporate office is located in Western Australia, and the Company has regional offices in Nigeria and Zambia. The fluctuation of currency across jurisdictions will consequently have an impact upon the financial results of the Company. The risk is considered minimal at this time.

Contractual obligations

	Payments due by period				
Contractual obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**
Licence obligations[1]	12,794	12,423	371		
Total contractual obligations	12,794	12,423	371	-	-

[1] Annual Licence Fee for the Segilola Gold Project and Mkushi Copper Project.

The Company expects to meet its contractual obligations through existing cash on hand. 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.

In accordance with 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.

There are no off balance sheet arrangements that have, or are reasonably likely to have a current or future effect on RTG's financial performance.

Transactions between the Group and its related entities

During the quarter ended March 31, 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 $0.155M;

- 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 $0.119M; and

- Ilesha Mining B.V. for the purpose of funding the day to day operations. The total amount loaned for the quarter was $nil.

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. Subsequent to period end, the Company has fully repaid the facility.

Outstanding Share Data

As at May 15, 2013, the Company had 326,538,641 common shares outstanding. 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 Group shares on issue being converted into RTG Mining Inc shares on a one for one basis, along with the issue of 162,538,641 new RTG Mining Inc shares being issued upon the exercise of the subscription receipts.

Subsequent Events

Subsequent to 31 March 2013, the Company fully repaid the loan facility with CGA Mining Limited, paying a total of $2.613M of principal and interest outstanding.

Fourth Quarter

For an analysis of fourth quarter events, please refer to the Ratel Group Limited MD&A for the period ended June 30, 2012, found on sedar at www.sedar.com under the RTG Mining Inc profile.

Critical Accounting Estimates

The significant accounting policies used by the Group are disclosed in Note 2 to the annual financial statements of Ratel Group Limited for the year ended June 30, 2012. 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 of Ratel Group Limited, available on www.sedar.com under RTG Mining Inc's profile.

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 March 31, 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 March 31, 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:

- pursuing new gold development and resource opportunities for the Group;
- resolution of the dispute with the joint venture partners at the Segilola Gold Project and other legal matters; and
- continuing irrigation and production at the heap leach operation at the Mkushi Copper Project.