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Rambler Metals Intercepts More Mineralization on the Ming Mine and a Few Potential Partners in China

By Alastair Ford

Another day, another set of excellent drill results from Rambler Metals & Mining. The latest numbers delivered from the ongoing underground diamond drilling at the company's Ming mine on Canada's eastern seaboard included a stunning show of 9.50 metres at 20.31 grammes per tonne gold, 4.21% copper, and 4.31% zinc. Other good - and longer - intersections included 23.20 metres at 4.74 grammes per tonne gold, 0.86% copper, and 0.55% zinc, and 53.00 metres grading 1.36 grammes per tonne, 0.02% copper, and 0.29% zinc. Nice enough if you can get it, even if commodities prices do seem to be plunging even lower than the new 1806 zone that Rambler believes it is likely to delineate courtesy of these latest numbers. The known plunge length of what is emerging as the 1806 zone is already defined down to 250 metres, but as the company moves to develop the already well-defined and neighbouring 1807 zone, it seems more than likely that 1806 could be defined up to at least 1,000 metres down, and still remain open at depth.

That's a prospect that certainly appeals to Rambler chief George Ogilvie, partly because if 1806 does extend to depth it's likely to confirm some historic data on the property held by Rambler, which will not only broaden the understanding of the Ming development, but also increase its potential. "The new zone", says George, "could be developed for very low capital costs. That's good news for shareholders". Shareholders could do with some good news, because although the prospectivity of Ming and the wider Rambler development is shaping up well, and has been for some time, the market has been slow to the point of slothful in recognizing this. The recent wider jitters and weakness in zinc and copper have hardly been helpful, and the bald, painful statistic is that on Aim the shares have fallen from levels at well over 60p at the beginning of the year, to their current 8.63p. That is by some margin the lowest the shares have ever gone - the next most serious dip on the five year chart took the shares down to 25p back in early 2006.

But enough of this wallowing. The credit crunch isn't Rambler's fault, and much work and value has been added over the past couple of years, not least including the complete de-watering of a property that had been flooded for well over a decade. And not one to sit on his hands, George Ogilvie is in China, part of a provincial delegation from Newfoundland that has gone over to visit the great white hope of commodity bulls in the hope of cementing trade ties. In Rambler's case, the object is fairly clear: George is looking at potential joint venture partnerships and/or off-take agreements with smelters. He's already been in touch with Chinese metals conglomerate Jinchuan, a connection that was made through common associates at Belvedere Resources - Belvedere and Rambler share the same chairman, the illustrious and outspoken Harry Dobson - but there have been talks with others too. Midway through his trip, George was able to report that he's had talks with one party interested in off-take and one that's interested in a joint venture, although talks are just talks, nothing more. He sums it up as "three or four good bites".

That's good news for shareholders too, however early stage the negotiations. But in fact shareholders in Rambler have got plenty to be cheerful about, all told, even if the share price isn't currently to their liking. It'll take Rambler around C\$30 million to get into production, according to George Ogilvie, a sum, which though not peanuts, isn't unthinkable either, especially considering the deep pockets Harry Dobson has access to. On \$2.00 copper and \$650 gold, George says payback will take less than 14 months. In the short-term Rambler has C\$7 million in the bank, which will take the company through to the end of May 2009, unless a contingency plan is enacted by the board, in which case it could be made to stretch a lot further. The next big news from Rambler will be a resource upgrade in the first quarter of 2009, and the completion of detailed engineering work, also due in the first quarter of 2009. With those boxes ticked, the company will then look at project financing, with a view to moving into production by 2010. George counts on Rambler being among the companies that survive the current crunch-related clear out, and argues that by 2010, when Rambler could actually be selling metal, supply may have tightened once more, as there will be fewer companies around to meet whatever demand there is. That should have a positive impact on prices, and may - possibly - mean that Rambler's move into production will look very well timed indeed.