



**RATEL GOLD ANNOUNCES UPSIZING AND PRICING OF C\$40 MILLION MARKETED PRIVATE PLACEMENT**

**ANNOUNCEMENT TO THE TORONTO STOCK EXCHANGE**

**8 DECEMBER 2010**

**NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR RELEASE TO US NEWS WIRE SERVICES**

The Board of Ratel Gold Limited (“Ratel” or the “Company”) (**TSX Code : RTL**) is pleased to announce that it has upsized its previously announced offering to 32,800,000 subscription receipts (“Subscription Receipts”) at a price of C\$1.22 per Subscription Receipt for gross proceeds of C\$40,016,000. The offering is being sold by a syndicate of agents led by BMO Capital Markets, and including CIBC and Dundee Securities Corporation.

Ratel is currently undertaking a series of transactions, including the acquisition of a right to earn up to a 60 percent interest in the King-king property (the “Acquisition”) and the spin-out of its interests in the Segilola Gold Project in Nigeria, the Mkushi Copper Project in Zambia and the Obuasi Joint Venture in Ghana (the “Spin-Out”). The proceeds of the Offering will be held in escrow, pending satisfaction of various escrow release conditions, including the closing of the Acquisition, Toronto Stock Exchange (“TSX”) approval of the Offering and other approvals as may be required by the TSX. Each Subscription Receipt will represent the right to receive one post-Spin-Out common share of Ratel, without the payment of any additional consideration, upon the satisfaction of the release conditions.

The Offering is expected to close on or about December 22, 2010 and the Acquisition is expected to close on or before January 6, 2011, with the satisfaction of the escrow release conditions shortly thereafter (or such later date being 1 day following satisfaction of any required shareholder approval). If the escrow release conditions have not been satisfied within 60 days of the closing of the Offering, the proceeds of the Offering will be refunded to the holders of the Subscription Receipts issued under the Offering.

The net proceeds of the Offering will be used for the preparation of a feasibility study on the King-king Project in the Philippines, possible advancement of the settlement process with Benguet Corporation and general working capital and administrative purposes.

## **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). The project is advanced stage with 89,922 meters of drilling composed of 276 core and reverse circulation holes and has entered the feasibility stage of development (social, environmental and engineering).

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). Completion of a bankable feasibility study is expected in the first quarter of 2012.

## **ABOUT RATEL GOLD LIMITED**

Ratel is listed on 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 right to earn an interest in the King-king property in the Philippines and we refer readers to the Company's November 19, 2010 information circular for further information.

In connection with the proposed Acquisition, 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. 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). The Company has also undertaken a \$25 million non-brokered private placement of subscription receipts in connection with the Acquisition.

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

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The securities offered pursuant to the Offering have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

## ENQUIRIES

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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)).

## NATIONAL INSTRUMENT 43-101 COMPLIANCE

Mr. Geoff G. Jones, FAusIMM CP Mng, Chief Executive Officer of Ratel and a Qualified Person under 43-101, has reviewed the contents of this press release.

A NI 43-101 compliant technical report entitled "King-king Copper-Gold Project Mindanao, Philippines" dated October 12, 2010 and prepared by Michael G. Hester, FAusIMM of Independent Mining Consultants, Inc., Donald F. Earnest, P.G., of Resource Evaluation, Inc. and John G. Aronson of AATA International, Inc. has been filed by Ratel on [www.sedar.com](http://www.sedar.com).

## 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 the completion of the Acquisition, 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; uncertainties relating to the completion of a bankable feasibility study; 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 and the Management Information Circular dated November 19, 2010, both filed with the Canadian securities regulatory authorities on the SEDAR website at [www.sedar.com](http://www.sedar.com).

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