



UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2017

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 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 months ended March 31, 2017 and March 31, 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 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, 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 CONSOLIDATED INCOME STATEMENT

**For the Quarter Ended March 31, 2017
(EXPRESSED IN US DOLLARS)**

	Quarter ended March 31 2017 US\$'000	Quarter ended March 31 2016 US\$'000
Revenue	5,725	7,660
Production costs	(6,492)	(4,849)
Depreciation and amortisation	(1,900)	(1,695)
Gross (loss)/profit	(2,667)	1,116
Administrative expenses	(863)	(730)
Exploration expenses	(5)	(4)
Operating (loss)/profit	(3,535)	382
Bank interest receivable	11	6
Loss on derivative financial instruments	(26)	(227)
Finance costs	(557)	(175)
Foreign exchange differences	201	1,044
Net financing expense	(371)	648
(Loss)/profit before tax	(3,906)	1,030
Income tax credit/(expense)	1,137	(293)
(Loss)/profit for the period and attributable to owners of the parent	(2,769)	737

Earnings per share

	Quarter ended March 31 2017 US\$'000	Quarter ended March 31 2016 US\$'000
Basic and diluted earnings per share	(0.005)	0.006

RAMBLER METALS AND MINING PLC

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Quarter Ended March 31, 2017
(EXPRESSED IN US DOLLARS)

	Quarter ended March 31 2017 US\$'000	Quarter ended March 31 2016 US\$'000
(Loss)/profit for the period	(2,769)	737
Other comprehensive income/(loss)		
<i>Items that may be reclassified into profit or loss</i>		
Exchange differences on translation of foreign operations (net of tax)	363	(3,385)
Gain on available for sale investment (net of tax)	310	46
Other comprehensive income/(loss) for the period	673	(3,339)
Total comprehensive loss for the period	(2,096)	(2,602)

RAMBLER METALS AND MINING PLC

UNAUDITED CONSOLIDATED BALANCE SHEET

As at March 31, 2017
(EXPRESSED IN US DOLLARS)

	<i>Note</i>	Unaudited March 31 2017 US\$'000	Audited December 31 2016 US\$'000
Assets			
Intangible assets	3	2,198	2,169
Mineral properties	4	34,928	34,453
Property, plant and equipment	5	24,092	23,056
Available for sale investments	6	1,650	1,333
Deferred tax		12,788	11,545
Restricted cash		3,328	3,243
Total non-current assets		78,984	75,799
Inventory	7	2,346	2,496
Trade and other receivables		1,288	1,284
Derivative financial asset	8	1,256	756
Cash and cash equivalents		5,094	2,156
Total current assets		9,984	6,692
Total assets		88,968	82,491
Equity			
Issued capital		8,055	6,374
Share premium		89,280	81,442
Share warrants reserve		858	2,089
Merger reserve		180	180
Translation reserve		(18,386)	(18,749)
Fair value reserve		786	476
Retained profits		(18,189)	(15,443)
Total equity		62,584	56,369
Liabilities			
Interest-bearing loans and borrowings	9	14,688	14,412
Provision	10	1,835	1,804
Total non-current liabilities		16,523	16,216
Interest-bearing loans and borrowings	9	4,678	4,814
Trade and other payables		5,183	5,092
Total current liabilities		9,861	9,906
Total liabilities		26,384	26,122
Total equity and liabilities		88,968	82,491

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
Audited								
Balance at August 1, 2016	6,374	81,455	2,089	180	(16,756)	1,075	(12,731)	61,686
Comprehensive income								
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)/income	-	-	-	-	(1,993)	(599)	-	(2,592)
Total comprehensive income/(loss) for the year	-	-	-	-	(1,993)	(599)	(2,745)	(5,337)
Transactions with owners								
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
Unaudited								
Balance at January 1, 2017	6,374	81,442	2,089	180	(18,749)	476	(15,443)	56,369
Comprehensive income								
Loss for the period	-	-	-	-	-	-	(2,769)	(2,769)
Foreign exchange translation differences	-	-	-	-	363	-	-	363
Gain on available for sale investments (net of tax)	-	-	-	-	-	310	-	310
Other comprehensive income/(loss)	-	-	-	-	363	310	-	673
Total comprehensive income/(loss) for the period	-	-	-	-	363	310	(2,769)	(2,096)
Transactions with owners								
Issue of share capital	1,681	7,957	(1,231)	-	-	-	-	8,407
Share issue expenses	-	(119)	-	-	-	-	-	(119)
Share-based payments	-	-	-	-	-	-	23	23
Transactions with owners	1,681	7,838	(1,231)	-	-	-	23	8,311
Balance at March 31, 2017	8,055	89,280	858	180	(18,386)	786	(18,189)	62,584

RAMBLER METALS AND MINING PLC

UNAUDITED STATEMENTS OF CASH FLOWS

**For the Quarter Ended March 31, 2017
(EXPRESSED IN US DOLLARS)**

	Quarter ended March 31 2017 US\$'000	Quarter ended March 31 2016 US\$'000
Cash flows from operating activities		
Operating (loss)/profit	(3,535)	382
Depreciation and amortisation	1,907	1,712
Share based payments	23	9
Foreign exchange difference	(116)	(55)
Decrease/(increase) in inventory	150	(548)
(Increase)/decrease in debtors	(4)	368
(Increase)/decrease in derivative financial instruments	(526)	117
Increase in creditors	56	502
Cash (utilised in)/generated from operations	(2,045)	2,487
Interest paid	(78)	(83)
Net cash (utilised in)/generated from operating activities	(2,123)	2,404
Cash flows from investing activities		
Interest received	11	6
Acquisition of evaluation and exploration assets	(7)	(74)
Acquisition of mineral properties - net	(1,162)	(1,083)
Acquisition of property, plant and equipment	(798)	(1,082)
Net cash utilised in investing activities	(1,956)	(2,233)
Cash flows from financing activities		
Share issue proceeds	8,407	-
Share issue expenses	(119)	-
Acquisition of subsidiary (net of cash)	-	(49)
Repayment of Gold loan (note 9)	(145)	(373)
Repayment of Loans	(563)	-
Capital element of finance lease payments	(588)	(535)
Net cash utilised in financing activities	6,992	(957)
Net increase (decrease) in cash and cash equivalents	2,913	(786)
Cash and cash equivalents at beginning of period	2,156	1,166
Effect of exchange rate fluctuations on cash held	25	(6)
Cash and cash equivalents at end of period	5,094	374

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 21 and 26 to the financial statements for the period ended December 31, 2016 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 Ming Mine site. In 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 Group 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 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, 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
Cost			
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	-	7	7
Effect of movements in foreign exchange	-	22	22
Balance at March 31, 2017	-	2,198	2,198
Carrying amounts			
At December 31, 2016	-	2,169	2,169
At March 31, 2017	-	2,198	2,198

RAMBLER METALS AND MINING PLC

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Mineral Property

	Mineral property US\$'000
Cost	
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	1,162
Effect of movements in foreign exchange	604
Balance at March 31, 2017	<u>71,467</u>
Amortisation	
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	989
Effect of movements in foreign exchange	111
Balance at March 31, 2017	<u>14,757</u>
Impairment	
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	191
Balance at March 31, 2017	<u>21,782</u>
Carrying amounts	
At December 31, 2016	<u>34,453</u>
At March 31, 2017	<u>34,928</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
Cost							
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	-	398	-	1,359	-	7	1,764
Effect of movements in foreign exchange	35	12	1	325	1	7	381
Balance at March 31, 2017	3,991	1,767	223	41,046	95	783	47,905
Depreciation and impairment losses							
Balance at August 1, 2016	2,045	-	217	19,549	90	738	22,639
Depreciation charge for the year	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	90	-	2	819	1	6	918
Effect of movements in foreign exchange	18	-	2	164	1	6	191
Balance at March 31, 2017	2,249	-	219	20,506	91	748	23,813
Carrying amounts							
At December 31, 2016	1,815	1,357	7	19,840	5	33	23,056
At March 31, 2017	1,742	1,767	4	20,540	4	35	24,092

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
Revaluation	310
Effect of movements in foreign exchange	7
Balance at March 31, 2017	<u>1,650</u>
Carrying amounts	
At December 31, 2016	1,333
At March 31, 2017	<u>1,650</u>

7. Inventories

	March 31 2017 US\$'000	December 31 2016 US\$'000
Metals in process	583	884
Operating supplies	1,763	1,612
	<u>2,346</u>	<u>2,496</u>

8. Derivative financial asset

	March 31 2017 US\$'000	December 31 2016 US\$'000
Concentrate receivables from off-taker	1,256	756

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.

	March 31 2017 US\$'000	December 31 2016 US\$'000
Non-current liabilities		
Finance lease liabilities	1,773	1,371
Gold Loan	12,915	13,041
	14,688	14,412
Current liabilities		
Current portion of finance lease liabilities	1,274	1,284
Advance purchase facility	592	1,121
Current portion of Gold Loan	2,812	2,409
	4,678	4,814

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Minimum lease			Minimum lease		
	Payments	Interest	Principal	Payments	Interest	Principal
	March 31	March 31	March 31	December	December	December
	2017	2017	2017	31 2016	31 2016	31 2016
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Less than one year	1,368	94	1,274	1,354	70	1,284
Between one and five years	1,859	86	1,773	1,430	59	1,371
	3,227	180	3,047	2,784	129	2,655

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 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.

RAMBLER METALS AND MINING PLC

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Interest-bearing loans and borrowings (continued)

Gold Loan (continued)

At March 31, 2017, the Group has produced 39,393 payable ounces of gold of which 12,131 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 (to date)	818	252
Total	39,393	12,131

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\$439,000 (Q1/16: US\$92,000) was charged during the period.

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

Advance Purchase Facility

In July 2015 the Group 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.

The Company drew down US\$3 million of Advance Purchase Payments and further advances are no longer available under the agreement.

At March 31, 2017 the balance was US\$592,000. The loan is repayable by twelve monthly instalments of US\$176,005 plus interest at 3 month LIBOR plus 7.5%. The repayment by instalments commenced July 15, 2016.

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

RAMBLER METALS AND MINING PLC

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Provisions

	March 31 2017 US\$'000	December 31 2016 US\$'000
Reclamation and closure provision		
Opening balance	1,804	1,833
Unwinding of discount	5	10
Effect of movements in foreign exchange	26	(39)
Ending balance	<u>1,835</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\$3.3 million.

11. Earnings per share

The calculation of basic earnings per share is based on a weighted average number of ordinary shares of 535,604,770. There is no difference between the basic and diluted loss per share as the Group made a loss during the quarter. At March 31, 2017, the Group had 13,014,000 share options and 65,000,000 share warrants outstanding of which 4,884,578 and 31,427,419 respectively are considered to be dilutive.

12. Related parties

Transactions with key management personnel

Total key management personnel compensations were as follows:

	Quarter ended 31 March 2017 US\$'000	Quarter ended 31 March 2016 US\$'000
Salaries	80	85
Share based payments	6	7
	<u>86</u>	<u>92</u>

RAMBLER METALS AND MINING PLC

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Share-based payments

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

	Weighted average exercise price March 31 2017 US\$'000	Number of options March 31 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	(0.06)	(90)	0.28	(1,620)
Expired during the period	-	-	0.52	(25)
Outstanding at the end of the period	0.14	13,154	0.14	13,014
Exercisable at the end of the period	0.38	3,442	0.38	3,430

The options outstanding at March 31, 2017 have an exercise price in the range of US\$0.06 to US\$0.83 and a weighted average remaining contractual life of 4.55 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.

Fair value of share options and assumptions

	Quarter ended Mar 31 2017 US\$'000	Quarter ended Mar 31 2016 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.

	Quarter ended Mar 31 2017 US\$'000	Quarter ended Mar 31 2016 US\$'000
Total expense recognised as employee costs	18	13

RAMBLER METALS AND MINING PLC

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

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:

	March 31, 2017 US\$'000	December 31, 2016 US\$'000
Due within one year	4,986	5,945
Due within one to two years	2,739	2,443
Due within two to three years	3,096	2,893
Due within three to four years	2,743	2,605
Due within four to five years	2,719	2,615
Due after five years	15,776	17,318
	<u>32,059</u>	<u>33,819</u>

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:

Fixed rate liabilities	March 31, 2017 US\$'000	December 31, 2016 US\$'000
Due within one year	1,368	1,354
Due within one to two years	824	662
Due within two to three years	754	574
Due within three to four years	281	194
	<u>3,227</u>	<u>2,784</u>

RAMBLER METALS AND MINING PLC

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial risk management (continued)

The average fixed interest rate for the finance leases and hire purchase contracts outstanding at March 31, 2017 was 5.0%.

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 March 31, 2017 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 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 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.

	Equity	
	March 31, 2017	December 31, 2016
	US\$'000	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)

14. Financial risk management (continued)

Market risk (continued)

Foreign currency risk (continued)

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

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

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.

	Gross assets	
	March 31, 2017	December 31, 2016
	US\$'000	US\$'000
10% increase in the price of gold	(1,554)	(1,368)
25% decrease in the price of gold	3,944	3,397

RAMBLER METALS AND MINING PLC

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. 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 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.

	Gross assets	
	March 31, 2017	December 31, 2016
	US\$'000	US\$'000
5% increase in the price of copper and gold	490	603
5% decrease in the price of copper and gold	(490)	(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 book value and fair value of any of the group's financial instruments.

14. Subsequent Events

Following a tender process the Board has appointed Deloitte LLP as auditors and a resolution to ratify the appointment of Deloitte LLP will be included in the Notice for the forthcoming Annual General Meeting.