



## UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

FOR THE QUARTER ENDED JUNE 30, 2018

The condensed interim 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 Group's audited financial statements for the year ended December 31, 2017, 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, 2018 and June 30, 2017 is unaudited, and has not been reviewed by the auditors.

The financial information for the period ended December 31, 2017 has been derived from the Group'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, 2017 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 CONSOLIDATED INCOME STATEMENT

**For the Three and Six Months Ended June 30, 2018  
(EXPRESSED IN US DOLLARS)**

	Three months ended June 30, 2018 US\$'000	Three months ended June 30, 2017 US\$'000	Six months ended June 30, 2018 US\$'000	Six months ended June 30, 2017 US\$'000
Revenue	8,155	6,939	14,399	12,664
Production costs	(7,559)	(6,166)	(15,052)	(12,657)
Depreciation and amortisation	(2,466)	(2,241)	(4,660)	(4,141)
Gross loss	(1,870)	(1,468)	(5,313)	(4,134)
Administrative expenses	(1,567)	(838)	(2,484)	(1,701)
Exploration expenses	-	-	-	(5)
Operating loss	(3,437)	(2,306)	(7,797)	(5,841)
Bank interest receivable	10	11	50	22
Gain on disposal of available for sale investments	-	779	-	779
(Loss)/gain on derivative financial instruments	(115)	171	(805)	145
Finance costs	(604)	45	(1,224)	(512)
Foreign exchange (loss)/gain	(394)	351	(897)	552
Net financing expense	(1,103)	1,357	(2,876)	986
Loss before tax	(4,540)	(949)	(10,673)	(4,855)
Income tax credit	1,316	247	3,117	1,374
Loss for the period and attributable to owners of the parent	(3,224)	(702)	(7,556)	(3,481)

### Earnings/(loss) per share

	Three months ended June 30 2018 US\$'000	Three months ended June 30 2017 US\$'000	Six months ended June 30 2018 US\$'000	Six months ended June 30 2017 US\$'000
Basic and diluted earnings/(loss) per share	(0.005)	(0.001)	(0.012)	(0.006)

# RAMBLER METALS AND MINING PLC

## UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

**For the Three and Six Months Ended June 30, 2018  
(EXPRESSED IN US DOLLARS)**

	Three months ended June 30, 2018 US\$'000	Three months ended June 30, 2017 US\$'000	Six months ended June 30, 2018 US\$'000	Six months ended June 30, 2017 US\$'000
Loss for the period	(3,224)	(702)	(7,556)	(3,481)
<b>Other comprehensive (loss)/income</b>				
<i>Items that may be reclassified into profit or loss</i>				
Exchange differences on translation of foreign operations (net of tax)	(1,352)	1,601	(2,939)	1,964
Disposal of available for sale investments (net of tax)	-	(232)	-	(232)
Gain on available for sale investment (net of tax)	(96)	(415)	(25)	(105)
Other comprehensive (loss)/income for the period	(1,448)	954	(2,964)	1,627
Total comprehensive loss for the period	(4,672)	252	(10,520)	(1,854)

# RAMBLER METALS AND MINING PLC

## UNAUDITED CONSOLIDATED BALANCE SHEET

**As at June 30, 2018**  
**(EXPRESSED IN US DOLLARS)**

	<i>Note</i>	Unaudited June 30, 2018  US\$'000	Audited December 31, 2017  US\$'000
<b>Assets</b>			
Intangible assets	3	3,281	3,397
Mineral properties	4	37,428	38,834
Property, plant and equipment	5	27,415	28,443
Available for sale investments	6	570	610
Deferred tax		16,276	13,851
Restricted cash		3,364	3,530
<b>Total non-current assets</b>		<b>88,334</b>	<b>88,665</b>
Inventory	7	2,316	2,467
Trade and other receivables		803	829
Derivative financial asset	8	482	1,830
Cash and cash equivalents		2,872	3,351
<b>Total current assets</b>		<b>6,473</b>	<b>8,477</b>
<b>Total assets</b>		<b>94,807</b>	<b>97,142</b>
<b>Equity</b>			
Issued capital		9,524	8,061
Share premium		95,141	89,309
Share warrants reserve		859	859
Merger reserve		180	180
Translation reserve		(17,523)	(14,584)
Fair value reserve		61	86
Accumulated losses		(26,972)	(19,479)
<b>Total equity</b>		<b>61,270</b>	<b>64,432</b>
<b>Liabilities</b>			
Interest-bearing loans and borrowings	9	15,502	16,696
Provision	10	1,895	1,961
<b>Total non-current liabilities</b>		<b>17,397</b>	<b>18,657</b>
Interest-bearing loans and borrowings	9	7,547	6,739
Trade and other payables		8,593	7,314
<b>Total current liabilities</b>		<b>16,140</b>	<b>14,053</b>
<b>Total liabilities</b>		<b>33,537</b>	<b>32,710</b>
<b>Total equity and liabilities</b>		<b>94,807</b>	<b>97,142</b>

RAMBLER METALS AND MINING PLC

CONSOLIDATED STATEMENT 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 January 1, 2017	6,374	81,442	2,089	180	(18,749)	476	(15,443)	56,369
<b>Comprehensive income</b>								
Loss for the year	-	-	-	-	-	-	(4,148)	(4,148)
Foreign exchange translation differences	-	-	-	-	4,165	-	-	4,165
Disposal of available for sale investment (net of tax)	-	-	-	-	-	(240)	-	(240)
Gain on available for sale investments (net of tax)	-	-	-	-	-	(150)	-	(150)
Total other comprehensive (loss)/income	-	-	-	-	4,165	(390)	-	3,775
Total comprehensive income/(loss) for the year	-	-	-	-	4,165	(390)	(4,148)	(373)
<b>Transactions with owners</b>								
Issue of share capital	1,687	7,979	(1,230)	-	-	-	-	8,436
Share issue expenses	-	(112)	-	-	-	-	-	(112)
Share-based payments	-	-	-	-	-	-	112	112
Transactions with owners	1,687	7,867	(1,230)	-	-	-	112	8,436
Balance at December 31, 2017	8,061	89,309	859	180	(14,584)	86	(19,479)	64,432
<b>Unaudited</b>								
Balance at January 1, 2018	8,061	89,309	859	180	(14,584)	86	(19,479)	64,432
<b>Comprehensive income</b>								
Loss for the period	-	-	-	-	-	-	(7,556)	(7,556)
Foreign exchange translation differences	-	-	-	-	(2,939)	-	-	(2,939)
Loss on available for sale investments (net of tax)	-	-	-	-	-	(25)	-	(25)
Other comprehensive income/(loss)	-	-	-	-	(2,939)	(25)	-	(2,964)
Total comprehensive income/(loss) for the period	-	-	-	-	(2,939)	(25)	(7,556)	(10,520)
<b>Transactions with owners</b>								
Issue of share capital	1,463	5,848	-	-	-	-	-	7,311
Share issue expenses	-	(16)	-	-	-	-	-	(16)
Share-based payments	-	-	-	-	-	-	63	63
Transactions with owners	1,463	5,832	-	-	-	-	63	7,358
Balance at June 30, 2018	9,524	95,141	859	180	(17,523)	61	(26,972)	61,270

# RAMBLER METALS AND MINING PLC

## UNAUDITED STATEMENTS OF CASH FLOWS

**For the Three and Six Months Ended June 30, 2018  
(EXPRESSED IN US DOLLARS)**

	Three months ended June 30, 2018 US\$'000	Three months ended June 30, 2017 US\$'000	Six months June 30, 2018 US\$'000	Six months June 30, 2017 US\$'000
<b>Cash flows from operating activities</b>				
Operating loss	(3,437)	(2,306)	(7,797)	(5,841)
Depreciation and amortisation	2,474	2,246	4,676	4,153
Loss on disposal of property, plant and equipment	2	-	67	-
Share based payments	28	26	63	49
Foreign exchange difference	114	(4)	253	(120)
Decrease/(increase) in inventory	121	(374)	151	(224)
Decrease/(increase) in debtors	16	139	25	135
Decrease/(increase) in derivative financial instruments	(774)	315	543	(211)
Increase in creditors	(364)	560	733	616
Cash generated / (utilised in) from operations	(1,820)	602	(1,286)	(1,443)
Interest paid	(101)	(83)	(200)	(161)
<b>Net cash generated from / (utilised in) operating activities</b>	<b>(1,921)</b>	<b>519</b>	<b>(1,486)</b>	<b>(1,604)</b>
<b>Cash flows from investing activities</b>				
Interest received	11	11	50	22
Disposal of available for sale investments	-	1,103	-	1,103
Acquisition of evaluation and exploration assets	(27)	(246)	(47)	(253)
Acquisition of mineral properties - net	(1,133)	(1,290)	(2,188)	(2,452)
Acquisition of property, plant and equipment	(1,059)	(928)	(2,148)	(1,726)
<b>Net cash utilised in investing activities</b>	<b>(2,208)</b>	<b>(1,350)</b>	<b>(4,333)</b>	<b>(3,306)</b>
<b>Cash flows from financing activities</b>				
Share issue proceeds	7,311	-	7,311	8,407
Share issue expenses	(16)	(5)	(16)	(124)
Loans received	263	334	629	334
Repayment of Gold loan (note 9)	(255)	-	(256)	(145)
Repayment of Loans	(1,082)	(573)	(1,082)	(1,136)
Capital element of finance lease payments	(476)	(926)	(1,185)	(1,514)
<b>Net (cash utilised in)/generated from financing activities</b>	<b>5,745</b>	<b>(1,170)</b>	<b>5,401</b>	<b>5,822</b>
Net increase/(decrease) in cash and cash equivalents	1,616	(2,001)	(418)	912
Cash and cash equivalents at beginning of period	1,319	5,094	3,351	2,156
Effect of exchange rate fluctuations on cash held	(63)	5	(61)	30
<b>Cash and cash equivalents at end of period</b>	<b>2,872</b>	<b>3,098</b>	<b>2,872</b>	<b>3,098</b>

# 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 operation, development and exploration of the Ming Copper-Gold Mine ("Ming Mine") located in Baie Verte, Newfoundland and Labrador, Canada.

The Group'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 19 and 24 to the financial statements for the period ended December 31, 2017 include the Group'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 Project. During Q2/18 the Company received US\$7.3 million from the issue of shares from the exercise of 65 million warrants and the issue of 44.4 million shares from a private placement. In future, the Company plans to fund operational requirements through internally generated cash flow, proceeds, 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 and this represents a material uncertainty which casts significant doubt upon the Group's continued ability to operate as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements have been prepared on a going concern basis which assumes that the Group will be able to realise its assets and settle its obligations in the normal course of business. The financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Group be unable to continue as a going concern. Such adjustments might 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 period ended December 31, 2017.

# 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 January 2017	-	2,169	2,169
Additions	979	41	1,020
Effect of movements in foreign exchange	15	193	208
Balance at 31 December 2017	994	2,403	3,397
Balance at 1 January 2018	994	2,403	3,397
Additions	17	30	47
Effect of movements in foreign exchange	(48)	(115)	(163)
Balance at June 30, 2018	963	2,318	3,281
<b>Carrying amounts</b>			
At December 31, 2017	994	2,403	3,397
At June 30, 2018	963	2,318	3,281



# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 4. Mineral Property

	Mineral property US\$'000
<b>Cost</b>	
Balance at January 1, 2017	69,701
Additions	5,278
Effect of movements in foreign exchange	5,064
Balance at December 31, 2017	<u>80,043</u>
Balance at January 1, 2018	80,043
Additions	2,188
Effect of movements in foreign exchange	(3,848)
Balance at June 30, 2018	<u>78,383</u>
<b>Amortisation</b>	
Balance at January 1, 2017	13,657
Amortisation charge	3,355
Effect of movements in foreign exchange	1,088
Balance at December 31, 2017	<u>18,100</u>
Balance at January 1, 2018	18,100
Amortisation charge	1,746
Effect of movements in foreign exchange	(907)
Balance at June 30, 2018	<u>18,939</u>
<b>Impairment</b>	
Balance at January 1, 2017	21,591
Effect of movements in foreign exchange	1,518
Balance at December 31, 2017	<u>23,109</u>
Balance at January 1, 2018	23,109
Effect of movements in foreign exchange	(1,093)
Balance at June 30, 2018	<u>22,016</u>
<b>Carrying amounts</b>	
At December 31, 2017	<u>38,834</u>
At June 30, 2018	<u>37,428</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 January 1, 2017	3,956	1,357	222	39,362	94	769	45,760
Additions	25	2,814	-	5,143	1	70	8,053
Reclassification	-	(319)	-	319	-	-	-
Effect of movements in foreign exchange	279	159	15	3,024	6	57	3,540
Balance at December 31, 2017	4,260	4,011	237	47,848	101	896	57,353
Balance at January 1, 2018	4,260	4,011	237	47,848	101	896	57,353
Additions	62	916	-	2,451	-	46	3,475
Disposals	-	-	-	(371)	-	-	(371)
Effect of movements in foreign exchange	(203)	(221)	(11)	(2,476)	(4)	(43)	(2,958)
Balance at June 30, 2018	4,119	4,706	226	47,452	97	899	57,499
<b>Depreciation and impairment losses</b>							
Balance at January 1, 2017	2,141	-	215	19,523	89	736	22,704
Depreciation charge for the year	362	-	7	4,073	4	22	4,468
Effect of movements in foreign exchange	163	-	15	1,501	7	52	1,738
Balance at December 31, 2017	2,666	-	237	25,097	100	810	28,910
Balance at January 1, 2018	2,666	-	237	25,097	100	810	28,910
Depreciation charge	202	-	-	2,690	1	15	2,908
On disposals	-	-	-	(304)	-	-	(304)
Effect of movements in foreign exchange	(131)	-	(11)	(1,244)	(5)	(39)	(1,430)
Balance at June 30, 2018	2,737	-	226	26,239	96	786	30,084
<b>Carrying amounts</b>							
At December 31, 2017	1,594	4,011	-	22,751	1	86	28,443
At June 30, 2018	1,382	4,706	-	21,213	1	113	27,415

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. Available for sale investments

	US\$'000
Cost or valuation	
Balance at January 1, 2017	1,333
Disposals	(324)
Revaluation	(389)
Effect of movements in foreign exchange	(10)
Balance at December 31, 2017	<u>610</u>
Balance at January 1, 2018	610
Revaluation	(25)
Effect of movements in foreign exchange	(15)
Balance at June 30, 2018	<u>570</u>
Carrying amounts	
At December 31, 2017	610
At June 30, 2018	<u>570</u>

### 7. Inventories

	<b>June 30, 2018</b>	December 31, 2017
	US\$'000	US\$'000
Metals in process	402	561
Operating supplies	1,914	1,906
	<u>2,316</u>	<u>2,467</u>

### 8. Derivative financial asset

	<b>June 30, 2018</b>	December 31, 2017
	US\$'000	US\$'000
Concentrate receivable from off-taker	482	1,830

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9. 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 14.

	<b>June 30, 2018 US\$'000</b>	December 31, 2017 US\$'000
<b>Non-current liabilities</b>		
Finance lease liabilities	2,996	3,000
Gold Loan	9,268	10,624
Advance purchase agreement	2,454	2,682
Repayable contribution	784	390
	<b>15,502</b>	<b>16,696</b>
<b>Current liabilities</b>		
Current portion of finance lease liabilities	1,718	1,570
Advance purchase facility	1,663	1,315
Loan from related party	-	1,002
Current portion of Gold Loan	4,166	2,852
	<b>7,547</b>	<b>6,739</b>

#### Finance lease liabilities

Finance lease liabilities are payable as follows:

	<b>Minimum lease</b>			Minimum lease		
	<b>Payments June 30, 2018 US\$'000</b>	<b>Interest June 30, 2018 US\$'000</b>	<b>Principal June 30, 2018 US\$'000</b>	Payments December 31, 2017 US\$'000	Interest December 31, 2017 US\$'000	Principal December 31, 2017 US\$'000
Less than one year	1,896	173	1,723	1,743	173	1,570
Between one and five years	3,122	132	2,990	3,146	146	3,000
	<b>5,018</b>	<b>305</b>	<b>4,713</b>	<b>4,889</b>	<b>319</b>	<b>4,570</b>

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

#### Gold Loan

In March 2010, the Group 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 Group 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 Group has agreed to sell to Sandstorm a percentage equal to 25% x (85% 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

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

#### Gold Loan (continued)

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, 2018, the Group has produced 44,194 payable ounces of gold of which 13,715 ounces were transferrable to Sandstorm under the agreement as follows:

Production year	Payable gold ounces produced	Ounces transferrable
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	3,040	955
6 (to date)	<u>2,579</u>	<u>881</u>
<b>Total</b>	<b><u>44,194</u></b>	<b><u>13,715</u></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\$356,000 (Q1/18: US\$405,000, Q2/17: US\$109,000) was charged during the period.

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

#### Government Assistance

During Q2/18 the Company received US\$272,000 (Q1/18 US\$360,000, Q2/17: US\$334,000) in interest free repayable contributions from a Canadian government agency. Contributions of US\$1,254,000 have been received to date. Contributions to a total of US\$1.55 million are available in support of the Phase II expansion project for the mine. The contributions are repayable over eight years from May 2019.

The fair value of the contributions received calculated at a market interest rate of 10% have been classified as a financial liability with the difference between the fair value and the amount received credited against the cost of assets under construction.

#### Related party loan

In October 2017 the company received a loan of US\$1 million from CE Mining II Rambler Limited. The loan was unsecured, repayable by October 17, 2018 and carried interest at 9.5% per annum.

The loan was repaid in full on June 20, 2018.

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

#### Advance Purchase Facility

During the year ended December 31, 2017 the Company repaid the balance of the advance purchase agreement originally signed in July 2015 and in December 2017 the Group entered into another amended and restated purchase agreement with Transamine Trading S.A. ("Transamine").

Pursuant to the terms of the Purchase Agreement, Transamine agreed to purchase in advance, at Rambler's option, up to US\$4 million of concentrate (the "Advance Purchase Payments") to be used for working capital requirements.

The Company drew down US\$4 million of Advance Purchase Payments on December 29, 2017.

At June 30, 2018 the balance was US\$4.1 million which is repayable by eighteen monthly instalments of US\$222,222 plus interest at 6.75% per annum commencing on June 28, 2018. The agreement has subsequently been amended with three monthly instalments of \$111,111 commencing October 1, 2018 followed by monthly instalments of \$222,222 commencing January 1, 2019.

The advance purchase payments of US\$4 million have been accounted for as a financial liability carried at amortised cost.

### 10. Provisions

#### Reclamation and closure provision

Opening balance  
Unwinding of discount  
Effect of movements in foreign exchange  
Ending balance

<b>June 30, 2018 US\$'000</b>	<b>December 31, 2017 US\$'000</b>
1,961	1,804
23	28
(89)	129
<b>1,895</b>	<b>1,961</b>

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.

### 11. Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on a weighted average number of ordinary shares of 613,422,990. There is no difference between the basic and diluted loss per share as the Group made a loss during the quarter. At June 30, 2018, the Group had 21,757,000 share options which are not considered to be dilutive due to current losses.

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 12. Related parties

#### Transactions with key management personnel

Total key management personnel compensations were as follows:

	<b>Three months ended June 30, 2018 US\$'000</b>	Three months ended June 30, 2017 US\$'000	<b>Six months ended June 30, 2018 US\$'000</b>	Six months ended June 30, 2017 US\$'000
Salaries	130	128	263	254
Share based payments	13	8	33	20
	<b>143</b>	<b>136</b>	<b>296</b>	<b>274</b>

### 13. Share-based payments

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

	<b>Weighted average exercise price June 30, 2018 US\$'000</b>	<b>Number of options June 30, 2018 No. 000</b>	Weighted average exercise price December 31, 2017 US\$'000	Number of options December 31, 2017 No. 000
Outstanding at the beginning of the period	0.13	13,229	0.38	13,014
Granted during the period	0.10	8,915	0.09	1,230
Exercised during the period	-	-	0.06	(450)
Cancelled during the period	(0.26)	(387)	0.11	(355)
Expired during the period	-	-	0.82	(210)
Outstanding at the end of the period	0.11	<u>21,757</u>	0.13	<u>13,229</u>
Exercisable at the end of the period	0.35	<u>3,027</u>	0.35	<u>3,239</u>

The options outstanding at June 30, 2018 have an exercise price in the range of US\$0.05 to US\$0.73 and a weighted average remaining contractual life of 3.8 years (December 31, 2017: 3.8 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 adjusted for expectations of early exercise is incorporated into the Black-Scholes model.

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Fair value of share options and assumptions

	<b>Three months ended Jun 30, 2018</b>	Three months ended Jun 30, 2017	<b>Six months ended Jun 30, 2018</b>	Six months ended Jun 30, 2017
	<b>US\$'000</b>	US\$'000	<b>US\$'000</b>	US\$'000
Weighted average fair value per option granted in period	0.05	-	0.05	0.09
Share price (weighted average)	0.07	-	0.07	0.12
Exercise price (weighted average)	0.07	-	0.07	0.12
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	106.0%	-	105.9%	97.33%
Expected option life (years)	5	-	5	5
Expected dividends (%)	0	-	0	0
Risk-free interest rate (based on national government bonds)	2.05%	-	2.05%	1.07%

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>Three months ended Jun 30, 2018</b>	Three months ended Jun 30, 2017	<b>Six months ended Jun 30, 2018</b>	Six months ended Jun 30, 2017
	<b>US\$'000</b>	US\$'000	<b>US\$'000</b>	US\$'000
Total expense recognised as employee costs	28	18	63	18

### 14. Financial risk management

The Group's principal financial assets comprise: cash and cash equivalents, restricted cash, available for sale investments, derivative financial instruments and other receivables. The Group's financial liabilities comprise: trade payables; other payables; accrued expenses and 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 with the exception of available for sale investments and derivative financial instruments.

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 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.



# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 14. Financial risk management (continued)

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

	<b>June 30, 2018 US\$'000</b>	December 31, 2017 US\$'000
Due within one year	8,374	7,436
Due within one to two years	8,512	8,763
Due within two to three years	3,973	4,516
Due within three to four years	1,985	2,717
Due within four to five years	899	946
Due after five years	10,490	13,155
	<b>34,233</b>	<b>37,533</b>

#### Fixed rate financial liabilities

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

	<b>June 30, 2018 US\$'000</b>	December 31, 2017 US\$'000
Fixed rate liabilities		
Due within one year	3,943	3,306
Due within one to two years	4,733	4,402
Due within two to three years	1,219	1,317
Due within three to four years	398	408
Due within four to five years	157	81
Due after five years	138	352
	<b>10,588</b>	<b>9,866</b>

The average fixed interest rate for the finance leases and hire purchase contracts outstanding at June 30, 2018 was 5.2%.

#### Credit risk

The Group generally 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's maximum exposure to credit risk at June 30, 2018 was represented by receivables and cash resources.

#### 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

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 14. Financial risk management (continued)

#### Market risk (continued)

##### Foreign currency risk (continued)

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 Sheet.

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 annual consolidated financial statements.

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 and Canadian Dollar against the US Dollar. 10% represents management's assessment of the reasonable possible exposure.

	<b>Equity</b>	
	<b>June 30, 2018</b>	December 31, 2017
	<b>US\$'000</b>	US\$'000
10% strengthening of GB pound	139	(17)
10% weakening of GB pound	(126)	16
10% strengthening of Canadian dollar	(425)	(295)
10% weakening of Canadian dollar	386	269

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

	Floating rate Assets
	<b>US\$'000</b>
<b>At June 30, 2018</b>	
Canadian \$	633
US \$	611
Sterling	1,629
	<u>2,873</u>
<b>At December 31, 2017</b>	
	US\$'000
Canadian \$	644
US \$	2,692
Sterling	15
	<u>3,351</u>

# RAMBLER METALS AND MINING PLC

## UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 14. Financial risk management (continued)

#### 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 9.

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.

	<b>Gross assets</b>	
	<b>June 30, 2018</b>	<b>December 31, 2017</b>
	<b>US\$'000</b>	<b>US\$'000</b>
10% increase in the price of gold	(1,343)	(1,348)
25% decrease in the price of gold	3,358	3,369

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 Group'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 30, 2018</b>	<b>December 31, 2017</b>
	<b>US\$'000</b>	<b>US\$'000</b>
5% increase in the price of copper and gold	1,301	587
5% decrease in the price of copper and gold	(1,301)	(587)

#### 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 book value and fair value of any of the group's financial instruments.

RAMBLER METALS AND MINING PLC

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**15. Subsequent Events**

There were no subsequent events that need disclosure.