

Rambler First Quarter Results 2012 & Operational Highlights

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LONDON, ENGLAND and BAIE VERTE, NEWFOUNDLAND and LABRADOR -- (Marketwire - Dec. 19, 2011) - Rambler Metals and Mining PLC (TSX VENTURE:RAB)(AIM:RMM) ("Rambler" or the "Company") today is pleased to report its financial results and operational highlights for the three months ended October 31, 2011. The quarter saw a transition from construction and development to production with the first gold doré poured post-reporting period at the Company's 100% owned Ming Copper-Gold Mine in Newfoundland and Labrador's Baie Verte Peninsula, Canada.

Operational Achievements

- Post quarter: the first gold pour completed, marking the Company's move into production.
- 621 ounces of gold processed from the Tilt Cove East Mine satellite deposit during the quarter generating revenue of \$1,095,000.
- Pre-production development to the various Ming Mine ore bodies continuing, particularly in the near surface 1806 zone.
- Initial phase of commissioning of the copper concentrator began on October 17, 2011, with "live" commissioning planned for calendar Q1 2012. This first phase includes the pressurizing of pipelines and hydrostatic testing of tanks to ensure they are functioning properly.
 - Development completed and planned to date has allowed access to 78,599 tonnes of material grading 4.10 g/t Au (10,360 Au oz contained) and 34.50 g/t Ag (87,182 Ag oz contained).
- Continued to work towards finalizing the long term off-take agreement with a well-known international trading company for the sale/purchase of the full production from the Ming Mine ore body and the current capacity of the Nugget Pond facility.
- Completed a 9,500 wet metric tonne concentrate storage facility at the Goodyear's Cove Port, with only building services and hook up remaining. The first shipment of copper concentrate will be in calendar Q2 2012 leaving this project well ahead of both schedule and budget.
- Drew down its first installment of CAD\$5.0 million from the \$10.0 million credit facility agreed to during the quarter, with the final tranche of \$5.0 million now available at the Group's discretion upon the delivery of the executed off-take agreement.
- Initiated a NI43-101 preliminary economic assessment to evaluate the profitability of mining the Lower Footwall Zone ("LFZ"). This study will assess the Ming Mine's transition from the current high grade low tonnage start-up operation into a bulk tonnage mining scenario utilizing all available resources from the LFZ.

Financial Highlights (All expressed in CAD\$)

- Quarterly gross profit of \$545,000 from the sale of 621 ounces of gold from its Tilt Cove East Mine satellite deposit and 74 ounces of gold from the further refining of Nugget Pond Crown Pillar slag materials (Q1/11: \$374,000).
- The net loss for the quarter ended October 31, 2011 was \$845,000 including an exchange loss of \$721,000 or \$0.007 per share which compares to a net profit of \$577,000 for Q4/11 and a net loss of \$268,000 for Q1/11.
- Cash flows generated from operating activities were \$1,284,000 in Q1/12 (Q4/11: \$573,000) and cash flows utilized of \$366,000 in Q1/11. The increase in the cash generated is due to changes in working capital.
- Cash resources (including short-term investments) as at October 31, 2011 were \$8.2 million and as of December 19, 2011 had decreased to \$3.2 million. A further \$5.0 million is available under the Group's

Credit Facility Agreement with Sprott Resource Lending Partnership upon delivery of an executed off-take agreement.

George Ogilvie, President and CEO, Rambler Metals & Mining commented:

"This has been a transformational quarter for Rambler. Following the end of the quarter the Company has made the first gold pour a reality on 12 December 2011. We owe this success to the dedication of each employee, their hard work and their commitment to rehabilitating this once profitable mine.

Rambler is now in a strong position to continue the momentum achieved in this quarter in order to increase gold and copper production. We look forward to continued successes as ore is moved initially from the high-grade zones and then increasingly from the LFZ in creating additional value as a bulk tonnage operation."

ABOUT RAMBLER

Rambler Metals and Mining is Junior Mining Company that has 100% ownership of the Ming Copper-Gold Mine in Baie Verte, Newfoundland and Labrador, Canada. As a producing gold-copper miner, our objective is to become a mid-tier mining company by continuing the development of the Ming Mine, discovering new deposits and through M&A. Following the acquisition of the Ming Mine, Rambler, listed on the London AIM in 2005 and Toronto TSX-V in 2007.

In October 2009, Rambler purchased an operational gold hydrometallurgical mill, Nugget Pond, which is situated approximately 40km from the Ming Mine. Rambler has since upgraded the mill for both copper concentrate and gold and silver production.

Forward Looking Statement:

Some of the statements contained herein may be forward-looking statement, which involve known and unknown risks and uncertainties. Without limitation, statements regarding future plans and objectives of the Company are forward looking statements that involve various degrees of risk. It is important to note that the Company's actual results could differ materially from those in such forward-looking statements.

**Management's Discussion & Analysis ('MD&A')
For the Quarter Ended October 31, 2011**

This MD&A, including appendices, is intended to help the reader understand Rambler Metals and Mining plc ('the parent company') and its subsidiaries (the 'Group' or 'Rambler'), our operations and our present business environment. It has been prepared as of December 19, 2011 and covers the results of operations for the quarter ended October 31, 2011. This discussion should be read in conjunction with the audited Financial Statements for the year ended July 31, 2011 and notes thereto. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations adopted by the International Accounting Standards Board ("IASB"), as adopted by the European Union and with IFRS and their interpretations adopted by the IASB. The presentation currency is Canadian dollars. These statements together with the following MD&A are intended to provide investors with a reasonable basis for assessing the potential future performance.

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GROUP OVERVIEW

The principal activity of the Group is the development, mining and exploration of the Ming Copper-Gold Mine ('Ming Mine') located on Newfoundland and Labrador's Baie Verte Peninsula. Shortly after quarter end the Group was successful in bringing the mine into production with the first gold Dore being poured on December 12, 2011. See Appendix 1.

The parent Company's Ordinary Shares trade on the London AIM market under the symbol "RMM" and the TSX Venture Exchange under the symbol "RAB".

The Group has established the following three strategic goals:

Become a profitable copper and gold producer.

Increase existing Ming Mine resources and reserves through further exploration.

Selectively pursue growth opportunities within Atlantic Canada including joint ventures and acquisitions.

The Group's directors and management believe that focussing on these priorities will provide the best opportunity to build a successful and long term mining operation.

HIGHLIGHTS OF THE FIRST QUARTER

Management has been successful in their efforts to bring the historic Ming Mine back into production. Shortly after quarter end the Group began trucking gold ore from the mine to the Group's processing facilities at Nugget Pond and on December 12, 2011, the first gold Dore was poured and shipped for further refining and payment. While milling to date has been through the gold hydrometallurgical facility, subsequent to quarter end final construction on the new copper concentrator was completed which is now ready for 'live' commissioning. This period marks a significant milestone for the business with first revenues being produced from its 100% owned Ming Copper-Gold Mine meaning that Rambler Metals and Mining plc is now a production story.

Highlights of the first quarter of the 2012 fiscal year included:
Capital Development and Production

Pre-production development to the various ore bodies is continuing with development into the upper levels of 1806 Zone being the current focus for the underground crews, given its proximity to surface. Development completed and planned to date has allowed access to 78,599 tonnes of material grading 4.10 g/t Au (10,360 Au oz contained) and 31.50 g/t Ag (87,182 Ag oz contained). This ore will be the first to be mined from the main ore body in 30 years and will represent a major milestone for the Company. The circa 80,000 tonnes of material will provide early revenues to the Company while the high grade 1807 copper zone is made available early in the New Year.

Initial phase of commissioning of the copper concentrator began on October 17, 2011. This first phase includes the pressurizing of pipelines and hydrostatic testing of tanks to ensure they are functioning properly. To date the concentrator commissioning has been going well and Management anticipates "live" commissioning with Lower Footwall material in calendar Q1 2012.

The 9,500 wet metric tonne concentrate storage facility at the Goodyear's Cove Port has been completed, with only building services and hook up remaining. A ship loading 850 tonnes per hour conveyor system with a 170 foot stack has also been ordered and is due for delivery in January 2012. The first shipment of copper concentrate will be in calendar Q2 2012 leaving this project ahead of both schedule and budget.

Financing & Off-take Agreement

The Group drew down its first installment of CAD\$5.0 million from the \$10.0 million credit facility agreed to during the quarter. Interest will be payable at a fixed rate of 9.25% per annum, is repayable by March 29, 2013 and secured by a fixed and floating charge over the assets of the Group. Following the completion of a second visit from Sprott Resource Lending Partnership subsequent to quarter end, the final tranche of \$5.0 million is now available at the Group's discretion upon the delivery of the executed off-take agreement.

A preferred off-taker has been chosen for the sale and marketing of the Ming Mine Concentrates; the Group continue to work towards finalizing the long term off-take agreement with a well-known international trading company for the sale/purchase of the full production from the Ming Mine ore body and the current capacity of the Nugget Pond processing facility. The agreement provides for an upfront provisional payment for the material as it is stored at the Goodyear's Cove Port facility. This provisional payment will provide the Company with steady cash flow prior to the first shipment of concentrate targeted for calendar Q2 2012.

See also 'Financial Results' section.

Exploration and evaluation

Initiated a NI43-101 preliminary economic assessment to evaluate the profitability of mining the Group's Lower Footwall Zone. This study will assess the Ming Mine's transition from the current high grade low tonnage start-up operation into a bulk tonnage mining scenario utilizing all available resources from the LFZ.

Staffing

Continued to strengthen the management team, recently appointing a Mill Operations Foreman with 16 years of flotation experience and a Mill Metallurgist as it prepares to run "live" feed through the copper concentrator.

At quarter end a total of 98 full time employees were employed at the Ming Mine.

FINANCIAL RESULTS

- Revenue

- A total of 621 ounces of gold were processed from the Tilt Cove East Mine satellite deposit during the quarter generating revenue of \$1,095,000. The Group suspended the ore processing in early August due to sodium cyanide supply issues and further postponed processing to make way for first production from Ming Mine ores.

- The Group generated further revenue of \$124,000 through further refining of slag materials from the Nugget Pond Crown Pillar satellite deposit recovering an additional 74 ounces of gold.

- Gross profit

- During the quarter the Group generated gross profit of \$545,000 from the sale of 621 ounces of gold from its Tilt Cove East Mine satellite deposit and 74 ounces of gold from the further refining of Nugget Pond Crown Pillar slag materials. This compared with a gross profit of \$374,000 in Q1/11 resulting from a toll processing agreement at the Nugget Pond Mill.

- Loss

- The net loss for the quarter ended October 31, 2011 was \$845,000 including an exchange loss of \$721,000 or \$0.007 per share which compares to a net profit of \$577,000 for Q4/11 and a net loss of \$268,000 for Q1/11.

- Cash flow and cash resources

- Cash flows generated from operating activities were \$1,284,000 in Q1/12 compared to \$573,000 in Q4/11 and cash flows utilized of \$366,000 in Q1/11. The increase in the cash generated is due to changes in working capital.

- Cash resources (including short-term investments) as at October 31, 2011 were \$8.2 million and as of December 19, 2011 had decreased to \$3.2 million. A further \$5.0 million is available under the Group's Credit Facility Agreement.

HEALTH AND SAFETY

The Group completed the quarter with 1 lost time accidents and 2 medical aid injuries. The lost time accident

was the first one ever recorded on the project's 6.3 year life and resulted while an employee was driving an underground haulage truck.

The Health and Safety of the Group's employees continues to be a high priority.

There were no environmental incidents.

OUTLOOK

Management continue to pursue the following objectives:

Bring the Ming Mine back into commercial production before the end of fiscal year 2012.

Continue mining and milling the exposed 1806 workplaces for the generation of first revenues from the Ming Mine. Additional development focus will be put into preparing the high grade 1807 for processing during calendar Q1 2012. This new development will permit further exploration both up-dip and down-dip for inclusion in future resource estimates.

Continue to evaluate the Ming Mine's expansion into the Lower Footwall Zone.

Become a strategic long term low-cost producer on the Baie Verte Peninsula, and throughout Atlantic Canada, by selectively pursuing growth opportunities including joint ventures and acquisitions.

See 'Forward Looking Information' for a description of the factors that may cause actual results to differ from forecast.

CAPITAL PROJECTS UPDATE

During the quarter the Group incurred \$4,834,000 on Mineral Property, \$4,833,000 on property, plant and equipment and \$38,000 on exploration and evaluation of the Ming Mine.

Mineral Property (capital development) Q1/12 Q4/11 Q1/11

\$,000 \$,000 \$,000

Labour costs 1,789 1,842 243

Contractors' and consultancy expenses 143 187 767

General materials and other costs 271 248 144

Surface development 64 185 48

Underground development 1,121 1,310 293

Sub-total 3,388 3,772 1,495

Finance costs 630 917 119

Depreciation 914 907 187

Reclamation and closure provision (98) 224 811

Total 4,834 5,820 2,612

Mineral property costs reduced in Q1/12 compared to Q4/11 in line with a reduction of mine site surface construction and reduced underground consumable costs. Increased costs in Q1/12 and Q4/11 compared to Q1/11 relate to the ramp up in development following the decision to bring the Ming Mine back into production in Q1/11. Finance costs decreased in Q1/12 when compared to Q4/11 due to the timing of planned production reducing the interest charges on the Gold Loan liability, off-set by a reduction in reclamation and closure provision relating to the release of the financial assurance following completion of the Nugget Pond Crown Pillar. Included in the Q1/12 Mineral property cost is an estimated \$390,000 in 1806 stockpile ores. Prior to the mine being considered substantially complete and ready for its intended use, all direct operating costs, including costs associated with stockpile ores, are capitalized within mineral property cost.

Mineral Property (capital development of bay area, before finance cost, depreciation and reclamation) Q1/12 Q4/11 Q1/11

\$,000 \$,000 \$,000

Surface 623 802 127

1806 ore zone 695 388 -

1807 ore zone 15 506 -

Lower Footwall ore zone 168 - -

Ramp improvements 1,403 1597 210

Shaft manway rehab 20 76 946

Administrative 452 390 212

Port site 12 12 -

Total 3,388 3,772 1,495

Surface related costs decreased in Q1/12 compared to Q4/11 mainly due to construction timing of mine site

works. Increased costs experienced on the 1806 ore zone in line with preparing the zone for the Group's first production mining. Ramp improvements decreased in Q1/12 compared to Q4/11 with increased focus on further development of the 1806 ore zone. 1807 ore zone expenditures decreased in Q1/12 compared to Q4/11 as a consequence of the increased focus previously noted. Lower Footwall ore zone expenditures in Q1/12 relate to development aimed at accessing ores for the commissioning of the Group's copper concentrator.

Property, plant and equipment Q1/12 Q4/11 Q1/11
\$,000 \$,000 \$,000

Mill purchase and construction	4,160	2,139	439
Plant and equipment	72	521	166
Buildings	510	617	2
Other assets	91	104	69
Total	4,833	3,381	676

Property, plant and equipment increased during Q1/12 compared to Q4/11 reflecting the significant increase in mill purchase and construction due to timing of contractor related activity at the copper concentrator.

Exploration and evaluation costs (Ming Mine) Q1/12 Q4/11 Q1/11
\$,000 \$,000 \$,000

Labour costs	- -	126
Consultancy expenses	38	- 112
Operating costs	- (31)	77
Finance costs	- -	50
Depreciation	- -	96
Total	38	(31) 461

Following the completion of the Ming Mine feasibility study, the Ming Mine project moved from pure Exploration & Evaluation into the Mine Development stage. Exploration expenditures incurred during Q1/12 related to the ongoing preliminary economic assessment of the Lower Footwall Zone of the Ming Mine.

FINANCIAL REVIEW

Q1/12 Results (\$000's) Commentary Comparatives

Q4/11 B/

(W)* Q1/11 B/

(W)

1,219 Revenue was generated through gold sales from the Group's Tilt Cove East Mine and the further refining of slag materials from the Nugget Pond Crown Pillar satellite deposits. Revenue in Q1/11 was from toll processing agreements. 2,088 (42 %) 985 24 %

674 Operating Costs related to the processing, mining, royalty and general and administrative costs associated with the Group's satellite deposits decreased compared to Q4/11 due to the completion of the Tilt Cove East Mine deposit early in Q1/12. Q1/11 costs were incurred from a toll processing agreement. 770 12 % 611 (10 %)

694 General and administrative expenses were lower than the previous quarter by \$61,000. Employment costs reduced by \$15,000 including a reduction of \$31,000 in share based payment charges, investor relations costs reduced by \$25,000 and travel and entertaining costs by \$25,000 as a result of the focus on bringing the Ming mine into production. In comparison to Q1/11 administrative expenses increased by \$11,000. Employment costs reduced by \$17,000, travel and entertaining costs by \$25,000 offset by an increase in security and general office expense of \$47,000 due to the addition of security personnel at the mine site and the move to the new office and dry facility and further offset by increased depreciation charges of \$11,000. 755 8 % 683 (2 %)

(721) Foreign exchange (losses)/gains arising on the Gold Loan increased in Q1/12 as a result of the weakening of the Canadian dollar against the US dollar during the quarter. (84) (758)% 64 (1,226)%

6

Exploration costs decreased compared to the previous quarters as a result of reduced activity relating to the various opportunities in the Ming Mine area. 5 (20 %) 28 79 %

4,834 Mineral Properties. The group incurred costs of \$4.8 million in the quarter including labour costs of \$1.8 million, contractor and material costs of \$0.4 million, underground development costs of \$1.1 million depreciation of \$0.9 million and finance costs of \$0.6 million. Q1/12 mineral properties decreased compared to Q4/11 due to construction timing of mine site works and were higher when compared to Q1/11 due to the initiate ramp up commencing part way through Q1/11. 5,820 24 % 2,612 (70 %)

4,833 Capital spending on property, plant and equipment increased during the quarter compared to the previous quarter reflecting the continued spending on equipment and equipment installation for the Copper Concentrator at the Nugget Pond processing facility, construction of the port storage facility and other purchases related to the preparation of the Ming Mine for production.

The increase from Q1/11 is due to the reasons outlined above. 3,342 (45 %) 676 (615 %)

38 Capital spending on exploration and evaluation costs remained at a low level during the quarter following the commencement of mine development on September 1, 2010. (31) (222)% 461 92 %
*B / (W) = Better / (Worse)

SUMMARY OF QUARTERLY RESULTS

The quarterly results for the Group for the last eight fiscal quarters are set out in the following table.

Quarterly Results

(All amounts in 000s of Canadian Dollars, except Loss per share figures) 4th

Quarter 3rd

Quarter 2nd

Quarter 1st

Quarter

Fiscal 2012

Revenue 1,219

Net Income/ (loss) (845)

Loss per Share (Basic & Diluted) (0.007)

Fiscal 2011

Revenue 2,089 183 266 985

Net Income/ (loss) 577 193 (555) (268)

Earnings/(loss) per Share (Basic & Diluted) 0.008 0.002 (0.006) (0.003)

Fiscal 2010

Revenue - - -

Net Income/ (loss) (676) (644) (591)

Loss per Share (Basic & Diluted) (0.008) (0.008) (0.007)

Losses for the second quarter of 2010 increased as a result of increased legal and professional charges in connection with financing options and the AGM. The continued weakening of the GB Pound against the Canadian Dollar resulted in a further increase in losses in the third quarter of 2010. Losses in the fourth quarter of 2010 increased as a result of an unrealised exchange loss offset by reductions in legal and professional charges and staff costs. Losses in the first quarter of 2011 reduced as a result of revenue from toll processing and rose again in the second quarter of 2011 following the completion of a toll processing agreement in November 2010. The profit arising in Q3 2011 included an exchange gain of \$0.8 million arising on the retranslation of the Gold Loan following the weakening of the US Dollar against the Canadian Dollar during the quarter. The profit arising in Q4 2011 arose from the profits realised on the sale of gold from the Group's satellite deposits. Losses increased in Q1/12 as a result of an exchange loss of \$0.7 million and reduced sales activity due to the completed processing of the Group's satellite deposits.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

To date the Group has relied on private placement financings of equity securities, a Gold Loan facility, capital leases and a credit facility (see 'Commitments and Loans' section) to finance its development requirements. Positive cash flows are expected to continue after production at the Ming Mine commences; however, there is no guarantee that expenses will not exceed income particularly during the start-up phase. If this is the case, the liquidity risk could be material, even with current cash resources.

The Group's holding of cash balances is kept under constant review. Given the current climate, the Group has taken a very risk averse approach to management of cash resources and Management and Directors monitor events and associated risks on a continuous basis. Cash and short-term investment resources (cash, cash equivalents and short-term investments) were as follows:

Resource October 31, 2011

\$'000 July 31, 2011

\$'000

Cash \$CDN 7,488 8,661

Cash \$US 54 770

Cash GBP 163 47

Short-term Investments \$CDN 25 25

Short-term Investments GBP 527 667

Total 8,257 10,170

Sales of gold and copper are likely to be made in US dollars and the majority of the Group's expenses are incurred in Canadian dollars. The Group's principal exchange rate risk relates to movements between the Canadian and US dollar. The Gold Loan is repayable in US dollars from future sales of gold mitigating the exchange risk. Management will closely monitor exchange fluctuation and consider the use of forward exchange contracts as required.

Interest rates on the capital leases and short term borrowings are fixed eliminating interest rate risk. Interest

of 0.95% was received on Canadian dollar deposits during the quarter.

Net proceeds from financing activities during the quarter amounted to \$4.2 million from receipts from a credit facility of \$4.5 million net of financing fees offset by finance lease repayments of \$0.3 million.

Cash flows used in investing activities amounted to \$7.4 million for the quarter. Investments included \$3.4 million in mine development, \$3.2 million on the Nugget Pond Mill and \$0.8 million on property, plant and equipment. The group is required to hold a Letter of Credit in favour of the Government of Newfoundland and Labrador in respect of the reclamation and closure liability at the existing Nugget Pond Mill and Ming Mine. At quarter end the Group holds bearer deposit notes totalling \$3.26 million.

The Group's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on copper and gold prices, its ability to fund its development and exploration programs, and to manage and generate positive cash flows from operations in the future. In line with the extended terms of the Gold Loan, if by December 31, 2011 the Ming Mine has not reached production, then amounts advanced will become repayable on demand, however management consider that if there were delays in the commencement of production an extension of the deadline could be secured. To ensure sufficient working capital management has secured a CAD\$10 million credit facility, of which CAD\$5 million has been drawn, and is satisfied that the Group has sufficient working capital for the forthcoming 12 months. However, there are risks associated with the commencement of a new mining and processing operation such that the plant may not be commissioned within the timescales envisaged, giving rise to the possibility that additional working capital may be required to fund delays in start-up and/or additional capital expenditure not originally envisaged which may require other sources of finance to be considered in order to satisfy short term working capital requirements as production commences. Should additional working capital be required, the Directors consider that further sources of finance could be secured in the required timescale. On this basis, the Directors have concluded that the Group is a going concern. However there is no certainty that these funds will be forthcoming or that the extension to the Gold Loan will be granted. These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

At December 19, 2011 the Group has \$3.2 million in cash and cash equivalents.

Financial Instruments

The Group's financial instruments as at October 31, 2011 comprised of financial assets of cash and cash equivalents and trade and other receivables and financial liabilities comprised of trade payables; other payables; accrued expenses and interest bearing loans and borrowings.

All of the Group's financial liabilities are measured at amortised cost.

The board of directors determines, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign currency risk, liquidity risk, credit risk, interest rate risk and commodity price risk each of which is discussed in note 11 of the consolidated financial information for the nine months ended October 31, 2011. There were no derivative instruments outstanding at October 31, 2011.

COMMITMENTS AND LOANS

At October 31, 2011, capital commitments made to third parties included:

Capital Commitments \$000
Property, Plant and Equipment 1,952
TOTAL 1,952

These commitments together with the ongoing evaluation and development of the mine will be partially financed from existing cash reserves and from funds drawn down under the Group's credit facility agreement disclosed above.

The Group agreed a Credit Facility of up to CAD\$10 million with Sprott Resource Lending Partnership ('Sprott') for use as additional funding for the development of the Ming Mine. The facility is available in two instalments; the first instalment of \$5 million was drawn on October 29, 2011 and the final instalment for the balance up to \$10 million is available until August 31, 2012 subject to the delivery of the Group's executed off-take agreement. Interest will be payable at a fixed rate of 9.25% per annum, is repayable by March 29, 2013 and secured by a fixed and floating charge over the assets of the Group. In connection with the Credit Facility, a Structuring Fee of CAD\$100,000 and a 3% Commitment Fee of CAD\$300,000 were paid to Sprott

in cash. Pursuant to the terms of the Credit Facility, the Company issued CAD\$300,000 of ordinary shares of 1p each in the capital of the Company to Sprott in exchange for the repayment of the previously paid cash Commitment Fee. In addition, a further 4% Drawdown Fee on all amounts drawn under the Credit Facility is to be satisfied by the issue of ordinary shares by the Company.

At October 31, 2011, interest bearing loans and borrowings comprised a Gold Loan of \$21,187,000, finance lease commitments of \$6,622,000, a credit facility of \$4,024,000 and a bank loan of \$28,000.

SUBSEQUENT EVENTS

On November 28, 2011, in line with plans to maximize revenue and profits, the Group began processing the first ore from the 1806 high-grade gold zone through the hydrometallurgical facility at Nugget Pond. After two weeks of processing the Group was successful in producing gold dore marking a significant milestone for the business with first revenues being produced from its 100% owned Ming Copper-Gold Mine. Also, subsequent to quarter end construction of the new copper concentrator was completed along with pre-rock commissioning. The new plant is now ready to process base metal material from the Ming Mine once the first workplaces in the 1806 zone are mined and all gold has been recovered.

APPENDIX 1 - LOCATION MAP

To view the map, please visit the following link: <http://media3.marketwire.com/docs/appendix1.jpg>

APPENDIX 2 - SELECTED FINANCIAL INFORMATION & REVIEW OF OVERALL PERFORMANCE

Financial Highlights

(All amounts in 000s of Canadian Dollars, except shares and per share figures)
Three months ended,
October 31, 2011 July 31,
2011 October 31, 2010
Gold sales (Ounces) 695 1,399 -
Average price (per ounce) 1,700 1,492 -
Revenue 1,219 2,088 985
Operating Expenses (674) (770) (611)
Exploration Expenditure (6) (5) (28)
Administrative expenses (694) (755) (683)
Net (loss) Income (845) 577 (268)
Cash Flow generated by/used in operating activities 1,284 573 (366)
Cash Flow used in investing activities (7,438) (7,590) (1,941)
Cash Flow from financing activities 4,194 14,726 1,924
Net (decrease)/increase in cash (1,960) 7,693 (383)
Cash and cash equivalents at end of period 8,257 10,170 7,493
Total Assets 102,449 96,473 58,219
Total Liabilities (40,769) (34,496) (11,555)
Working Capital 4,664 7,804 7,115
Weighted average number of shares outstanding 123,361 102,282 95,485
(Loss)/Earnings per share (0.007) 0.008 (0.003)

APPENDIX 3 - CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The details of the Group's accounting policies are presented in accordance with International Financial Reporting Standards as set out in Note 2 to the financial statements. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

The following estimates are considered by management to be the most critical for investors to understand some of the processes and reasoning that go into the preparation of the Group's financial statements, providing some insight also to uncertainties that could impact the Group's financial results.

Going Concern

The Group's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on the copper and gold prices, its ability to fund its development and exploration programs, and to manage and generate positive cash flows from operations in the future. These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

The Group's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on copper and gold prices, its ability to fund its development and exploration programs, and to manage and generate positive cash flows from operations in the future. In line with the extended terms of the Gold Loan, if by December 31, 2011 the Ming Mine has not reached production, then amounts advanced will become repayable on demand, however management consider that if there were delays in the commencement of production an extension of the deadline could be secured. To ensure sufficient working capital management has secured a CAD\$10 million credit facility (see note 7), of which CAD\$5 million has been drawn, and is satisfied that the Group has sufficient working capital for the forthcoming 12 months. However, there are risks associated with the commencement of a new mining and processing operation such that the plant may not be commissioned within the timescales envisaged, giving rise to the possibility that additional working capital may be required to fund delays in start-up and/or additional capital expenditure not originally envisaged which may require other sources of finance to be considered in order to satisfy short term working capital requirements as production commences. Should additional working capital be required, the Directors consider that further sources of finance could be secured in the required timescale. On this basis, the Directors have concluded that the Group is a going concern. However there is no certainty that these funds will be forthcoming or that the extension to the Gold Loan will be granted. These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

Share-based payments

The Group calculates the cost of share based payments using the Black-Scholes model. Inputs into the model in respect of the expected option life and the volatility are subject to management estimate and any changes to these estimates may have a significant effect on the cost. The assumptions used in calculating the cost of share based payments are explained in note 10 of the financial statements for the period ended October 31, 2011.

Gold Loan

The Group calculates the effective interest rate on the Gold Loan based on estimates of future cash flows arising from the sale of payable gold (see note 7 to the Unaudited Consolidated Financial Information for the three months ended October 31, 2011). The cash flows will be dependent on the production of gold and its selling price at the time of delivery which have been estimated in line with the mine plan, future prices of gold and reserve estimates. Management's estimates of these factors are subject to risk and uncertainties affecting the amount of the interest charge. Any changes to these estimates may result in a significantly different interest charge which would affect the carrying value of the exploration and evaluation costs and the corresponding Gold Loan liability.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

Mineral Property and Exploration and Evaluation Costs

The directors have assessed whether there are any indicators of impairment in respect of mineral property and exploration and evaluation costs. In making this assessment they have considered the Group's business plan which includes resource estimates, future processing capacity, the forward market and longer term price outlook for copper and gold. Resource estimates have been based on the most recently filed NI43-101 report and its opportunities economic model which includes resource estimates and conversion of its inferred resources. Management's estimates of these factors are subject to risk and uncertainties affecting the recoverability of the Group's mineral property and exploration and evaluation costs. Any changes to these estimates may result in the recognition of an impairment charge with a corresponding reduction in the carrying value of such assets. After consideration of the above factors, the directors do not consider that there are any indicators that mineral property and exploration and evaluation costs are impaired at the quarter end.

Closure Costs

The Group has an obligation to reclaim its properties after the minerals have been mined from the site, and has estimated the costs necessary to comply with existing reclamation standards. These estimates are recorded as a liability at their fair values in the periods in which they occur. If the estimate of reclamation costs proves to be inaccurate, the Group could be required to increase the provision for site closure and reclamation costs, which would increase the amount of future reclamation expense, resulting in a reduction in the Group's earnings and net assets.

CHANGES IN ACCOUNTING POLICIES

In the current quarter, new and revised standards which have been adopted have not affected the disclosures presented in these financial statements.

No standards issued but not yet effective have been adopted early.

International Financial Reporting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended July 31, 2012:

IFRS /Amendment	Title	Nature of change	to accounting policy	Application date of standard	Application date for Group
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Various Annual Improvements to IFRSs	No change	to accounting policy, therefore, no impact	Various	August 1, 2012	
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IFRS 9 Financial instruments: Classification and Measurement	No change	to accounting policy, therefore, no impact	January 1, 2013	August 1, 2013	
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IFRS 10 Consolidated Financial Statements	No change	to accounting policy, therefore, no impact	January 1, 2013	January 1, 2013	
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IFRS 11 Joint Arrangements	No change	to accounting policy, therefore, no impact	January 1, 2013	January 1, 2013	
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IFRS 12 Disclosure of Interests in Other Entities	No change	to accounting policy, therefore, no impact	January 1, 2013	January 1, 2013	
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IFRS 13 Fair Value Measurement	No change	to accounting policy, therefore, no impact	January 1, 2013	January 1, 2013	
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Management have reviewed the impact of the above standards and interpretations and have concluded that they will not result in any material changes to reported results.

Details of the main accounting policies of the Group are included in note 2 of the financial statements for the year ended July 31, 2011.

APPENDIX 4 - OTHER MATTERS

Outstanding Share & Option Data

As at the date of this MD&A the following securities are outstanding:

Security Shares issued or Issuable Weighted Average Exercise Price

Common Shares 124,461,006 --

Options 4,053,000* \$0.45

* if all options have fully vested

Mr. Peter Mercer assumed the role of Corporate Secretary on January 1, 2011. For future assistance Mr. Mercer can be reached directly at +1-709-800-1929 ext.500 or pmercer@ramblermines.com.

Forward Looking Information

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the Group's objectives and strategy, future financial or operating performance of the Group and its projects, exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining exploration and development, environmental risks, title disputes or claims and limitations of insurance coverage. All statements, other than statements of historical fact, are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonably by the Company, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; availability and cost of credit; fluctuations in Canadian dollar interest rates; fluctuations in the relative value of United States dollars, Canadian dollars and British Pounds; changes in planned parameters as plans continue to be refined; fluctuations in the market and forward prices of copper, gold, silver or certain other commodities; possible variations of ore grade or recovery rates; failure of equipment; accidents and other risks of the mining exploration industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as

those factors discussed in the section entitled "Risk Factors" in the Report of Directors. Although the Group has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Unless stated otherwise, forward-looking statements contained herein are made as of the date of this MD&A. Other than as required by applicable securities law, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Further information

Additional information relating to the Group is on SEDAR at www.sedar.com and on the Group's web site at www.ramblermines.com.

Unaudited Consolidated Financial Information

For the Quarter Ended 31 October 2011

The accompanying financial information for the quarter ended 31 October 2011 and 31 October 2010 has not been reviewed or audited by the Group's auditor and has an effective date of 19 December 2011.

Rambler Metals and Mining Plc

Unaudited Consolidated income statement

For the Quarter Ended 31 October 2011

(EXPRESSED IN CANADIAN DOLLARS)

Quarter ended 31 October 2011 Quarter ended 31 October 2010

\$,000 \$,000

Revenue 1,219 985

Cost of sales (674) (611)

Gross profit 545 374

Administrative expenses (694) (683)

Exploration expenses (6) (28)

Operating loss (155) (337)

Bank interest receivable 33 18

Finance costs (2) (13)

Foreign exchange differences (721) 64

Net financing (expense) income (690) 69

Loss before tax (845) (268)

Income tax credit - -

Loss for the period and attributable to owners of the parent (845) (268)

Loss per share

Quarter ended 31 October 2011 Quarter ended 31 October 2010

\$\$

Basic and diluted loss per share (0.007) (0.003)

Rambler Metals and Mining Plc

Unaudited Consolidated statement of comprehensive income

For the Quarter Ended 31 October 2011

(EXPRESSED IN CANADIAN DOLLARS)

Quarter ended 31 October 2011 Quarter ended 31 October 2010

\$,000 \$,000

Loss for the period (845) (268)

Exchange differences on translation of foreign operations (net of tax) 12 4

Other comprehensive income for the period 12 4

Total comprehensive loss for the period and attributable to the owners of the parent (833) (264)

Rambler Metals and Mining Plc

Consolidated balance sheet

As at 31 October 2011

(EXPRESSED IN CANADIAN DOLLARS)

Note Unaudited Audited

31 October

2011 31 July

2011

\$,000 \$,000

Assets

Intangible assets 3 16,665 16,627

Mineral properties 4 43,302 38,468

Property, plant and equipment 5 29,201 25,332

Total non-current assets 89,168 80,427

Inventory 6 632 934

Trade and other receivables 987 1,565

Cash and cash equivalents 8,257 10,170

Restricted cash 3,405 3,377

Total current assets 13,281 16,046

Total assets 102,449 96,473

Equity

Issued capital 2,317 2,299

Share premium 66,420 65,934

Merger reserve 214 214

Translation reserve 147 135

Accumulated losses (7,418) (6,604)

Total equity 61,680 61,978

Liabilities

Interest-bearing loans and borrowings 7 29,473 24,606

Provision 8 1,549 1,647

Total non-current liabilities 31,022 26,253

Interest-bearing loans and borrowings 7 2,388 2,282

Trade and other payables 7,359 5,960

Total current liabilities 9,747 8,242

Total liabilities 40,769 34,495

Total equity and liabilities 102,449 96,473

Rambler Metals and Mining Plc

Consolidated Statement of Changes in Equity
(EXPRESSED IN CANADIAN DOLLARS)

Share

capital

Share

premium

Merger

reserve

Translation

reserve

Accumulated

Losses

Total

Group \$,000 \$,000 \$,000 \$,000 \$,000 \$,000

Audited

Balance at 1 August 2010 1,863 51,532 214 25 (6,811) 46,823

Comprehensive loss

Loss for the year - - - (53) (53)

Foreign exchange translation differences - - - 110 - 110

Other comprehensive loss - - - 110 - 110

Total comprehensive loss for the year - - - 110 (53) 57

Transactions with owners

Issue of share capital 436 15,252 - - - 15,688

Share issue expenses - (850) - - - (850)

Share-based payments - - - 260 260

Transactions with owners 436 14,402 - - 260 15,098

Balance at 31 July 2011 2,299 65,934 214 135 (6,604) 61,978

Unaudited

Balance at 1 August 2011 2,299 65,934 214 135 (6,604) 61,978

Comprehensive loss

Loss for the period - - - (845) (845)
 Foreign exchange translation differences - - 12 - 12
 Other comprehensive loss - - 12 - 12
 Total comprehensive income for the period - - 12 (845) (833)
 Transactions with owners
 Issue of share capital 18 486 - - 504
 Share-based payments - - - 31 31
 Transactions with owners 18 486 - - 31 535
 Balance at 31 October 2011 2,317 66,420 214 147 (7,418) 61,680
 Rambler Metals and Mining Plc
 Unaudited statements of cash flows
 For the Quarter Ended 31 October 2011
 (EXPRESSED IN CANADIAN DOLLARS)
 Quarter ended 31 October 2011 Quarter ended 31 October 2010
 \$,000 \$,000
 Cash flows from operating activities
 Operating loss (155) (273)
 Depreciation 49 39
 Share based payments 31 98
 Exchange differences
 Decrease/(increase) in inventory 302 (83)
 Decrease/(increase) in receivables 579 (561)
 Increase/(decrease) in payables 480 427
 Cash generated from/(utilised in) operations 1,286 (353)
 Interest paid (2) (13)
 Net cash generated from/(utilised for) operating activities
 1,284
 (366)

 Cash flows from investing activities
 Interest received 33 18
 Acquisition of bearer deposit note (28) (512)
 Acquisition of evaluation and exploration assets (27) (234)
 Acquisition of mineral properties (3,358) (701)
 Acquisition of property, plant and equipment (4,058) (512)
 Net cash utilised in investing activities (7,438) (1,941)

 Cash flows from financing activities
 Proceeds from issue of share capital - -
 Proceeds from issue of share options 4 6
 Proceeds from Loans (note 7) 4,524 2,012
 Capital element of finance lease payments (334) (94)
 Net cash from financing activities 4,194 1,924

 Net decrease in cash and cash equivalents (1,960) (383)
 Cash and cash equivalents at beginning of period 10,170 8,000
 Effect of exchange rate fluctuations on cash held 47 (124)
 Cash and cash equivalents at end of period 8,257 7,493
 Rambler Metals and Mining Plc
 Unaudited Notes to the financial statements

1. Nature of operations and going concern

The principal activity of the Group is the development and exploration programme of the Ming Copper-Gold Mine in Baie Verte, Newfoundland and Labrador, Canada.

The Group's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on copper and gold prices, its ability to fund its development and exploration programs, and to manage and generate positive cash flows from operations in the future. In line with the extended terms of the Gold Loan, if by December 31, 2011 the Ming Mine has not reached production, then amounts advanced will become repayable on demand, however management consider that if there were delays in the commencement of production an extension of the deadline could be secured. To ensure sufficient working capital management has secured a CAD\$10 million credit facility (see note 7), of which CAD\$5 million has been drawn, and is satisfied that the Group has sufficient working capital for the forthcoming 12 months. However, there are risks associated with the commencement of a new mining and processing operation such that the plant may not be commissioned within the timescales envisaged, giving rise to the possibility that

additional working capital may be required to fund delays in start-up and/or additional capital expenditure not originally envisaged which may require other sources of finance to be considered in order to satisfy short term working capital requirements as production commences. Should additional working capital be required, the Directors consider that further sources of finance could be secured in the required timescale. On this basis, the Directors have concluded that the Group is a going concern. However there is no certainty that these funds will be forthcoming or that the extension to the Gold Loan will be granted. These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

2. Accounting policies

Details of the main accounting policies of the Group are included in note 2 of the financial statements for the year ended 31 July 2011.

3. Intangible assets

Exploration and evaluation

Costs

\$,000

Cost

Balance at 1 August 2010 37,051

Acquisitions 478

Transfer to mineral properties (20,902)

Balance at 31 July 2011 16,627

Balance at 1 August 2011 16,627

Acquisitions 38

Balance at 31 October 2011 16,665

Carrying amounts

At 31 July 2011 16,627

At 31 October 2011 16,665

4. Mineral Properties

Mineral Property

\$,000

Cost

Balance at 1 August 2010 -

Transfer from exploration and evaluation costs 20,902

Acquisitions 17,566

Balance at 31 July 2011 38,468

Balance at 1 August 2011 38,468

Acquisitions 4,834

Balance at 31 October 2011 43,302

Carrying amounts

At 31 July 2011 38,468

At 31 October 2011 43,302

5. Property, plant and equipment

Land and buildings

Assets under construction

Motor vehicles

Plant and equipment Fixtures, fittings and equipment

Computer equipment

Total

\$,000 \$,000 \$,000 \$,000 \$,000 \$,000 \$,000

Cost

Balance at 1 August 2010 1,096 5,200 118 6,038 56 540 13,048

Acquisitions 1,845 10,110 74 8,127 34 130 20,320

Disposals - - (39) - - - (39)

Balance at 31 July 2011 2,941 15,310 153 14,165 90 670 33,329

Balance at 1 August 2011 2,941 15,310 153 14,165 90 670 33,329

Additions 510 4,160 18 72 3 70 4,833

Disposals - - - - (7) (7)

Balance at 31 October 2011 3,451 19,470 171 14,237 93 733 38,155

Depreciation and impairment losses

Balance at 1 August 2010 775 - 51 4,382 44 335 5,587

Depreciation charge 151 - 40 2,070 13 156 2,430

Eliminated on disposals - - (20) - - - (20)

Balance at 31 July 2011 926 - 71 6,452 57 491 7,997

Balance at 1 August 2011 926 - 71 6,452 57 491 7,997

Depreciation charge 75 - 13 823 4 48 963

On disposals - - - - (6) (6)

Balance at 31 October 2011 1,001 - 84 7,275 61 533 8,954

Carrying amounts

At 31 July 2011 2,015 15,310 82 7,713 33 179 25,332

At 31 October 2011 2,450 19,470 87 6,962 32 200 29,201

6. Inventories

31 October

2011 31 July

2011

\$,000 \$,000

Metals in process - 540

Operating supplies 632 394

632 934

7. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 11.

31 October

2011 31 July

2011

\$,000 \$,000

Non-current liabilities

Bank loan 25 26

Finance lease liabilities 4,977 5,326

Gold Loan 20,447 19,254

Credit Facility 4,024 -

29,473 24,606

Current liabilities

Current portion of bank loan 3 3

Current portion of finance lease liabilities 1,645 1,630

Current portion of Gold Loan 740 649

2,388 2,282

Finance lease liabilities

Finance lease liabilities are payable as follows:

Minimum lease Payments

Interest

Principal Minimum lease Payments

Interest

Principal

31 October

2011 31 October

2011 31 October

2011 31 July

2011 31 July

2011 31 July

2011

\$,000 \$,000 \$,000 \$,000 \$,000 \$,000

Less than one year 1,866 221 1,645 1,965 335 1,630

Between one and five years 5,579 602 4,977 5,918 592 5,326

7,445 823 6,622 7,883 927 6,956

Under the terms of the equipment lease agreements, no contingent rents are payable.

The bank loan is secured by way of a fixed charge over a property and is repayable in monthly instalments of \$384 over 12 years.

Gold Loan

In March 2010, the Group entered into an agreement ("Gold Loan") with Sandstorm to sell a portion of the life-of-mine gold production from its Ming Mine.

Under the terms of the agreement Sandstorm made staged upfront cash payments for the gold to the Group totalling US\$20 million.

For this, the Group has agreed to sell 32% of the payable gold in the first year of production. In each production year following the first year of production, until 175,000oz of payable gold has been produced, the Group has agreed to sell a percentage equal to $25\% \times (85\% \text{ divided by the actual percentage of metallurgical recovery of gold realized in the immediately preceding production year})$ provided that, if the payable gold production in any production year after the third production year is less than 15,000 ounces, then in each such production year, Sandstorm payable gold shall not be less than 25% of the payable gold. In each production year following the first year of production, after 175,000oz of payable gold has been produced, the Group has agreed to sell a percentage equal to $12\% \times (85\% \text{ divided by the actual percentage of metallurgical recovery of gold realized in the immediately preceding production year})$ provided that, if the payable gold production in any production year after the third production year is less than 15,000 ounces, then in each such production year, Sandstorm payable gold shall not be less than 12% of the payable gold for the remainder of the period ending 40 years after the date of the agreement. After the expiry of the 40 year term, the agreement is renewable in 10 year terms at the option of Sandstorm.

A 4.5% cash commission is payable with each payment received under the agreement.

There are certain circumstances in which the Gold Loan may be repaid earlier than by the delivery of payable gold as follows:

(i) If within 18 months of 4 March 2010 (the date of the agreement) the Ming Mine has not started producing gold any amounts advanced will become repayable on demand together with interest at a rate of 8% per annum. This date has been extended to December 31, 2011.

(ii) If within 24 months of the date that gold is first produced, the Ming Mine has not produced and sold a minimum of 24,000oz of payable gold then a portion of the US\$20 million will be repayable based on the shortfall of payable gold.

(iii) Within the first 36 months of Commercial production of gold any shortfall in the value of payable gold below the following amounts will be required to be paid in cash:

- within the first 12 months - US\$3.6 million
- within the second 12 months - US \$3.6 million
- within the third 12 months - US\$3.1 million

The Gold Loan is accounted for as a financial liability carried at amortised cost. In determining the effective interest rate implicit in the cash flows arising from the loan the cash flows are forecast at each quarter end based on management's best estimates of the time of delivery of payable gold, the total amount of gold expected to be produced over the mine life and the timing of that production.

Total interest of \$527,034 was accrued during the period. \$nil (2011: \$49,906) was included in exploration and evaluation expenditure and \$527,034 (2011: \$1,451,371) charged to mineral properties.

The Gold Loan is secured by a fixed and floating charge over the assets of the Group.

Credit Facility

On September 29, 2011 the Group agreed a Credit Facility of up to CAD\$10 million with Sprott Resource Lending Partnership ("Sprott") for use as additional funding for the development of the Ming Mine. The facility is available in two instalments; the first instalment of \$5 million was drawn on October 29, 2011 and the final instalment for the balance up to \$10 million is available until August 31, 2012 subject to the delivery of the Group's executed off-take agreement. Interest will be payable at a fixed rate of 9.25% per annum, is repayable by March 29, 2013 and secured by a fixed and floating charge over the assets of the Group. In connection with the Credit Facility, a Structuring Fee of CAD\$100,000 and a 3% Commitment Fee of CAD\$300,000 were paid to Sprott in cash. Pursuant to the terms of the Credit Facility, the Company issued CAD\$300,000 of ordinary shares of 1p each in the capital of the Company to Sprott in exchange for the repayment of the previously paid cash Commitment Fee. In addition, a further 4% Drawdown Fee on all

amounts drawn under the Credit Facility is to be satisfied by the issue of ordinary shares by the Company.

8. Provisions

31 October 2011 31 July 2011

\$,000 \$,000

Reclamation and closure provision

At 1 July 2011 1,647 559

(Released)/provided during the period (121) 1,007

Unwinding of discount 23 81

At 31 October 2011 1,549 1,647

The reclamation and closure provision has been made in respect of costs of land restoration and rehabilitation expected to be incurred at the end of the Ming Mine's useful life. The provision has been calculated based on the present value of the expected future cash flows associated with reclamation and closure activities as required by the Government of Newfoundland and Labrador. The provision relates to restoration of all three sites associated with the Ming Mine project: mill, mine and port sites. The liability is secured by Letters of Credit for \$3,255,155.

9. Related parties

Transactions with key management personnel

Total key management personnel compensations were as follows:

Quarter ended 31 October 2011 Quarter ended 31 October 2010

\$,000 \$,000

Salaries 158 103

Share based payments 13 25

171 128

10. Share-based payments

The number and weighted average exercise prices of share options are as follows:

Weighted average exercise price

Number

of options Weighted average exercise price

Number

of options

31 October

2011 31 October

2011 31 July

2011 31 July

2011

\$ No. 000 \$ No. 000

Outstanding at the beginning of the period 0.484 4,167 0.467 3,952

Granted during the period 0.493 202 0.506 647

Exercised 0.180 (22) 0.186 (52)

Cancelled during the period 0.597 (315) 0.379 (380)

Outstanding at the end of the period 0.448 4,032 0.484 4,167

Exercisable at the end of the period 3,022 3,077

The options outstanding at 31 October 2011 have an exercise price in the range of \$0.19 to \$1.10 and a weighted average remaining contractual life of 7.3 years (31 July 2011: 8 years).

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model. The contractual life of the option (10 years) is used as an input into this model.

Expectations of early exercise are incorporated into the Black-Scholes model.

Fair value of share options and assumptions Quarter ended 31 October 2011 Quarter ended 31 October 2010

\$,000 \$,000

Fair value at measurement date of options granted in the period 59 100

Weighted average fair value per option granted in period

Share price (weighted average) 0.493 0.436

Exercise price (weighted average) 0.493 0.436

Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model) 70.0 % 75.0 %

Expected option life 5 5

Expected dividends 0 0

Risk-free interest rate (based on national government bonds) 2.13 % 2.50 %

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There is no performance or market conditions associated with the share option grants.

Quarter ended 31 October 2011 Quarter ended 31 October 2010

\$,000 \$,000

Total expense recognised as employee costs 31 98

11. Financial risk management

The Group's principal financial assets comprise: cash and cash equivalents and other receivables. The Group financial liabilities comprise: trade payables; other payables; and accrued expenses. The Group's financial liabilities also include interest bearing loans and borrowings.

All of the Group's financial liabilities are measured at amortised cost and their financial assets are classified as loans and receivables and measured at amortised cost.

The board of directors determines, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign exchange risk, interest rate risk, credit risk and liquidity risk each of which is discussed below. There were no derivative instruments outstanding at 31 October 2011.

Foreign currency risk

The Group's cash resources are held in GB pounds and Canadian Dollars and the Gold Loan is repayable in US dollars. The Group has a downside exposure to any strengthening of the GB pound as this would increase expenses in Canadian dollar terms. This risk is mitigated by reviewing the holding of cash balances in GB pounds. Any weakening of the GB pound would however result in the reduction of the expenses in Canadian dollar terms and preserve the Group's cash resources. In addition, any such movements would affect the Consolidated Balance Sheet when the net assets of the Parent Company are translated into Canadian dollars. The Group has a downside exposure to any strengthening of the US dollar as this would increase the amount repayable on the Gold Loan in Canadian dollar terms. This risk, however, is relevant only should the Gold Loan be repaid in cash under terms set out in note 7. Repayment is envisaged in payable gold which is denominated in US dollars. Once the Mine is in production, this will mitigate this foreign currency risk.

The Group does not hedge its exposure of foreign investments held in foreign currencies. There is no significant impact on profit or loss from foreign currency movements associated with the Parent company's assets and liabilities as the foreign currency gains or losses are recorded in the translation reserve.

Exchange rate fluctuations may adversely affect the Group's financial position and results. The following table details the Group's sensitivity to a 10% strengthening and weakening in the GB pound against the Canadian/US Dollar. 10% represents management's assessment of the reasonable possible exposure.

Equity

31 October

2011 31 July

2011

\$,000 \$,000

10% strengthening of GB pound 70 64

10% weakening of GB pound (63) (57)

10% strengthening of US dollar (2,118) (1,920)

10% weakening of US dollar 1,926 1,746

Liquidity risk

Prior to Q3 2010 the Group had relied on shareholder funding to finance its operations. During Q3, 2010 the Group entered into a financing arrangement in US dollars and a Credit Facility arrangement (see note 7). With finite cash resources and no material income, the liquidity risk is significant. This risk is managed by controls over expenditure and concentrating on achieving the payment milestones under the financing arrangement. Success will depend largely upon the outcome of ongoing and future exploration and development programmes. Given the nature of the Group's current activities the entity will remain dependent on a mixture of debt and equity funding in the short to medium term until such time as the Group becomes

self-financing from the commercial production of mineral resources.

The Group's trade payables, other payables and accrued expenses are generally due between one and three months and the Group's financial liabilities are due as follows:

Financial liabilities 31 October

2011 31 July

2011

\$,000 \$,000

Due within one year 2,388 2,282

Due within one to two years 7,800 3,608

Due within two to three years 4,978 4,814

Due within three to four years 2,369 2,272

Due within four to five years 1,749 2,030

Due after five years 12,577 11,882

31,861 26,888

Fixed rate financial liabilities

At the period end the analysis of finance leases, hire purchase contracts and loans which were all due in Canadian Dollars and are at fixed interest rates was as follows:

Fixed rate liabilities 31 October

2011 31 July

2011

\$,000 \$,000

Due within one year 1,648 1,633

Due within one to two years 5,510 1,465

Due within two to three years 1,490 1,508

Due within three to four years 1,498 1,478

Due within four to five years 516 888

Due after five years 12 13

10,674 6,985

The average fixed interest rate for the finance leases and hire purchase contracts outstanding at 31 October 2011 was 6.01%.

Credit risk

The Group holds the majority of its cash resources in Canadian Dollars given that the majority of the Group's outgoings are denominated in this currency. Given the current climate, the Group has taken a very risk averse approach to management of cash resources and management and Directors monitor events and associated risks on a continuous basis. There is little perceived credit risk in respect of trade and other receivables. The Group and Company's maximum exposure to credit risk at 31 October 2011 was represented by receivables and cash resources.

Interest rate risk

The Group's policy is to retain its surplus funds on the most advantageous term of deposit available up to twelve month's maximum duration. Details of the Group's borrowings are described in note 7. If the interest rate on deposits were to fluctuate by 1% there would be no material effect on the Group's and Company's reported results.

Commodity price risk

Commodity price risk is the risk that the Group's future earnings will be adversely impacted by changes in the market prices of commodities. The Group is exposed to commodity price risk as its future revenues will be derived based on contracts with customers at prices that will be determined by reference to market prices of copper and gold at the delivery date.

The Group calculates the effective interest rate on the Gold Loan based on estimates of future cash flows arising from the sale of payable gold. In estimating the cash flows the following table details the Group's sensitivity to a 10% increase and a 25% decrease in the price of gold. These percentages represent management's assessment of the reasonable possible exposure.

Gross assets

31 October

2011 31 July

2011

\$,000 \$,000

10% increase in the price of gold (392) (292)
25% decrease in the price of gold 1,056 783

Financial assets

The floating rate financial assets comprise interest earning bank deposits at rates set by reference to the prevailing LIBOR or equivalent to the relevant country. Fixed rate financial assets are cash held on fixed term deposit.

At the period end the cash and short term deposits were as follows:

At 31 October 2011 Fixed rate assets Floating rate
Assets

Total Average period for which rates are fixed Average interest rates for fixed rate assets

\$,000	\$,000	\$,000	Months	%
GB Pounds	527	163	690	1
US \$ -	54	54	-	-
Canadian \$	25	7,488	7,513	0.5
	552	7,705	8,257	0.95
At 31 July 2011				
\$,000	\$,000	\$,000	Months	%
GB Pounds	667	47	714	1
Canadian \$	25	9,431	9,456	1.3
	692	9,478	10,170	0.95

Fair values

In the directors' opinion there is no material difference between the book value and fair value of any of the group's financial instruments.

12. Subsequent Events

On November 28, 2011, in line with plans to maximize revenue and profits, the Group began processing the first ore from the 1806 high-grade gold zone through the hydrometallurgical facility at Nugget Pond. After two weeks of processing the Group was successful in producing gold Dore marking a significant milestone for the business with first revenues being produced from its 100% owned Ming Copper-Gold Mine. Also, subsequent to quarter end construction of the new copper concentrator was completed along with pre-rock commissioning. The new plant is now ready to process base metal material from the Ming Mine once the first workplaces in the 1806 zone are mined and all gold has been recovered.

Neither TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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