

28 September 2020

## **Rambler Reports Financial Results Half Year Ended June 30, 2020**

**London, England, Newfoundland and Labrador, Canada** – Rambler Metals and Mining plc (AIM: RMM) (“Rambler” or the “Company”), a copper and gold producer, explorer, and developer, today reports its unaudited financial results and operational highlights for the half year ended 30 June, 2020. All currency references in this press release are in U.S. dollars except as otherwise indicated.

### **HALF YEAR HIGHLIGHTS**

- The half year was significantly impacted by the COVID-19 pandemic;
- To respond to physical distancing protocols in the early stages of the pandemic, operations were scaled back to ensure safety of all our employees and to preserve cash at a time when the copper price had also dropped substantially;
- As a consequence, revenue for the half year ended June 30, 2020 was \$12.7 million (2019: \$17.5 million);
- Resultant copper production for the period was therefore 20% down from the same period last year at 2,108 tonnes, versus 2,624 tonnes in H1 2019;
- Cash production costs for the period were \$14.1 million (2019: \$17.7 million). Net direct cash costs net of by-product credits (‘C1 costs’) for the period were \$3.21 per pound of saleable copper (2019: \$2.91);
- Operating loss for the period was \$6.6 million (2019: \$6.9 million). Earnings before interest, taxes, depreciation, amortisation (‘EBITDA’) for the period was a loss of \$4.9 million (2019: loss of \$1.8 million);
- Average prices for the period were \$2.61 (2019: \$2.78) per pound of copper and \$ 1,649 (2019: \$1,309) per ounce of gold.
- Dr. Toby Bradbury was appointed by the Board of Directors to the position of President and Chief Executive Officer, effective June 1, 2020, following his appointment as an independent Non-Executive Director on April 9, 2020.

### **SUBSEQUENT EVENTS**

- Towards the end of the period, the Canadian government put in place a financial support arrangement to assist businesses working through the impact of COVID-19 and from which the Company has received support over the past three months.
- With the successful containment of the COVID-19 crisis in Newfoundland, the Company has started a safe process of ramping production back up to its pre-COVID level (1,250-1,350 tonnes per day of ore). It is also shifting the mine plan to target higher grade portions of the orebody

(1.9%-2.1% Cu). To achieve this return to normal mining rates and expanded copper production from higher grades, the Company has been seeking new sources of financing to relaunch the business, a process made more challenging with COVID-19.

- In August, the Company secured short-term financing of up to C\$2.4 million (\$1.8 million) at an interest rate of 10% per year through local suppliers of the mine operation. The term of the loan is for two years or once the planned capital raise is completed, whichever is shorter. The funds are to be applied to the working capital needs of the business.
- In September, the Company received a binding term sheet from West Face Capital Inc. for a \$5 million conditional secured loan subject to final loan agreement terms and various conditions which are detailed in the press release of 28 September 2020 (“Note Financing”). This debt from an established mining industry lender, forms an important part of a financing that will enable the Company to deliver on its business objectives to deliver positive cash flow and profitability. The Company has received an agreement in principle for the purchase of certain non-core assets for \$ 3.5 million.
- With the receipt of the debt financings and sales commitments described above, the Company today announces the launch of an equity financing targeting net \$6.5 million to complete its recapitalisation program and fund a return to normal operations and further expansion.

**KEY ANNUAL FINANCIALS METRICS (In million US\$, other than specifically stated)**

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>	12.7	17.5
<b>Cash Production Expenses</b>	14.1	17.7
<b>G&amp;A</b>	2.3	2.3
<b>EBITDA</b>	(4.9)	(1.8)
<b>Operating loss</b>	(6.6)	(6.9)
<b>Loss before tax</b>	(8.5)	(6.8)
<b>Loss after tax</b>	(8.5)	(6.8)
<b>Loss per share (in \$)</b>	(0.007)	(0.008)
<b>Cash Flows from Operations</b>	1.5	(3.4)
<b>Cash cost per lb of copper, net of credits (C1) (in \$)</b>	3.21	2.91

**KEY PERIOD OPERATING METRICS**

	<b>2020</b>	<b>2019</b>
<b>Concentrate Production</b> <i>(dry metric tonnes)</i>	8,149	10,222
<b>Copper</b> <i>(saleable dry metric tonnes)</i>	2,108	2,624
<b>Gold</b> <i>(saleable ounces)</i>	*1,607	2,450
<b>Concentrate Grade Copper</b> (%)	26.8	26.7
<b>Gold Concentrate Grade</b> (g/t)	*7.1	8.5
<b>Copper Grades</b> (%)	1.53	1.36
<b>Gold Grades</b> (g/t)	*0.57	0.59
<b>Avg. Copper Price</b> <i>(US\$ per pound)</i>	2.61	2.78
<b>Avg. Gold Price</b> <i>(US\$ per ounce)</i>	1,649	1,309

\* Assays pertaining to gold grades, gold recoveries, and gold saleable figures for Q2 and year-to-date (YTD) 2020 in this report have been delayed and are currently updated on a provisional basis. Actual results will be updated and released upon receipt of assays.

**Toby Bradbury, President and CEO, Rambler Metals & Mining commented:**

“During this COVID-19 pandemic we have continued our commitment to maintaining the safety and health of our staff and all stakeholders and their respective families and confirm that we have experienced no incidence of the coronavirus at the mine or in the community and its prevalence in Newfoundland is very low with effective measures taken at the Provincial and Federal level.

Notwithstanding, the impact of the pandemic has been significant. We are now, however, in a position to scale operations up to the full capacity utilisation that has been achieved previously and we have the opportunity to progressively target an increased feed grade based on an updated resource model and the developed state of the mine. Beyond this, we have a series of expansion options which will see us grow beyond our current capacity, which we will implement in the next 12-18 months. A key to our success is accelerating mine development and we will effectively double our development capacity by making use of contractors. On the Exploration front, we have exciting targets to extend the mine life, building on the significant success of the 2019 program.

As we announce these results, we also announce the financing package that will enable us to deliver on these plans and the Company will benefit from the recovered and robust copper market.

I would once again like to thank the support and patience of our suppliers through what has been a challenging period.

We look forward to moving forward and crystallising our improving performance into positive cashflow later in 2021 and from which all of our stakeholders will benefit.”

## **FINANCIAL RESULTS**

- EBITDA for the period was a loss of \$4.9 million (2019: loss \$1.8 million). The net loss before tax for the period was \$8.5 million (2019: \$6.8 million);
- Revenue for the period of \$12.7 million (2019 – \$17.5 million) after certain fair value adjustments. The decrease in revenue is due to reduction in production as a result of measures taken against the COVID-19 pandemic.
- A total of 8,149 dmt (2019 - 10,222 dmt) of concentrate was provisionally invoiced during the period containing 2,108 (FY2019 - 2,624) tonnes of saleable copper metal, at an average price of \$2.61 (FY2019 - \$2.78) per pound copper;
- Cash flows generated from operating activities for the period were \$1.5 million (2019: cash outflows of \$3.4 million). The increase in the cash generated relates to the changes in working capital as there is an increase in payables to creditors.
- During the period, existing investors Aether Real Assets Co-investment I, L.P. and CE Mining III (Rambler) Ltd advanced bridging loans of \$1million and \$830,000 respectively. The lenders have an option to convert into equity. The rate of interest is 10% on these loans.
- Current cash balance is \$0.81 million at date of release.
- The Company intends to fund its operations and growth from the operating cash flows of the Ming mine, and to the extent required, through the accessing of equity and debt markets. With the additional Note Financing, the Company will be able to continue to operate as a going concern. That being said, there can be no certainty at this stage that final binding agreements will be entered into on the terms disclosed on 28 September 2020 or that the Company will be able to secure the financing outlined in this announcement.

**OPERATIONAL HIGHLIGHTS**

**Table 1 - Ore Throughput and Concentrate Production Summary for H1 2020**

(See Note 1 below)

THROUGHPUT AND RECOVERY	Q1	Q2	Q1	Q2
	2019	2019	2020	2020
Dry tonnes milled	98,411	112,679	84,908	63,127
Copper recovery (%)	96.3	93.7	96.2	95.8
Gold recovery (%)	69.4	68.4	72.9	*63.9
Copper head grade (%)	1.33	1.40	1.53	1.54
Gold head grade (g/t)	0.58	0.60	0.54	*0.61

**CONCENTRATE PRODUCTION**

Copper grade (%)	26.2	27.2	26.9	26.5
Gold grade (g/t)	8.3	8.6	7.2	*7.0
Dry Tonnes produced	4,797	5,425	4,650	3,499

**SALEABLE METAL PRODUCTION**

Copper (tonnes)	1,207	1,417	1,210	898
Gold (ounces)	1,128	1,321	929	*678

(g/t = grammes per tonne)

**Table 2 – YTD over YTD Results Comparison**

(See Note 1 below)

THROUGHPUT AND RECOVERY	YTD	YTD
	2019	2020
Dry tonnes milled	211,090	148,035
Copper recovery (%)	94.9	96.0
Gold recovery (%)	68.9	*68.7
Copper head grade (%)	1.36	1.53
Gold head grade (g/t)	0.59	*0.57

**CONCENTRATE PRODUCTION**

Copper grade (%)	26.7	26.8
Gold grade (g/t)	8.5	*7.1
Dry Tonnes produced	10,222	8,149

**SALEABLE METAL PRODUCTION**

Copper (tonnes)	2,624	2,108
Gold (ounces)	2,450	*1,607

**OUTLOOK**

For 2020 management continues to pursue the following objectives:

- ✓ Continue to monitor the COVID-19 pandemic and its effect on operations and copper prices. Production levels and guidance will be adjusted and communicated when required.
- ✓ Replace the West Face Capital Inc. binding term sheet for a \$5 million conditional secured loan with a binding agreement, subject to the conditions set out in the announcement of 28 September 2020.
- ✓ Further to a reduction in output in response to the market and the pandemic, this financing is intended to enable the Company to build production back up to 1,350 mtpd at 2% copper grade.
- ✓ Following on from the success of the upgraded resource model that was completed in January 2020, focus will be on a new life of mine plan, updated technical report (NI 43-101) and further exploration in the Ming mine mineralized trends both up-dip and down-dip with the goal to increase near-mine resource and reserves.
- ✓ Engaging contractors to accelerate underground capital development at the Ming Mine. This will set up the mine with enough flexibility to maintain 1,350 tpd at 2% copper grade, by the end of Q2 2021.
- ✓ Continue investigations and plans into the feasibility and costs of establishing a concentrator plant at or near the Ming mine site.

The unaudited financial statements as at June 30, 2020 are now available on the Company's website at <http://www.ramblermines.com>

Tim Sanford, P.Eng., is the Qualified Person responsible for the technical content of this release and has reviewed and approved it accordingly. Mr. Sanford is an employee of Rambler Metals and Mining Canada Limited. Tonnes referenced are dry metric tonnes unless otherwise indicated.

Note 1: Results reported are accurate and reflective as of the date of release. The Company performs regular auditing and reconciliation reviews on its mining and milling processes as well as stockpile inventories, following which past results may be adjusted to reflect any changes.

\* Assays pertaining to gold grades, gold recoveries, and gold saleable figures for Q2 and YTD 2020 in this report have been delayed and are currently updated on provisional basis. Actual results will be updated and released upon receipt of assays.

Abbreviations:

g/t = grammes per tonne  
dmt = dry metric tonnes  
mtpd = metric tonnes per day

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR'). Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

#### **ABOUT RAMBLER METALS AND MINING**

Rambler is a mining and development company that in November 2012 brought its first mine into commercial production. Rambler has a 100 per cent ownership in the Ming Copper-Gold Mine, a fully operational base and precious metals processing facility and year-round bulk storage and shipping facility; all located on the Baie Verte peninsula, Newfoundland and Labrador, Canada.

Rambler's focus is to regain its production profile at 1,350 metric tonnes per day at 2% Cu in the course of 2021 and evaluate expansion opportunities from that base. Along with the Ming Mine, Rambler also owns 100 per cent of the former producing Little Deer/Whales Back copper mines.

Rambler is listed in London under AIM:RMM.

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#### **Caution Regarding Forward Looking Statements:**

*Certain information included in this press release, including information relating to future financial or operating performance and other statements that express the expectations of management or estimates of future performance constitute "forward-looking statements". Such forward-looking statements include, without limitation, statements regarding copper, gold and silver forecasts, the financial strength of the Company, estimates regarding timing of future development and production and statements concerning possible expansion opportunities for the Company. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief are based on assumptions made in good faith and believed to have a reasonable basis. Such assumptions include, without limitation, the price of and anticipated costs of recovery of, copper concentrate, gold and silver, the presence of and continuity of such minerals at modeled grades and values, the capacities of various machinery and equipment, the availability of personnel, machinery and equipment at estimated prices, mineral recovery rates, and others. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, interpretation and implications of drilling and geophysical results; estimates regarding timing of future capital expenditures and costs towards profitable commercial operations. Other factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, increases/decreases in production; volatility in metals prices and demand; currency fluctuations; cash operating margins; cash operating cost per pound sold; costs per ton of ore; variances in ore grade or recovery rates from those assumed in mining plans; reserves and/or resources; the ability to successfully integrate acquired assets; operational risks inherent in mining or development activities and legislative factors relating to prices, taxes, royalties, land use, title and permits, importing and exporting of minerals and environmental protection. Accordingly, undue reliance should not be placed on forward-looking statements and the forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained herein are made as at the date hereof and the Company does not undertake any obligation to update publicly or revise any such forward-looking statements or any forward-looking statements contained in any other documents whether as a result of new information, future events or otherwise, except as required under applicable security law.*

(See Company website [www.ramblermines.com](http://www.ramblermines.com) for H1/20 Results)

**UNAUDITED INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**

**For the Six Months Ended June 30, 2020**

**(EXPRESSED IN US DOLLARS)**

	<b>Six months Ended 30 June 2020 US\$'000</b>	<b>Six months Ended 30 June 2019 US\$'000</b>
Revenue	12,729	17,503
Production costs	(14,143)	(17,654)
Depreciation and amortisation	(2,836)	(4,499)
<b>Gross loss</b>	<b>(4,250)</b>	<b>(4,650)</b>
Administrative expenses	(2,345)	(2,292)
<b>Operating loss</b>	<b>(6,595)</b>	<b>(6,942)</b>
Exchange gain/(loss)	(914)	508
(Loss)/gain in fair value of gold loan	(219)	85
Net finance costs	(805)	(529)
Net expense	(1,938)	64
<b>Loss before tax</b>	<b>(8,533)</b>	<b>(6,878)</b>
Income tax charge	-	-
<b>Loss for the period</b>	<b>(8,533)</b>	<b>(6,878)</b>
<b>Loss per share</b>		
	<b>Six months Ended 30 June 2020 US\$</b>	<b>Six months Ended 30 June 2019 US\$</b>
Basic and diluted loss per share	(0.007)	(0.008)

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at June 30, 2020**  
**(EXPRESSED IN US DOLLARS)**

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2020</b>	2019
	<b>US\$'000</b>	US\$'000
<b>Assets</b>		
Intangible assets	3,184	3,339
Mineral property	37,409	38,013
Property, plant and equipment	20,864	23,013
Equity investments	185	128
Deferred tax	11,203	11,755
Restricted cash	3,320	3,483
<b>Total non-current assets</b>	<b>76,165</b>	<b>79,731</b>
Inventory	1,885	2,445
Trade and other receivables	1,456	1,074
Derivative financial asset	1,438	1,654
Cash and cash equivalents	57	1,936
<b>Total current assets</b>	<b>4,836</b>	<b>7,109</b>
<b>Total assets</b>	<b>81,001</b>	<b>86,840</b>
<b>Liabilities</b>		
Interest-bearing loans and borrowings	15,077	12,848
Gold loan	1,687	2,019
Trade and other payables	16,093	11,467
<b>Total current liabilities</b>	<b>32,857</b>	<b>26,334</b>
<b>Net current liabilities</b>	<b>(28,021)</b>	<b>(19,225)</b>
Interest-bearing loans and borrowings	1,216	2,849
Gold loan	6,617	6,656
Provision	2,035	2,106
<b>Total non-current liabilities</b>	<b>9,868</b>	<b>11,611</b>
<b>Net assets</b>	<b>38,276</b>	<b>48,895</b>
<b>Equity</b>		
Issued capital	17,872	17,872
Share premium	99,059	99,059
Merger reserve	180	180
Translation reserve	(19,086)	(16,908)
Other reserves	146	101
Retained profits	(59,895)	(51,409)
<b>Total equity</b>	<b>38,276</b>	<b>48,895</b>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended June 30, 2020

(EXPRESSED IN US DOLLARS)

	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
<b>Cash flows from operating activities</b>		
Operating loss	(6,595)	(6,942)
Depreciation and amortisation	2,855	4,520
Share based payments	46	125
Foreign exchange difference	750	(166)
Decrease in inventory	492	312
(Increase) in debtors & prepaid expenses	(382)	(81)
(Increase)/decrease in derivative financial instruments	217	(107)
Increase/(decrease) in creditors	4,409	(808)
Cash utilised in operations	<b>1,860</b>	<b>(3,147)</b>
Interest paid	(329)	(282)
<b>Net cash utilised in operating activities</b>	<b>1,531</b>	<b>(3,429)</b>
<b>Cash flows from investing activities</b>		
Interest received	(24)	36
Acquisition of evaluation and exploration assets	(2)	(7)
Acquisition of Mineral property – net	(2,385)	(2,128)
Acquisition of property, plant and equipment	(910)	(1,269)
<b>Net cash utilised in investing activities</b>	<b>(3,321)</b>	<b>(3,368)</b>
<b>Cash flows from financing activities</b>		
Issue of share capital	-	11,334
Loans received	1,830	1,243
Repayment of Gold Loan	(372)	(1,024)
Repayment of Loans	(645)	(2,757)
Capital element of finance lease payments	(902)	(864)
<b>Net cash generated from financing activities</b>	<b>(89)</b>	<b>7,932</b>
Net (decrease)/increase in cash and cash equivalents	(1,879)	1,135
Cash and cash equivalents at beginning of period	1,936	241
Effect of exchange rate fluctuations on cash held	-	(33)
<b>Cash and cash equivalents at end of period</b>	<b>57</b>	<b>1,343</b>