



## **COMPLETION OF THE SETTLEMENT WITH BENGUET CORPORATION ON THE KING-KING PROJECT**

### **ANNOUNCEMENT TO THE TORONTO STOCK EXCHANGE AND AUSTRALIAN SECURITIES EXCHANGE**

**22 OCTOBER 2010**

The Boards of Ratel Gold Limited ("Ratel" or the "Company") (**TSX Code : RTL**) and CGA Mining Limited ("CGA") (**TSX Code : CGA, ASX Code : CGX**) are pleased to announce that, further to the announcement dated 18 October, regarding the strategic alliance between Ratel and CGA to acquire the interests held by Russell Mining & Minerals, Inc. and their subsidiaries ("RMMI Group"), in the significant King-king Copper-Gold Project in the Philippines ("the King-king Interests"), the settlement agreement with Benguet Corporation ("Benguet") has been successfully completed. This was the final step required to enable Ratel, following completion of the proposed acquisition of the King-king Interests, to accelerate the preparation of a feasibility study leading to a commitment to develop the project.

As previously announced, the RMMI Group, in coordination with the local partner, Nationwide Development Corporation ("Nadecor") had entered into a heads of terms agreement with Benguet providing for a settlement of all previous claims of interest in the project. Settlement payments were made today, funded by the loan facility from CGA. Benguet has signed and lodged comprehensive documentation releasing its interests in the project and previous operating agreements, to be held in escrow until the earlier of payment in full of all future settlement payments, or the provision of a letter of credit supporting such payments.

Nadecor and Benguet first entered into an agreement in relation to the King-king Project in 1981. Today's important and historical settlement resolves the major impediment which had prevented the project moving forward to development over the last 30 years. CGA is pleased to have had the opportunity to provide the funds necessary for this matter to be resolved for the benefit of all parties.

As part of the settlement agreement, the RMMI Group (to be acquired by Ratel) and Nadecor have also acquired Benguet's interests in more than, a further 4,000 hectares of claims surrounding the King-king tenement area.

### **ABOUT THE KING-KING PROJECT**

The King-king deposit is a gold rich, copper-gold porphyry deposit located in the south east of the Philippine Island of Mindanao, located 92kms NW of Davao City and 13 kms from the coast. The project is listed as one of the top priority projects by the Philippine Mines and Geosciences Bureau and the project has a low strip ratio (0.8:1 compared to an industry average of 2.5:1).

King-king is one of the largest undeveloped copper-gold deposits in the world, with a measured and indicated equivalent copper-gold resource of 791.5 Mt at 0.815 g/t equivalent gold for 20.7M equivalent gold ounces (0.279% Cu for 4.9B lbs of Cu and 0.371 g/t Au for 9.4M ounces of contained Au) and a further 2.75M equivalent gold ounces in inferred resources (125.5Mt at 0.237% Cu lbs and 0.308 g/t Au). A NI 43-101 compliant report is being prepared by Independent Mining Consultants, Inc. ("IMC") and will be released by Ratel on [www.sedar.com](http://www.sedar.com) within 45 days.

There is significant unexplored upside potential to the deposit. Drilling was open at depth and is undrilled to the north east end of the deposit, which has a number of high grade epithermal gold targets.

## **ABOUT RATEL GOLD LIMITED**

Ratel Gold Limited is listed on the main board of the Toronto Stock Exchange (TSX:RTL) and is a mining exploration company focused on developing gold and copper deposits.

The Company has entered into an agreement to acquire the abovementioned interests in the King-king Project in the Philippines and we refer readers to the announcement in 18 October 2010 for further information.

As part of the proposed acquisition of the RMMI Group's interests in the King-king Project, Ratel intends to undertake a spin-off of its existing interests in its African projects, with the entitlement date to be set prior to completion of the proposed acquisition and placement of C\$25M. These interests included a 51% interest (earning) in the Segilola Gold Project in Nigeria, the largest undeveloped gold resource identified in the country, a 51% interest in the Mkushi Copper Project in Zambia and the 51% interest in the Obuasi Joint Venture (subject to Ministerial Consent to the recent change in control).

Ratel has an experienced management team, and is further supported by the management team of CGA Mining Limited, a 19.4% shareholder in the Company (planned to increase to approximately 27%). CGA is a member of both the S&P/TSX Global Gold and Global Mining Indices. Ratel will be focused on further developing its current resource interests and identifying new opportunities to both grow its reserve and resource base and enhance the Company's ability to move quickly to a producer.

## **ENQUIRIES - RATEL GOLD LIMITED**

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For further information about the Company, please refer to the Company's filings on SEDAR ([www.sedar.com](http://www.sedar.com)).

## **ABOUT CGA MINING LIMITED**

CGA is listed on both the Toronto Stock Exchange and the Australian Securities Exchange. The Masbate Gold Project is the largest gold project in the Philippines and was successfully developed with first gold poured on 12 May 2009. The project has a total indicated resource base of 4.55M ounces, total inferred resource base of 3.22M ounces and a probable reserve of 3.03M ounces of gold. At steady state operations the project is forecast to produce over 200,000 ounces per annum.

The 4Mtpa plant was constructed by Leighton Contractors Asia Limited ("Leighton") without one lost time injury. The mining contract for the Masbate Gold Project has been awarded to Leighton, the largest mining

contractor in the world. CGA is completing a scoping study for the expansion of the plant throughput at Masbate.

CGA has a disciplined acquisition program focused on acquiring new gold projects with a substantial initial resource with the capacity to grow materially and where the development and operational experience of CGA can be applied to enhance shareholder value.

### **ENQUIRIES - CGA MINING LIMITED**

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### **NATIONAL INSTRUMENT 43-101 COMPLIANCE – RATEL GOLD LIMITED**

Mr Geoff.G.Jones, F.Aus.I.M.M.CP Mng, CGA's Consulting Engineer, is acting as the Qualified Person in compliance with NI 43-101 and JORC reporting requirements 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 and JORC requirements.

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.

A NI 43-101 compliant technical report on resources is being prepared by Independent Mining Consultants, Inc. and will be released by Ratel on [www.sedar.com](http://www.sedar.com) when available.

### **NATIONAL INSTRUMENT 43-101 AND JORC COMPLIANCE – CGA MINING LIMITED**

Mr Geoff.G.Jones, F.Aus.I.M.M.CP Mng, CGA's Consulting Engineer, is acting as the Qualified Person in compliance with NI 43-101 and JORC reporting requirements 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 and JORC requirements.

Further information relating to the Masbate Project is included in the technical report entitled Technical Report on the Mineral Resources of the Masbate Deposit, Masbate Province, Republic of the Philippines for CGA Mining Limited prepared by Mining Associates Pty Ltd and available on SEDAR at [www.sedar.com](http://www.sedar.com), lodged 8 July 2008.

Andrew James Vigar of Mining Associates Pty Ltd, a qualified person, has verified the resource statement for the Masbate Project 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.

A NI 43-101 compliant report has been lodged on [www.sedar.com](http://www.sedar.com) verifying and supporting the new reserve statement made for the Masbate Project. Mr Daniel Tuffin, previously of Lower Quartile Solution Pty Ltd, a

qualified person, has verified the reserve statement for the Masbate Project as disclosed in this announcement, including sampling, analytical and test data underlying the estimate. Verification of the data included database validation of historical drill results and review of sampling and assaying protocols. The qualified person was satisfied with the verification process.

Mr. Alfred John Gillman of Odessa Resources Pty Ltd, an independent qualified person experienced in the style of mineralisation at Segilola, has completed the resource statement for the Segilola Project as disclosed 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.

### **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

This announcement includes certain “forward-looking statements” within the meaning of Canadian securities legislation. All statements, other than statements of historical fact, included herein, without limitation, the use of net proceeds are forward-looking statements. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company’s expectations include uncertainties related to fluctuations in gold and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies in the development of the Company’s mineral projects; the need to obtain additional financing to develop the Company’s mineral projects; the possibility of delay in development programs or in construction projects and uncertainty of meeting anticipated program milestones for the Company’s mineral projects; and other risks and uncertainties disclosed under the heading “Risk Factors” in the prospectus of the Company dated June 29, 2010 filed with the Canadian securities regulatory authorities on the SEDAR website at [www.sedar.com](http://www.sedar.com).