



## UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE QUARTER ENDED JUNE 30, 2017

The condensed interim consolidated financial information has been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and implemented in the UK and IFRS as issued by the IASB. The accounting policies, methods of computation and presentation used in the preparation of the interim financial information are the same as those used in the Company's audited financial statements for the period ended December 31, 2016, which this interim consolidated financial information should be read in conjunction with. The financial information has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting.

The financial information in this statement does not constitute full statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial information for the three and six months ended June 30, 2017 and June 30, 2016 is unaudited, and has not been reviewed by the auditors.

The financial information for the period ended December 31, 2016 has been derived from the Company's audited financial statements for the period as filed with the Registrar of Companies. It does not constitute the financial statements for that period. The auditor's report on the statutory financial statements for the period ended December 31, 2016 was unqualified and did not contain any statement under sections 498 (2) or (3) of the Companies Act 2006.

# RAMBLER METALS AND MINING PLC

## UNAUDITED CONDENSED INTERIM CONSOLIDATED INCOME STATEMENTS

**For the Three and Six Months Ended June 30, 2017  
(EXPRESSED IN US DOLLARS)**

	Quarter ended June 30 2017	Quarter ended June 30 2016	Six months ended June 30 2017	Six months ended June 30 2016
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	6,939	8,278	12,664	15,938
Production costs	(6,166)	(5,784)	(12,657)	(10,633)
Depreciation and amortisation	(2,241)	(1,965)	(4,141)	(3,660)
Gross (loss)/profit	(1,468)	529	(4,134)	1,645
Administrative expenses	(838)	(938)	(1,701)	(1,668)
Exploration expenses	-	(13)	(5)	(17)
Operating loss	(2,306)	(422)	(5,841)	(40)
Bank interest receivable	11	5	22	11
Gain on disposal of available for sale investments	779	-	779	-
Gain/(loss) on derivative financial instruments	171	101	145	(126)
Finance costs/(income)	45	(1,115)	(512)	(1,290)
Foreign exchange differences	351	(59)	552	985
Net financing expense/(income)	1,357	(1,068)	986	(420)
Loss before tax	(949)	(1,490)	(4,855)	(460)
Income tax credit	247	440	1,374	147
Loss for the period and attributable to owners of the parent	(702)	(1,050)	(3,481)	(313)

### Earnings per share

	Quarter ended June 30 2017	Quarter ended June 30 2016	Six months ended June 30 2017	Six months ended June 30 2016
	US\$'000	US\$'000	US\$'000	US\$'000
Basic and diluted earnings per share	(0.001)	(0.007)	(0.006)	(0.002)

# RAMBLER METALS AND MINING PLC

## UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

**For the Three and Six Months Ended June 30, 2017  
(EXPRESSED IN US DOLLARS)**

	Quarter ended June 30 2017 US\$'000	Quarter ended June 30 2016 US\$'000	Six months ended June 30 2017 US\$'000	Six months ended June 30 2016 US\$'000
Loss for the period	(702)	(1,050)	(3,481)	(313)
<b>Other comprehensive income/(loss)</b>				
<i>Items that may be reclassified into profit or loss</i>				
Exchange differences on translation of foreign operations (net of tax)	1,601	1,184	1,964	(2,201)
Disposal of available for sale investments (net of tax)	(232)	-	(232)	-
Gain on available for sale investment (net of tax)	(415)	355	(105)	401
Other comprehensive income/(loss) for the period	954	1,539	1,627	(1,800)
Total comprehensive income/(loss) for the period	252	489	(1,854)	(2,113)

# RAMBLER METALS AND MINING PLC

## UNAUDITED CONSOLIDATED BALANCE SHEETS

**As at June 30, 2017**  
**(EXPRESSED IN US DOLLARS)**

	<i>Note</i>	Unaudited June 30 2017  US\$'000	Audited December 31 2016 US\$'000
<b>Assets</b>			
Intangible assets	3	2,507	2,169
Mineral properties	4	36,001	34,453
Property, plant and equipment	5	26,639	23,056
Available for sale investments	6	641	1,333
Deferred tax		13,442	11,545
Restricted cash	11	3,413	3,243
<b>Total non-current assets</b>		<b>82,543</b>	<b>75,799</b>
Inventory	7	2,720	2,496
Trade and other receivables		1,149	1,284
Derivative financial asset	8	1,112	756
Cash and cash equivalents		3,098	2,156
<b>Total current assets</b>		<b>8,079</b>	<b>6,692</b>
<b>Total assets</b>		<b>90,722</b>	<b>82,491</b>
<b>Equity</b>			
Issued capital	9	8,055	6,374
Share premium		89,275	81,442
Share warrants reserve		858	2,089
Merger reserve		180	180
Translation reserve		(16,785)	(18,749)
Fair value reserve		139	476
Retained profits		(18,875)	(15,443)
<b>Total equity</b>		<b>62,847</b>	<b>56,369</b>
<b>Liabilities</b>			
Loans and borrowings	10	16,112	14,412
Provision	11	1,897	1,804
<b>Total non-current liabilities</b>		<b>18,009</b>	<b>16,216</b>
Loans and borrowings	10	3,776	4,814
Trade and other payables		6,090	5,092
<b>Total current liabilities</b>		<b>9,866</b>	<b>9,906</b>
<b>Total liabilities</b>		<b>27,875</b>	<b>26,122</b>
<b>Total equity and liabilities</b>		<b>90,722</b>	<b>82,491</b>

# RAMBLER METALS AND MINING PLC

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (EXPRESSED IN US DOLLARS)

	Share capital	Share premium	Warrants Reserve	Merger reserve	Translation reserve	Fair value reserve	Accumulated Losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Audited</b>								
Balance at August 1, 2016	6,374	81,455	2,089	180	(16,756)	1,075	(12,731)	61,686
<b>Comprehensive income</b>								
Loss for the year	-	-	-	-	-	-	(2,745)	(2,745)
Foreign exchange translation differences	-	-	-	-	(1,993)	-	-	(1,993)
Disposal of available for sale investment (net of tax)	-	-	-	-	-	(383)	-	(383)
Gain on available for sale investments (net of tax)	-	-	-	-	-	(216)	-	(216)
Total other comprehensive loss	-	-	-	-	(1,993)	(599)	-	(2,592)
Total comprehensive loss for the period	-	-	-	-	(1,993)	(599)	(2,745)	(5,337)
<b>Transactions with owners</b>								
Share issue expenses	-	(13)	-	-	-	-	-	(13)
Share-based payments	-	-	-	-	-	-	33	33
Transactions with owners	-	(13)	-	-	-	-	33	20
Balance at December 31, 2016	6,374	81,442	2,089	180	(18,749)	476	(15,443)	56,369
<b>Unaudited</b>								
Balance at January 1, 2017	6,374	81,442	2,089	180	(18,749)	476	(15,443)	56,369
<b>Comprehensive income</b>								
Loss for the period	-	-	-	-	-	-	(3,481)	(3,481)
Foreign exchange translation differences	-	-	-	-	1,964	-	-	1,964
Disposal of available for sale investment (net of tax)	-	-	-	-	-	(232)	-	(232)
Gain on available for sale investments (net of tax)	-	-	-	-	-	(105)	-	(105)
Other comprehensive income/(loss)	-	-	-	-	1,964	(337)	-	1,627
Total comprehensive income/(loss) for the period	-	-	-	-	1,964	(337)	(3,481)	(1,854)
Issue of share capital	1,681	7,957	(1,231)	-	-	-	-	8,407
Share issue expenses	-	(124)	-	-	-	-	-	(124)
Share-based payments	-	-	-	-	-	-	49	49
Transactions with owners	1,681	7,833	(1,231)	-	-	-	49	8,332
Balance at June 30, 2017	8,055	89,275	858	180	(16,785)	139	(18,875)	62,847

# RAMBLER METALS AND MINING PLC

## UNAUDITED STATEMENTS OF CASH FLOWS

**For the Three and Six Months Ended June 30, 2017  
(EXPRESSED IN US DOLLARS)**

	Quarter ended June 30 2017	Quarter ended June 30 2016	Six months ended June 30 2017	Six months ended June 30 2016
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Operating loss	(2,306)	(422)	(5,841)	(40)
Depreciation and amortisation	2,246	1,981	4,153	3,693
Share based payments	26	2	49	11
Foreign exchange difference	(4)	(43)	(120)	(98)
Decrease/(increase) in inventory	(374)	181	(224)	(367)
(Increase)/decrease in debtors	139	37	135	405
(Increase)/decrease in derivative financial instruments	315	299	(211)	416
Increase/(decrease) in creditors	560	(665)	616	(163)
Cash (utilised in)/generated from operations	602	1,370	(1,443)	3,857
Interest paid	(83)	(34)	(161)	(117)
<b>Net cash (utilised in)/generated from operating activities</b>	<b>519</b>	<b>1,336</b>	<b>(1,604)</b>	<b>3,740</b>
<b>Cash flows from investing activities</b>				
Interest received	11	5	22	11
Disposal of available for sale investments	1,103	-	1,103	-
Acquisition of evaluation and exploration assets	(246)	(120)	(253)	(194)
Acquisition of mineral properties – net	(1,290)	(984)	(2,452)	(2,067)
Acquisition of property, plant and equipment	(928)	(75)	(1,726)	(1,157)
<b>Net cash utilised in investing activities</b>	<b>(1,350)</b>	<b>(1,174)</b>	<b>(3,306)</b>	<b>(3,407)</b>
<b>Cash flows from financing activities</b>				
Share issue proceeds	-	15,106	8,407	15,106
Share issue expenses	(5)	(896)	(124)	(896)
Acquisition of subsidiary (net of cash)	-	-	-	(49)
Receipt of government contributions (note 10)	334	-	334	-
Repayment of Gold loan (note 10)	-	(783)	(145)	(1,156)
Repayment of advanced purchase facility (note 10)	(573)	(1,000)	(1,136)	(1,000)
Capital element of finance lease payments	(926)	(788)	(1,514)	(1,323)
<b>Net cash from/(utilised) in financing activities</b>	<b>(1,170)</b>	<b>11,639</b>	<b>5,822</b>	<b>10,682</b>
Net increase/(decrease) in cash and cash equivalents	(2,001)	11,801	912	11,015
Cash and cash equivalents at beginning of period	5,094	374	2,156	1,166
Effect of exchange rate fluctuations on cash held	5	(1,305)	30	(1,311)
<b>Cash and cash equivalents at end of period</b>	<b>3,098</b>	<b>10,870</b>	<b>3,098</b>	<b>10,870</b>

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

### 1 Nature of operations and going concern

The principal activity of the Company is the operation, development and exploration of the Ming Copper-Gold Mine ("Ming Mine") located in Baie Verte, Newfoundland and Labrador, Canada.

The Company's business activities, together with the factors likely to affect its future development, performance and position, its financial position, cash flows, liquidity position and borrowing facilities are set out in the Management Discussion and Analysis. In addition, notes 21 and 26 to the consolidated financial statements for the five months ended December 31, 2016 include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

Historically the Company has been successful in accessing the equity and debt markets to finance the acquisition and initial development of the Ming Mine site. In the future, the Company plans to fund operational requirements through internally generated cash flow, proceeds from the exercise of warrants, debt offerings and, if necessary, additional equity financing.

The Company continually reviews operational results, expenditures and additional financial opportunities in order to ensure adequate liquidity to support its growth strategy while maintaining or increasing production levels at the Ming Mine. However, there is no guarantee that the Company will have access to future capital or the ability to generate positive cash flows.

Based on the above management concludes the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting in preparing the financial statements.

### 2 Statement of compliance

The condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), and follow the same accounting policies and methods of application as the annual consolidated financial statements of the Company for the five months ended December 31, 2016. These Interim Financial Statements do not contain all disclosures required by International Financial Reporting Standards ("IFRS") and accordingly should be read in conjunction with the 2016 annual consolidated financial statements and the notes thereto. The Interim Financial Statements were approved by the Board of Directors of the Company on August 17, 2017.

These Interim Financial Statements have been prepared under the historical cost convention, except for certain financial instruments, as set out in the accounting policies in note 2 of the 2016 annual consolidated financial statements.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the five months ended December 31, 2016.

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. Intangible assets

	Exploration and evaluation costs		
	Ming Mine US\$'000	Little Deer Project US\$'000	Total US\$'000
<b>Cost</b>			
Balance at 1 August 2016	-	2,233	2,233
Additions	-	-	-
Effect of movements in foreign exchange	-	(64)	(64)
Balance at 31 December 2016	-	2,169	2,169
Balance at 1 January 2017	-	2,169	2,169
Additions	213	41	254
Effect of movements in foreign exchange	5	79	84
Balance at June 30, 2017	218	2,289	2,507
<b>Carrying amounts</b>			
At December 31, 2016	-	2,169	2,169
At June 30, 2017	218	2,289	2,507



# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 4. Mineral Property

	Mineral property US\$'000
<b>Cost</b>	
Balance at August 1, 2016	70,058
Additions	1,673
Effect of movements in foreign exchange	<u>(2,030)</u>
Balance at December 31, 2016	<u>69,701</u>
Balance at January 1, 2017	69,701
Additions	2,452
Effect of movements in foreign exchange	2,488
Balance at June 30, 2017	<u>74,641</u>
<b>Amortisation</b>	
Balance at August 1, 2016	12,589
Amortisation charge	1,444
Effect of movements in foreign exchange	<u>(376)</u>
Balance at December 31, 2016	<u>13,657</u>
Balance at January 1, 2017	13,657
Amortisation charge	2,115
Effect of movements in foreign exchange	529
Balance at June 30, 2017	<u>16,301</u>
<b>Impairment</b>	
Balance at August 1, 2016	22,231
Effect of movements in foreign exchange	<u>(640)</u>
Balance at December 31, 2016	<u>21,591</u>
Balance at January 1, 2017	21,591
Effect of movements in foreign exchange	748
Balance at June 30, 2017	<u>22,339</u>
<b>Carrying amounts</b>	
At December 31, 2016	<u>34,453</u>
At June 30, 2017	<u>36,001</u>

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5. Property, plant and equipment

	Land and buildings US\$'000	Assets under construction US\$'000	Motor vehicles US\$'000	Plant and equipment US\$'000	Fixtures, fittings and equipment US\$'000	Computer equipment US\$'000	Total US\$'000
<b>Cost</b>							
Balance at August 1, 2016	4,063	728	228	39,885	96	764	45,764
Additions	10	654	-	1,407	-	26	2,097
Disposals	-	-	-	(823)	-	-	(823)
Effect of movements in foreign exchange	(117)	(25)	(6)	(1,107)	(2)	(21)	(1,278)
Balance at December 31, 2016	3,956	1,357	222	39,362	94	769	45,760
Balance at January 1, 2017	3,956	1,357	222	39,362	94	769	45,760
Additions	-	1,060	-	3,646	-	47	4,975
Reclassification	-	(91)	-	91	-	-	-
Effect of movements in foreign exchange	138	70	7	1,463	3	27	1,708
Balance at June 30, 2017	4,094	2,396	229	44,562	97	843	52,221
<b>Depreciation and impairment losses</b>							
Balance at August 1, 2016	2,045	-	217	19,549	90	738	22,639
Depreciation charge for the period	156	-	4	1,302	2	19	1,483
Eliminated on disposals	-	-	-	(805)	-	-	(805)
Effect of movements in foreign exchange	(60)	-	(6)	(523)	(3)	(21)	(613)
Balance at December 31, 2016	2,141	-	215	19,523	89	736	22,704
Balance at January 1, 2017	2,141	-	215	19,523	89	736	22,704
Depreciation charge	177	-	5	1,844	2	11	2,039
Effect of movements in foreign exchange	79	-	7	724	3	26	839
Balance at June 30, 2017	2,397	-	227	22,091	94	773	25,582
<b>Carrying amounts</b>							
At December 31, 2016	1,815	1,357	7	19,840	5	33	23,056
At June 30, 2017	1,697	2,396	2	22,471	3	70	26,639

Assets under construction are net of US\$130,000 representing the benefit of an interest free repayable contribution from a Canadian government agency (see note 10).

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. Available for sale investments

	US\$'000
Cost or valuation	
Balance at August 1, 2016	2,402
Disposals	(783)
Revaluation	(245)
Effect of movements in foreign exchange	(41)
Balance at December 31, 2016	<u>1,333</u>
Balance at January 1, 2017	1,333
Disposals	(324)
Revaluation	(338)
Effect of movements in foreign exchange	(30)
Balance at June 30, 2017	<u>641</u>
Carrying amounts	
At December 31, 2016	1,333
At June 30, 2017	<u>641</u>

### 7. Inventories

	<b>June 30 2017 US\$'000</b>	December 31 2016 US\$'000
Metals in process	805	884
Operating supplies	1,915	1,612
	<u>2,720</u>	<u>2,496</u>

### 8. Derivative financial asset

	<b>June 30 2017 US\$'000</b>	December 31 2016 US\$'000
Concentrate receivables from off-taker	1,112	756

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9. Share capital

	Share capital US\$'000	Share premium US\$'000	Number '000
In issue at August 1, 2016	6,374	81,455	414,290
Issued during the year	-	(13)	-
In issue at December 31, 2016	<u>6,374</u>	<u>81,442</u>	<u>414,290</u>
In issue at January 1, 2017	6,374	81,442	414,290
Share issue	1,681	7,956	135,000
Share issue expenses	-	(123)	-
In issue at June 30, 2017	<u>8,055</u>	<u>89,275</u>	<u>549,290</u>

### 10. Loans and borrowings

This note provides information about the contractual terms of the Company's loans and borrowings. For more information about the Company's exposure to interest rate and foreign currency risk, see note 15.

	June 30 2017 US\$'000	December 31 2016 US\$'000
Non-current liabilities		
Finance lease liabilities	2,903	1,371
Gold Loan	13,005	13,041
Government Assistance	204	-
	<u>16,112</u>	<u>14,412</u>
Current liabilities		
Current portion of finance lease liabilities	1,528	1,284
Advance purchase facility	-	1,121
Current portion of Gold Loan	2,248	2,409
	<u>3,776</u>	<u>4,814</u>

#### Finance lease liabilities

Finance lease liabilities are payable as follows:

	Minimum lease Payments June 30 2017 US\$'000	Interest June 30 2017 US\$'000	Principal June 30 2017 US\$'000	Minimum lease Payments December 31 2016 US\$'000	Interest December 31 2016 US\$'000	Principal December 31 2016 US\$'000
Less than one year	1,698	170	1,528	1,354	70	1,284
Between one and five years	3,080	177	2,903	1,430	59	1,371
	<u>4,778</u>	<u>347</u>	<u>4,431</u>	<u>2,784</u>	<u>129</u>	<u>2,655</u>

Under the terms of the lease agreements, no contingent rents are payable. The finance lease liabilities are secured on the underlying assets.

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10. Interest-bearing loans and borrowings (continued)

#### Gold Loan

In March 2010, the Company entered into an agreement (“Gold Loan”) with Sandstorm Resources Ltd. (‘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 Company totalling US\$20 million.

For this, in each production year following the first year of production, until 175,000 oz of payable gold has been produced, the Company has agreed to sell to Sandstorm, at market price, 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. The percentage of payable gold of 25% falls to 12% after 175,000 oz of payable gold has been produced and remains payable 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.

At June 30, 2017, the Company has produced 40,291 payable ounces of gold of which 12,416 ounces were transferrable to Sandstorm under the agreement as follows:

<b>Production year</b>	<b>Payable gold ounces produced</b>	<b>Ounces transferrable</b>
Pre-production	15,429	4,937
1	4,888	1,280
2	5,945	1,904
3	5,408	1,689
4	6,905	2,069
5 (to date)	1,716	537
<b>Total</b>	<b>40,291</b>	<b>12,416</b>

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 US\$109,000 (Q1/17: US\$439,000 charged, Q2/16: US\$968,000 charged) was credited during the quarter.

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

#### Advance Purchase Facility

In July 2015 the Company entered into a purchase agreement with Transamine Trading S.A. (“Transamine”) wherein Rambler has extended its off-take agreement with Transamine with respect to concentrate from the Ming Copper-Gold Mine until December 31, 2021.

Pursuant to the terms of the Purchase Agreement, Transamine agreed to purchase in advance, at Rambler’s option, up to US\$5 million of concentrate (the “Advance Purchase Payments”), to be used for working capital requirements along with the development and construction of Rambler’s Lower Footwall Zone optimisation plan (Phase II) at the Ming Mine.

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10. Interest-bearing loans and borrowings (continued)

#### Advance Purchase Facility (continued)

By December 31, 2016 the Company had drawn down US\$3 million of Advance Purchase Payments and repaid \$1.9 million with no further advances available under the agreement.

The final loan instalment of \$573,000 was paid on June 15, 2017.

The advance purchase payments of US\$3 million were previously accounted for as a financial liability carried at amortised cost.

#### Government Assistance

During the quarter ended June 30, 2017 the Company received US\$334,000 interest free repayable contributions from a Canadian government agency. Contributions to a total of US\$1.54 million are available in support of the Phase II expansion project for the mine. The contributions are repayable in monthly instalments over eight years from May 2018.

The fair value of the contribution of US\$204,000 calculated at a market interest rate of 10% has been classified as a financial liability and the difference between the fair value and the amount received in the amount of US\$130,000 has been credited against the cost of assets under construction.

### 11. Provisions

	<b>June 30 2017 US\$'000</b>	December 31 2016 US\$'000
<b>Reclamation and closure provision</b>		
Opening balance	1,804	1,833
Unwinding of discount	29	10
Effect of movements in foreign exchange	64	(39)
Ending balance	<u>1,897</u>	<u>1,804</u>

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 US\$3.4 million (December 31, 2016: US\$3.2 million).

### 12. Earnings per share

The calculation of basic earnings per share is based on a weighted average number of ordinary shares of 535,604,770 (June 30, 2016: 168,190,843). There is no difference between the basic and diluted loss per share as the Company made a loss during the quarter. At June 30, 2017, the Company had 13,133,000 (June 30, 2016: 5,058,000) share options and 65,000,000 (June 30, 2016: 200,000,000) share warrants outstanding of which 4,540,459 (June 30, 2016: nil) and 28,693,167 (June 30, 2016: nil) respectively are considered to be dilutive.

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 13. Related parties

#### Transactions with key management personnel

Total key management personnel compensations were as follows:

	<b>Quarter ended June 30 2017 US\$'000</b>	Quarter ended June 30 2016 US\$'000	<b>Six months ended June 30 2017 US\$'000</b>	Six months ended June 30 2016 US\$'000
Salaries	128	128	254	240
Share based payments	8	-	20	4
	<b>136</b>	<b>128</b>	<b>274</b>	<b>244</b>

### 14. Share-based payments

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

	Weighted average exercise price June 30 2017 US\$'000	Number of options June 30 2017 No. 000	Weighted average exercise price December 31 2016 US\$'000	Number of options December 31 2016 No. 000
Outstanding at the beginning of the period	0.14	13,014	0.36	5,079
Granted during the period	0.12	230	0.06	9,580
Cancelled during the period	(0.10)	(111)	0.28	(1,620)
Expired during the period	-	-	0.52	(25)
Outstanding at the end of the period	0.15	<u>13,133</u>	0.14	<u>13,014</u>
Exercisable at the end of the period	0.39	<u>3,434</u>	0.38	<u>3,430</u>

The options outstanding at June 30, 2017 have an exercise price in the range of US\$0.05 to US\$0.85 and a weighted average remaining contractual life of 3.91 years (December 31, 2016: 4.8 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.

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 14. Share-based payments (continued)

Fair value of share options and assumptions

	<b>Quarter ended Jun 30 2017</b>	Quarter ended Jun 30 2016	<b>Six months ended Jun 30 2017</b>	Six months ended Jun 30 2016
	<b>US\$</b>	US\$'000	<b>US\$</b>	US\$'000
Weighted average fair value per option granted in period	-	-	0.09	0.10
Share price (weighted average)	-	-	0.12	0.16
Exercise price (weighted average)	-	-	0.12	0.16
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	-	-	97.33%	80.24%
Expected option life (years)	-	-	5	5
Expected dividends (%)	-	-	0	0
Risk-free interest rate (based on national government bonds)	-	-	1.07%	0.73%

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

	<b>Quarter ended Jun 30 2017</b>	Quarter ended Jun 30 2016	<b>Six months ended Jun 30 2017</b>	Six months ended Jun 30 2016
	<b>US\$'000</b>	US\$'000	<b>US\$'000</b>	US\$'000
Total expense recognised as employee costs	18	13	18	13

### 15. Financial risk management

The Company's principal financial assets comprise: cash and cash equivalents, restricted cash, available for sale investments, derivative financial instruments and trade and other receivables. The Company's financial liabilities comprise: trade payables; other payables and interest bearing loans and borrowings.

All of the Company's financial liabilities are measured at amortised cost and their financial assets are classified as loans and receivables and measured at amortised cost with the exception of available for sale investments and derivative financial instruments which are measured at fair value.



# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15. Financial risk management (continued)

The Company held the following categories of financial instruments at June 30, 2016:

	<b>Jun 30, 2017 US\$'000</b>	Dec 31, 2016 US\$'000
<b>Financial assets</b>		
<b>Assets at fair value through profit and loss:</b>		
Derivative financial instruments – level 2 fair value	1,112	756
<b>Available for sale investments:</b>		
Investment in quoted equity securities – level 1 fair value	641	1,333
<b>Loans and receivables:</b>		
Trade receivables	-	-
Other receivables	468	200
Sales taxes recoverable	681	684
Cash at bank	3,098	2,156
Restricted cash	3,413	3,243
	<b>7,660</b>	<b>6,283</b>
Total financial assets	<b>9,413</b>	<b>8,372</b>
<b>Liabilities at amortised cost or equivalent:</b>		
Trade payables	(4,173)	(3,669)
Non trade payables	(345)	(125)
Accrued expenses	(1,572)	(1,298)
Loans and borrowings	(19,888)	(19,226)
Total financial liabilities	<b>(25,978)</b>	<b>(24,318)</b>

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 liquidity risk, credit risk and market risk which includes foreign currency risk, interest rate risk and commodity price risk each of which is discussed below.

#### Liquidity risk

With finite cash resources 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 on-going and future exploration and development programmes. Given the nature of the Company'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 Company becomes self-financing from the commercial production of mineral resources.

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15. Financial risk management (continued)

#### Liquidity risk (continued)

The Company's trade payables, other payables and accrued expenses are generally due between one and three months and the maturity profile of the Company's other financial liabilities, based on contractual undiscounted payments are due as follows:

	<b>Jun 30, 2017 US\$'000</b>	December 31, 2016 US\$'000
Due within one year	4,092	5,945
Due within one to two years	3,428	2,443
Due within two to three years	3,659	2,893
Due within three to four years	3,047	2,605
Due within four to five years	2,850	2,615
Due after five years	15,195	17,318
	<b>32,271</b>	<b>33,819</b>

#### Fixed rate financial liabilities

At the year end the analysis of finance leases which were all due in Canadian Dollars and are at fixed interest rates was as follows:

	<b>June 30, 2017 US\$'000</b>	December 31, 2016 US\$'000
Fixed rate liabilities		
Due within one year	1,698	1,354
Due within one to two years	1,336	662
Due within two to three years	1,252	574
Due within three to four years	492	194
	<b>4,778</b>	<b>2,784</b>

The average fixed interest rate for the finance leases and hire purchase contracts outstanding at June 30, 2017 was 5.4%.

#### Credit risk

The Company generally holds the majority of its cash resources in Canadian dollars given that the majority of the Company's outgoings are denominated in this currency. Given the current climate, the Company 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 Company's maximum exposure to credit risk at June 30, 2017 was represented by receivables and cash resources.

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15. Financial risk management (continued)

#### Market risk

##### Foreign currency risk

The Company has a small amount of cash resources and certain liabilities including the Gold Loan and the advance purchase agreement denominated in US dollars. All other assets and liabilities are denominated in Canadian dollars and GB pounds. Revenue is generated in US dollars while the majority of the expenditure is incurred in Canadian dollars and, to a lesser extent, GB pounds. The Company has a downside exposure to any strengthening of the Canadian Dollar or GB pound as this would increase expenses in US dollar terms. This risk is mitigated by reviewing the holding of cash balances in Canadian Dollars and GB pounds. Any weakening of the Canadian Dollar or GB pound would however result in the reduction of the expenses in US dollar terms. In addition movements in the Canadian dollar and GB pound/US Dollar exchange rates would affect the consolidated balance sheets.

The policy in relation to the translation of foreign currency assets and liabilities is set out in note 2(d), 'Accounting Policies Foreign Currency' to the consolidated financial statements for the five months ended December 31, 2016.

The Company 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 Company's financial position and results. The following table details the Company's sensitivity to a 10% strengthening and weakening in the GB pound and Canadian Dollar against the US Dollar. 10% represents management's assessment of the reasonable possible exposure.

	Equity	
	June 30, 2017 US\$'000	December 31, 2016 US\$'000
10% strengthening of GB pound	7	98
10% weakening of GB pound	(6)	(89)
10% strengthening of Canadian dollar	(44)	(107)
10% weakening of Canadian dollar	40	97

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15. Financial risk management (continued)

#### Market risk (continued)

#### Foreign currency risk (continued)

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

	Floating rate Assets	Total
<b>At June 30, 2017</b>	<b>US\$'000</b>	<b>US\$'000</b>
Canadian \$	556	1,320
US \$	2,348	3,431
Sterling	194	343
	<u>3,098</u>	<u>5,094</u>
<b>At December 31, 2016</b>	<b>US\$'000</b>	<b>US\$'000</b>
Canadian \$	948	948
US \$	37	37
Sterling	1,171	1,171
	<u>2,156</u>	<u>2,156</u>

#### Interest rate risk

The Company'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 Company's borrowings are described in note 10.

If the interest rate on deposits were to fluctuate by 1% there would be no material effect on the Company's reported results.

#### Commodity price risk

Commodity price risk is the risk that the Company's future earnings will be adversely impacted by changes in the market prices of commodities. The Company 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 Company 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 Company'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.

	<b>Gross assets</b>	
	<b>June 30, 2017</b>	<b>December 31, 2016</b>
	<b>US\$'000</b>	<b>US\$'000</b>
10% increase in the price of gold	(1,554)	(1,368)
25% decrease in the price of gold	<u>3,944</u>	<u>3,397</u>

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15. Financial risk management (continued)

#### Commodity price risk (continued)

Receivables in respect of the sale of copper concentrate which contain an embedded derivative linking them to future commodity prices are measured at fair value through profit and loss and are treated as derivative financial assets or liabilities. In estimating the value of the derivative the following table details the Company's sensitivity to a 5% increase and a 5% decrease in the price of copper and gold. These percentages represent management's assessment of the reasonable possible exposure.

	<b>Gross assets</b>	
	<b>June</b>	December
	<b>30, 2017</b>	31, 2016
	<b>US\$'000</b>	US\$'000
5% increase in the price of copper and gold	81	603
5% decrease in the price of copper and gold	(81)	(603)

#### 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.

#### Fair values

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