REGISTERED NUMBER: 05101822 (ENGLAND AND WALES)

RAMBLER METALS AND MINING PLC

ANNUAL REPORT AND

AUDITED FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016

RAMBLER METALS AND MINING PLC

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RAMBLER METALS AND MINING PLC

COMPANY INFORMATION

FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016

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RAMBLER METALS AND MINING PLC

CHAIRMAN'S STATEMENT FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016

The Company has changed its fiscal year from July 31 to December 31. The current reporting period is the five month period from August 1, 2016 to December 31, 2016 ('SY2017'). The previous reporting period was the year ended July 31, 2016 ('FY2016'). Comparatives have also been provided for the five months ended December 31, 2015 ('SY2016').

With the equity investment by CEII Mining, secured mid-2016, the Phase II expansion plan for the Ming Copper-Gold Mine, targeting production of 1,250 metric tonnes per day ('mtpd') with a life of mine now over 20 years.. At the Nugget Pond copper milling facility high capacity tests were completed during the 5 month stub period, ended December 31, 2016. As a result of this work a number of infrastructure improvements have been initiated and are on schedule to be completed during Q1 2017. At the Ming Mine we continued the development push into the Lower Footwall Zone with mine grade in line with expectation during the period. During this heavy development stage of the project's expansion we are blending lower grade development material with high grade ore from the massive sulphide zones. This trend is expected to continue until more LFZ production stopes come online. Once the majority of ore can be sourced from LFZ stopes, mill feed grade is anticipated to improve and our cost per pound of copper produced will reduce.

In addition to proceeding with the Phase II expansion plans, the team is also progressing the engineering and evaluation work on refurbishing the shaft for hoisting and incorporating pre-concentration technology into the production stream. These initiatives could potentially add significant value to the project. Combined with a successful Lower Footwall Zone surface exploration program this work could redefine our view and further expansion plans for the deposit.

FINANCIAL RESULTS

The Company's financial results for the period reflect the stage reached in its expansion plans. As a result the Company generated lower revenue compared with prior periods due to lower copper head grades and lower than planned production while the Company continues to develop the mine to achieve its production target of 1,250 mtpd.

The results include:

- The Company generated revenue of US$9.7 million (FY2016: US$30.4 million, SY2016: US$12.0 million) from the sale of copper concentrate containing gold and silver by-products.

- An operating loss of US$4.4 million (FY2016: US$1.1 million loss before impairment, SY2016: US$0.8 million loss).

- Utilisation of cash of US$0.9 million (FY2016 US$4.8 million generated, SY2016 US$1.9 million generated) from operations during the period.

- The consolidated loss after taxation for SY2017 amounted to US$2.7 million (loss per share of US$0.007) US$12.8 million for SY2016 (loss per share of US$0.067) after a provision for impairment of US$11.3 million before tax and US$3.3 million (loss per share of US$0.023).

- Earnings before interest, taxes, depreciation, amortisation ("EBITDA") for the period were US$0.033 million (FY2016 : US$6.1 million, SY2016: US$1.5 million).

- The gross assets of the Company amounted to US$82.4 million as at the end of the period. This included Mineral property of US$34.4 million and intangible assets of US$2.2 million which consists of accumulated deferred exploration and evaluation expenditures on the Little Deer Project.

- The Company's cash balance at period end was US$2.2 million and cash net of debt, excluding Gold Loan, was US$(1.6) million. After the period end the Company received proceeds of approximately US$8.4 million from the exercise of 135 million share warrants.

- Copper prices improved materially during the period rising from US$ 2.22/lb on August 1st to US$2.50/lb on December 31st 2016. The primary driver for an improving price outlook has been increasing shortages of metal due to major mine disruption and an improved US economic outlook after the US presidential election.

CHAIRMAN'S STATEMENT FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016

We are confident that we will reach our targeted production in 2017 and we look forward to updating the market on our progress over the coming months.

B Mills
Chairman

March 28, 2017

RAMBLER METALS AND MINING PLC

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016

This MD&A, including appendices, is intended to help the reader understand Rambler Metals and Mining plc ('the parent company') and its subsidiaries (the 'Company' or 'Rambler'), our operations and our present business environment. It has been prepared as of March 28, 2017 and covers the results of operations for the two and five months ended December 31, 2016. This discussion should be read in conjunction with the audited Financial Statements for the five months ended December 31, 2016 and notes thereto. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations adopted by the International Accounting Standards Board ("IASB"), as adopted by the European Union and with IFRS and their interpretations adopted by the IASB. The Company's presentation currency has been changed to US dollars (US$) and the financial information is in US$ unless otherwise stated. These statements together with the following MD&A are intended to provide investors with a reasonable basis for assessing the potential future performance. See Forward Looking Statement disclosure in Appendix 6.

OVERVIEW

The Company is transforming the Ming Copper-Gold Mine Project ('the Project') with a fully funded expansion. Its principal activity is the development, mining and exploration of the Project in Newfoundland and Labrador (see map referenced in Appendix 1) with a longer term goal of continued exploration and development of other properties in its portfolio, all located in Canada.

The Company is looking forward to:

1. Continuing to implement its fully funded Phase II expansion and optimisation strategy, as described below.
2. Continue with engineering studies aimed at boosting production beyond the Phase II - 1,250 metric tonnes per day ('mtpd') goal. Detailed engineering and review to include ore pre-concentration (Dense Media Separation – "DMS"), shaft rehabilitation and improved gold recovery are underway.
3. Maintain its focus on reducing average unit costs at its operation through planned increases in production outlined as part of the Phase II expansion; further cost reductions targeted as part of ongoing Phase III optimization and engineering studies.
4. Increasing available resources and reserves through further exploration within the Ming mine.

See Forward Looking Information in Appendix 6.

The Company's directors and management believe that these priorities provide a solid foundation for Rambler, and its shareholders, as it continues working towards building a successful mid-tier mining company.

The parent Company's Ordinary Shares trade on the London AIM market under the symbol "RMM" and the TSX Venture Exchange under the symbol "RAB".

Phase II optimisation strategy

The Phase II expansion strategy has been initiated and is based on the transformation of the current operations. The Phase I start-up focused on mining and processing 650 mtpd of high grade massive sulfide ore, into a fully optimised, Phase II operation mining and processing 1,250 mtpd of blended massive sulfide and Lower Footwall Zone (LFZ) stringer ore. With the investment by CEII Mining in June, 2016, the subsequent exercise of warrants and funding by way of a repayable contribution through the Atlantic Canada Opportunity Agency's Business Development Program, this expansion plan is fully funded. The target goal of reaching full 1,250 mtpd production is anticipated by mid-calendar 2017.

The first production milestone was achieved during the 2016 fiscal year and continued during the 5 months ending December 31, 2016 with daily mill throughput is now up to 900 mtpd.

CHANGE IN FISCAL YEAR

The Company has changed its fiscal year from July 31 to December 31. The current reporting period is the five month period from August 1, 2016 to December 31, 2016 (the "stub period","SY2017") and the two month period being November 1, 2016 to December 31, 2016 (the "stub quarter", or "Q2/SY17"). The previous reporting period was the year ended July 31, 2016 ("FY2016"). Comparative information has been provided for the five month period ended December 31, 2015 ('SY2016').

Due to the change in fiscal year end, the comparative figures are not representative of equivalent reporting periods and, as such, have greater variances.

HIGHLIGHTS FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016

- ➔ Production of 49,313 dmt (Q1/SY17: 69,609 dmt, Q4/16: 69,874 dmt) for the two months with a total of 118,922 dmt for the five months (FY2016: 241,080 dmt) with copper concentrate grade of 27% (Q1/SY17: 26%, Q4/16: 27%).

- ➔ Phase II optimisation strategy continued with LFZ ore blended with ongoing production from the high grade MMS.

- ➔ Revenue for the five months was US$9.7 million (FY2016: US$30.4 million, SY2016: US$12.0 million) and for the two months, US$2.7 million (Q1/SY17: US$7.0 million, Q4/16 US$7.9 million). The reduction in revenue compared to prior periods is due to lower planned copper head grades while the Company continues to develop into the LFZ to achieve its production target of 1,250 mtpd.

- ➔ Average prices for the stub period were US$2.22 (FY2016: US$2.20) per pound of copper and US$1,301 FY2016: US$1,179) per ounce gold.

- ➔ Operating loss for the stub period was US$4.4 million (FY2016: US$12.3 million) and for the two months US$2.7 million (Q1/SY17: US$1.7 million, Q4/16: loss US$0.6 million before impairment). Earnings before interest, taxes, depreciation, amortisation ('EBITDA') for the stub period were US$0.033 million (FY2016: US$6.1 million) and for the two months of US$(0.3) million (Q1/SY17: US$0.3 million, Q4/16 US$(0.06 million)).

- ➔ Cash production costs for the stub period were US$9.8 million (FY2016: US$21.7 million). Net direct cash costs net of by-product credits ('C1 costs') for the stub period were US$2.39 per pound of saleable copper (FY2016: US$1.72) and for the stub quarter US$2.98 (Q1/SY17: US$2.08, Q4/16: US$1.71).

- ➔ Cash flows generated (utilized) generated in operating activities for the stub period were US$(0.9) million (FY2016: US$4.8 million) and for the two months were US$0.4 million (Q1/SY17: US$(1.3) million, Q4/16: US$(0.5) million).

SUBSEQUENT EVENTS

On February 6, 2017 CE Mining II Rambler Limited exercised 135 million warrants to subscribe for 135 million ordinary shares of one penny each at an exercise price of 5p (US$0.0623) raising £6.75 million (US$8.4 million).

FINANCIAL RESULTS FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016

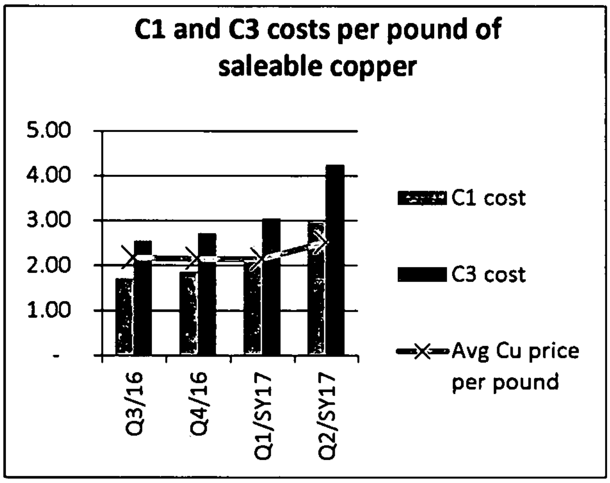
Revenue

➔ A total of 5,106 dmt (FY2016 – 17,412 dmt) of concentrate was provisionally invoiced during the stub period containing 1,336 (FY2016 - 4,508) tonnes of saleable copper metal, 1,881 (FY2016 – 7,129) ounces of saleable gold at an average price of US$2.22 (FY2016 – US$2.20) per pound copper and US$1,301 (FY2016 - US$1,179) per ounce gold, generating revenue of US$9.7 million (FY2016 – US$30.4 million). The reduction in revenue, apart from in respect of the shorter period, reflects lower saleable metal sold as a result of lower head grades than the previous year.

Costs

➔ Cash production costs for the stub period were US$9.8 million (FY2016: US$21.7 million). Net cash direct costs per pound of copper net of by-product credits ('C1') for the stub period were US$2.39 (FY2016 - US$1.72) and for the stub quarter US$2.98 (Q1/SY17: US$2.08, Q4/16: US$1.71). Saleable copper in the period was 3.6 million pounds (year ended July 31, 2016 – 9.9 million pounds) and in the stub quarter was 1.3 million pounds (Q1/SY17: 2.3 million, Q4/16 2.4 million). Lower head grade, together with increased operating development costs from mining the LFZ contributed to the rise in C1 costs compared to Q1/SY17 and Q4/16. C1 costs are expected to be higher throughout this development stage until production from the LFZ zone is stabilised at its designed level. Once Phase II expansion throughput reaches 1,250 mtpd, C1 costs should return to approximately US$1.70.

➔ A summary of the Company's net cash direct costs (C1) and fully allocated costs (C3) net of by-product credits per pound of saleable copper together with the average sales price of copper for the past four quarters are shown below. The increase in costs between Q4/16 and Q2/SY17 was as a result of lower copper production during the mine expansion stage.



The Company has included non-GAAP performance measures: net cash direct costs per pound of saleable copper net of by-product credits (C1 costs) and fully allocated costs (net of by-product credits)(C3 costs) per pound of saleable copper, throughout this document. C3 costs include interest charges which are shown below the operating profit line in the income statement. This is a common performance measure in the mining industry but does not have any standardized meaning. Refer to Appendix 4 for a reconciliation of these measures to reported production expenses.

FINANCIAL RESULTS FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016 (CONTINUED)

Loss

- The net loss before tax for the stub period was US$6.1 million compared with a loss of US$15.2 million (US$3.9 million before impairment) for FY2016 and a loss of US$1.9 million for SY2016). The net profit after tax for the stub quarter was US$0.9 million or US$0.003 per share which compares to a loss of US$1.8 million for Q1/SY17 and a loss of US$12.8 million for Q4/16.

- Earnings before interest, taxes, depreciation, amortisation ("EBITDA") for the stub period were US$0.033 million (FY2016 : US$6.1 million).

FINANCIAL RESULTS FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016 (Continued)

Cash flow and cash resources

- Cash flows (utilized)/generated from operating activities were US$(0.9) million compared with US$4.8 million in the previous fiscal year. Cash flows (utilized)/generated from operating activities were US$0.4 million in Q2/SY17 compared to US$(1.3) million in Q1/SY17 and US$(0.5) million in Q4/16. The decrease in the cash generated relates to the operating loss and changes in working capital. The cash balance at December 31, 2016 was US$2.2 million.

Financing and Investment

- During the stub period a repayment of US$1.3 million (project to date $17.1 million) was made on the Company's Gold Loan from the delivery of 990 payable ounces of gold (project to date 11,986 ounces have been delivered).

- Net debt excluding the Gold loan was as follows:

	Q2/SY17 US$'000	Q1/SY17 US$'000	Q4/16 US$'000
Cash	2,156	4,605	8,929
Finance leases	(2,656)	(2,957)	(3,195)
Advance purchase agreement	(1,120)	(1,430)	(1,980)
Net cash (debt)	(1,620)	218	3,756

OPERATIONAL SUMMARY

Ore and Concentrate Production Summary for Stub period

PRODUCTION	Q1/SY17	Q2/SY17	Stub 2017	FY2016	F2017 Guidance
Dry Tonnes Milled	69,609	49,313	118,922	**241,080**	350,000 - 400,000
Copper Recovery (%)	96.5	95.7	96.2	**95.6**	94 – 96
Gold Recovery (%)	65.9	69.7	67.9	**68.7**	65 – 70
Copper Head Grade (%)	1.7	1.2	1.51	**2.12**	1.3 – 1.6
Gold Head Grade (g/t)	1.1	0.4	0.82	**1.40**	0.5 – 1.0

CONCENTRATE (Delivered to Warehouse)	Q1/SY17	Q2/SY17	Stub 2017	FY2016	F2017 Guidance
Copper (%)	26.4	26.8	27.3	**26.89**	26 – 28
Gold (g/t)	12.6	7.1	11.4	**13.82**	4.0 – 8.0
Dry Tonnes Produced	4,006	1,940	5,946	**17,047**	18,000 - 22,000
Saleable Copper Metal (tonnes)	1,057	533	1,590	**4,580**	5,100 - 5,800
Saleable Gold (ounces)	1,619	401	2,020	**7,549**	4,400 - 5,100

OPERATIONAL SUMMARY (continued)

For the stub period copper grades of 1.51% and gold grades of 0.82 g/t. Total mill throughput for the period was 118,992 dry metric tonnes.

- Production of 5,946 tonnes of copper concentrate for the stub period.
- Saleable metal production of:
  - 1,590 tonnes of Copper for the stub period
  - 2,020 ounces of Gold
- Concentrate grade for the stub period of Copper 27.3% and Gold 11.4.

OUTLOOK

Management continues to pursue the following objectives:

➔ Continuing the transition from Phase I to Phase II by blending increasing amounts of LFZ ore with plans to reach 1,250 mtpd by mid-calendar 2017.

➔ Further evaluating ore pre-concentration (DMS); engineer a potential shaft rehabilitation; and improve gold recovery at the Nugget Pond Mill. All these potentially provide further upside opportunities with the goal to further reduce unit costs in Phase III.

➔ Continuing to advance development headings into new high grade MMS zones to allow for further exploration both up-dip and down-dip to increase mine resource and reserves.

➔ Further defining the mineral potential of untested areas of the LFZ through an aggressive infill diamond drilling program, currently underway.

➔ Initiate a surface exploration diamond drilling program aimed to double the current plunge length of the known LFZ mineralization.

➔ Continue assessing regional gold projects, for example the former producing Hammerdown Gold mine, with the goal of adding a second source of revenue outside of the Ming Mine. Nugget Pond's gold processing circuit is currently idle; it could potentially be operated in conjunction with the copper concentrator.

FINANCIAL REVIEW

SY17 (US$000's)	Commentary	Comparatives Fiscal 2016 (US$000's)	Comparatives B/ (W)*
9,680	**Revenue** of US$9.7 million was generated through the sale of 5,106 dmt of copper concentrate containing 1,336 tonnes of accountable copper metal and 1,881 ounces of accountable gold. This compared with revenue of US$30.3 million in the FY2016 generated through the sale of 17,413 dmt of copper concentrate containing 4,508 tonnes of saleable copper metal and 7,129 ounces of saleable gold. The reduction in revenue reflects the shorter period and lower grade.	30,378	*(68)%*
12,782	**Production costs** relate to the processing and mining costs associated with the Company's Ming Mine and include processing costs of US$2.2 million (July 31, 2016: US$5.0 million), mining costs US$7.6 million (2015: US$16.6 million) and depreciation and amortisation of US$2.9 million (July 31, 2016: US$6.9 million). The cost of production of pounds of copper increased during the stub year due to lower head grades compared to the previous year.	28,508	*55%*
1,299	**General and administrative expenses** were lower than the previous year by US$1.6 million due to the shorter period but remain in line on a year on year basis.	2,899	*55%*
-	**Provision for impairment** represents the provision for impairment on the Ming Mine of US$ nil (FY2016: US$11.3 million). Management have assessed that there are no indicators of impairment at the end of the stub period. This assessment considered financial and operating performance compared to forecasts, changes in the current market outlook regarding commodity prices and any changes in the current market cost of capital. The provision for impairment on the Ming Mine in the previous period was mainly as a result of the then current market outlook regarding commodity prices, foreign exchange rates and the current market cost of capital.	11,268	*100%*
1,504	**Gain on derivative financial instruments.** The Company realised a gain on derivative financial assets of $1,124,000, being the difference in the commodity prices at time of provisional invoicing, and actual commodity prices realised on the fixed portion of the shipment. An unrealised gain of $380,000 resulted at stub year end being the difference in the commodity prices at time of provisional invoicing and anticipated commodity prices upon final settlement following the future shipment of concentrates in the Company's warehouse at stub year end.	539	*179%*
(452)	**Foreign exchange losses** arising on the Gold Loan reduced in the year as a result of the Canadian dollar against the US dollar during the period.	(237)	*(91)%*
3,326	**Income tax credit** The income tax credit is the deferred tax charge arising from the recognition of losses. The credit for stub 2017 includes an amount of US$1.5 million in respect of mining tax. In the year ended July 31, 2016 the credit was partly offset by an overprovision made in 2015.	2,422	*(55)%*
1,673	**Mineral property** The Company incurred costs of US$1.7 million in the period which included labour costs of US$0.8 million and underground development costs of US$0.9 million. In the year ended July 31, 2016 the Company incurred costs of US$4.1 million in the year including labour of US$1.5 million and underground development costs of US$2.1 million offset by an adjustment of $0.5 million to the reclamation and closure provision.	4,050	*59%*
2,097	**Capital spending on property, plant and equipment** during the stub year including US$1.5 million spent on underground equipment and US$0.2 million on surface and general plant and equipment. In addition US$0.9 million was spent on assets under construction including the construction of a building to house the crusher, ventilation upgrades and reclamation and closure works.	5,122	*59%*
-	**Capital spending on exploration and evaluation in FY2016** related mainly to the acquisition of 50% of the Little Deer Copper Deposit in the Thundermin amalgamation.	1,903	*100%*

*B / (W) = Better / (Worse)

SUMMARY OF QUARTERLY RESULTS

The quarterly results for the Company for the last eight fiscal quarters are set out in the following table.

Quarterly Results *(All amounts in 000s of US Dollars, except Loss per share figures)*	**4th Quarter**	**3rd Quarter**	**2nd Quarter***	**1st Quarter**
SY17				
Revenue			2,722	6,958
Loss before tax			(3,554)	(2,517)
Net income (loss)			(945)	(1,800)
(Loss)/earnings per Share (Basic & Diluted)			(0.003)	(0.004)
Fully allocated cost net of by-products (C3) per pound of saleable copper			4.24	3.04
Fiscal 2016				
Revenue	7,890	7,976	6,009	8,503
(Loss)/profit before impairment and tax	(4,120)	1,241	(1,501)	420
Net Income	(12,827)	859	(1,115)	277
(Loss)/earnings per Share (Basic & Diluted)	(0.067)	0.002	(0.003)	0.001
Fully allocated cost net of by-products (C3) per pound of saleable copper	2.71	2.55	2.78	2.28
Fiscal 2015				
Revenue	7,103	7,339		
(Loss)/profit before impairment and tax	1,708	1,532		
Net Income	(5,927)	1,056		
(Loss)/earnings per Share (Basic & Diluted)	(0.041)	0.007		
Fully allocated cost net of by-products (C3) per pound of saleable copper	2.76	2.85		

- - two month period in Q2 stub 2017

Since 2012 when commercial production commenced at the Ming Mine the Company's results have been, and are expected to continue to be, influenced by the operational results of the Mine. Financial results are impacted by the levels of copper concentrate production, the costs associated with that production and the selling prices of the concentrate. The prices for the copper, gold and silver contained in the concentrate are determined using prevailing international prices in US Dollars whereas the majority of the mine costs are in Canadian Dollars.

Volatility of revenue and earnings over the past eight quarters is due to the combined effect of changes in volumes and fluctuations in metal prices and the fluctuation of the US Dollar exchange rate.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

Historically the Company has been successful in accessing the equity and debt markets to finance the acquisition and initial development of the Project. 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 Project. However, there is no guarantee that the Company will have access to future capital or the ability to generate positive cash flows.

Cash flows utilised in investing activities amounted to US$3.3 million for the stub period (FY2016: US$7.7 million, SY2016: US$2.9 million). Cash of US$1.7 million (FY2016: US$3.6 million, SY2016: US$1.4 million) was spent on the Company's Mineral Property, US$1.6 million (FY2016: US$2.9 million, SY2016: US$1.3 million) was spent on property, plant and equipment, US$ nil (FY2016: US$0.5 million, SY2016: US$0.3 million) on exploration at the Ming mine.

Cash flows (utilized in)/generated from financing activities during the period amounted to US$(2.3) million (FY2016: US$9.1 million, SY2016: US$(1.2) million) and included repayments of the gold loan of US$1.3 million (FY2016: US$2.3 million, SY2016: US$1.1 million), finance lease repayments of US$0.9 million (FY2016: US$2.6 million, SY2016: US$1.1 million) and advanced purchase facility repayments US$0.9 million (FY2016: US$1.2 million, SY2016: US$ nil) and in FY2016 offset by a receipt of US$1.0 million from an advanced purchase facility and funds received, net of expenses, on issue of share capital of US$14.3 million.

The Company is required to hold Letters of Credit in favour of the Government of Newfoundland and Labrador in respect of the reclamation and closure liability at the existing Nugget Pond Mill and Ming mine. At period end the Company holds bearer deposit notes totalling US$3.2 million (FY2016: US$3.3 million).

Sales of copper concentrate are in US dollars and the majority of the Company's expenses are incurred in Canadian dollars. The Company's principal exchange rate risk relates to movements between the Canadian and US dollar. The Gold Loan is repayable from future sales of gold mitigating the exchange risk. Management will closely monitor exchange fluctuation and consider the use of forward exchange contracts as required.

Interest rates on the capital leases and short term borrowings are fixed, eliminating interest rate risk.

Financial Instruments

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.

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 foreign currency risk, liquidity risk, credit risk, interest rate risk and commodity price risk each of which is discussed in note 25 of the financial statements for the five months ended December 31, 2016.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION (continued)

COMMITMENTS AND LOANS

Gold Loan

In March 2010, the Company entered into an agreement ("Gold Loan") with 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 ounces of payable gold has been produced, the Company has agreed to sell to Sandstorm a percentage equal to 25% x (85% divided by the actual percentage of metallurgical recovery of gold realised 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. In each production year following the first year of production, after 175,000 ounces of payable gold has been produced, the Company has agreed to sell a percentage equal to 12% x (85% divided by the actual percentage of metallurgical recovery of gold realised 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 12% of the payable gold 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.

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 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$3.0 million (FY2016: US$2.6 million, SY2016: US$0.7 million) was charged during the period.

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

Advance Purchase Agreement

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 Project 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 Project.

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

At December 31, 2016 the balance was US$1.12 million. 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.

COMMITMENTS AND LOANS (CONTINUED)

Loan and lease balances

At December 31, 2016, interest bearing loans and borrowings comprised of finance lease commitments of US$2.7 million. The Company entered into finance lease commitments of US$0.4 million to finance the acquisition of underground mobile equipment during the period.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Identity of related parties

The Group has a related party relationship with its subsidiaries and with its directors and executive officers.

Transactions with key management personnel

The directors' compensations were as follows:

	Dec 31, 2016 US$'000	July 31, 2016 US$'000
Salary – executive		
N Williams	130	282
Fees – non-executive		
B A Mills	6	5
B Labatte	6	5
M V Sander	6	5
T I Ackerman	6	5
G Poulter	6	17
G Ogilvie	-	32
L D Goodman	-	23
T S Chan	-	10
J Thomson	-	18
E C Chen	8	14
	168	416

Share options held by directors were as follows:

	At 31.12.16 No. '000	At 31.07.16 No. '000
N Williams[1]	4,575	1,175
	4,575	1,175

[1] 100,000 options at an exercise price of US$0.71 expiring on July 7, 2018, 75,000 options at an exercise price of US$0.13 expiring on November 10, 2018, 250,000 options at an exercise price of US$0.37 expiring on May 7, 2020, 750,000 options at an exercise price of US$0.37 expiring on February 19, 2024 and 3,400,000 options at an exercise price of US$0.06 expiring on August 22, 2021.

Total key management personnel compensations were as follows:

	Dec 31, 2016 $'000	July 31, 2016 $'000
Short term employee benefits	253	412
Social security costs	16	37
Share based payments	20	19
	289	468

Subsidiaries
The company has interests in the following material subsidiary undertakings, which are included in the consolidated financial statements.

Name	*Class*	*Holding*	*Activity*	*Country of Incorporation*
Rambler Mines Limited	Ordinary	100%	Holding company	England
Rambler Metals and Mining Canada Limited	Common	100% (indirectly)	Exploration, development and mining	Canada
1948565 Ontario Resources Inc.	Common	100%	Exploration	Canada

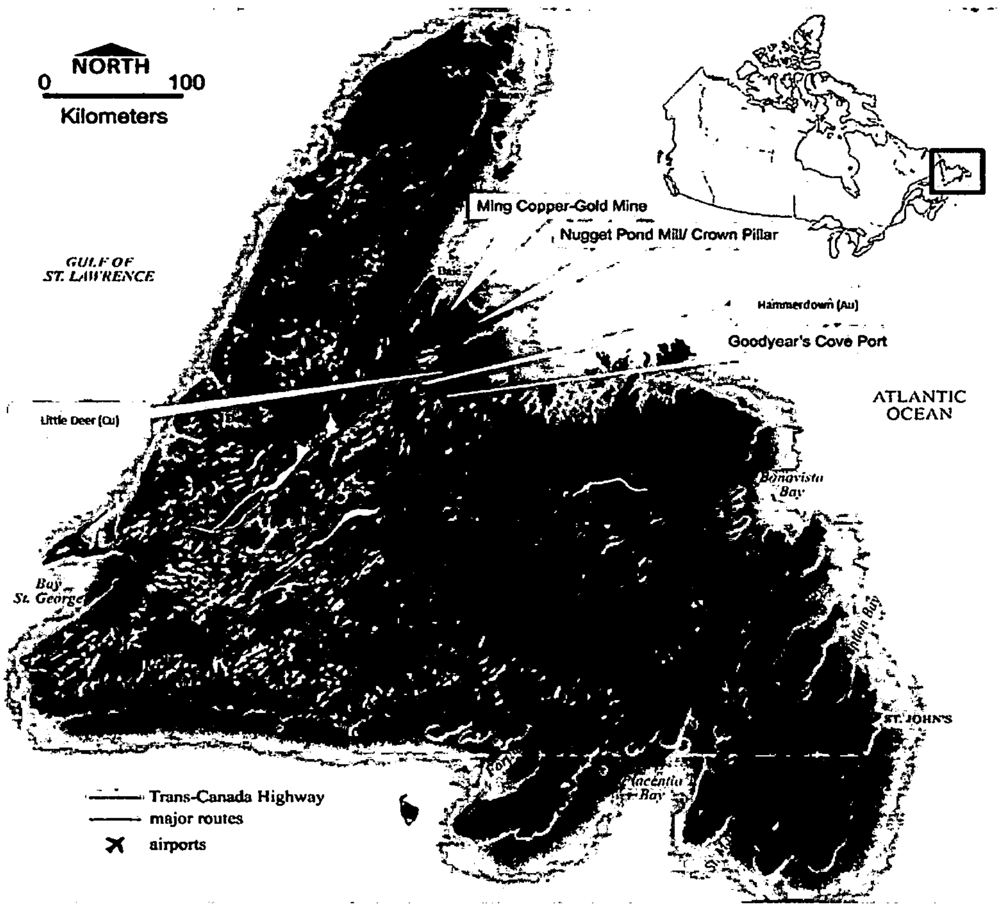
The registered address of Rambler Mines Limited is Salatin House, 19 Cedar Road, Sutton, Surrey SM2 5DA, England and for the two Canadian subsidiaries the registered address is P.O. Box 610, Baie Verte, NL, Canada A0K 1B0.

CE Mining II Rambler Limited, a controlling shareholder of the Company, holds 200,000,000 warrants which equates to US$2.089m.

Ultimate and controlling party

CE Mining II Rambler Limited is the ultimate and controlling party of the Company.

APPENDIX 1 – LOCATION MAP



APPENDIX 2 - SELECTED FINANCIAL INFORMATION & REVIEW OF OVERALL PERFORMANCE

Financial Highlights *(All amounts in 000s of US Dollars, unless otherwise stated)*	**Period ended**			
	5 months to Dec 31, 2016	**Year to July 31, 2016**	**Year to July 31, 2015**	**5 months to Dec 31, 2015**
Concentrate sales (dmt)	5,106	17,048	17,662	7,279
Average provisional price ($ per tonne Cu, Ag & Au concentrate)	1,796	1,772	2,013	1,765
Average revenue per pound of Cu ($)	2.22	2.20	2.87	2.28
Revenue	9,680	30,378	34,583	12,038
Production Expenses	(12,782)	(28,508)	(30,111)	((11,750)
Exploration Expenditure	(14)	(26)	(32)	(8)
Administrative expenses	(1,299)	(2,899)	(3,502)	(1,052)
Impairment charge	-	(11,268)	(12,100)	-
Net (loss) income	(2,745)	(12,806)	(8,352)	(3,302)
Cash Flow generated from operating activities	(947)	4,808	7,325	1,918
Cash Flow used in investing activities	(3,302)	(7,702)	(9,939)	(2,895)
Cash Flow from (used in) financing activities	(2,264)	9,138	(2,725)	(1,243)
Net increase (decrease) in cash	(6,513)	6,244	(5,339)	(2,220)
Cash and cash equivalents at end of period	2,156	8,929	3,389	1,166
Total Assets	82,491	87,255	84,553	77,000
Total Liabilities	(26,122)	(25,569)	(25,370)	(24,545)
Working Capital	(3,214)	2,412	(4,288)	(6,528)
Weighted average number of shares outstanding (000s)	414,290	191,132	144,168	144,168
Earnings (loss) per share ($US)	(0.007)	(0.067)	(0.058)	(0.02)

APPENDIX 3 - FINANCIAL REVIEW FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016

Q2/SY17 Results (US$000's)	Commentary	Comparatives			
		Q1SY /17	*B/ (W)**	Q4/16	B/ (W)
2,722	**Revenue** of US$2.7 million in Q2/SY17 was generated through the sale of 1,099 dmt of copper concentrate containing 279 tonnes of saleable copper metal, 261 ounces of saleable gold and 1,164 ounces of saleable silver compared with US$7.0 million from the sale of 4,006 dmt of copper concentrate in Q1SY/17. The reduction in revenue reflects in addition to the shorter period, lower saleable copper metal. Revenue in Q4/16 was generated through the sale of 4,169 dmt of copper concentrate containing 1,103 tonnes of saleable copper metal, 1,513 ounces of saleable gold.	6,958	*(61)%*	7,890	*(66)%*
3,552	**Production costs** relate to the processing and mining costs associated with the Company's Ming Mine production and include processing and mining costs of US$0.9 million (Q1/SY17: US$1.3 million, Q4/16: US$1.3 million) and US$2.6million (Q1SY/17: US$5.0 million, Q4/16: US$4.1 million) respectively.	6,293	*44%*	5,195	*32%*
501	**General and administrative expenses** were lower than the previous quarter by US$297,000 due to the shorter reporting period.	798	*37%*	804	*38%*
-	**Provision for impairment** represents the provision for impairment on the Ming Mine of US$ nil (Q4/16: US$11.3 million). Management have assessed that there are no indicators of impairment at the end of the stub period. This assessment considered financial and operating performance compared to forecasts, changes in the current market outlook regarding commodity prices and any changes in the current market cost of capital. The provision for impairment on the Ming Mine in the previous period was mainly as a result of the then current market outlook regarding commodity prices, foreign exchange rates and the current market cost of capital.	-	*N/A*	11,268	*N/A*
1,345	**Gain/(loss) on derivative financial instruments.** During the stub quarter the net unrealised fair value gain adjustment recognized was US$187,000 being the difference in the commodity prices at time of provisional invoicing and anticipated commodity prices upon final settlement offset by a realised gain of US$1,158,000 on the final settlement of the Company's fourteenth concentrate shipment. During Q1SY/17 the net unrealised fair value gain adjustment recognized was $240,000 being the difference in the commodity prices at time of provisional invoicing and anticipated commodity prices upon final settlement offset by a realised loss of US$81,000 on the final settlement of the Company's thirteenth concentrate shipment.. During Q4/16 the net unrealised fair value loss adjustment recognized was US$52,000 being the difference in the commodity prices at time of provisional invoicing and anticipated commodity prices upon final settlement offset by a realised loss of US$740,000 on the final settlement of the Company's thirteenth concentrate shipment..	159	*746%*	(792)	*270%*
(90)	**Foreign exchange differences** arising on the Gold Loan resulted in a loss in Q2SY/17 as a result of the weakening of the Canadian dollar against the US dollar during the period.	(362)	*75%*	(598)	*85%*
2,609	**Income tax credit/(expense).** A deferred tax credit of US$1.0 million was recognised on the loss for the two months. In addition a credit of US$1.5 million was recognised in respect of mining tax This compares with a credit of US$0.7 million in Q1SY/17 and a credit of US$2.6 million for Q4/16.	717	*(49)%*	2,561	*(86)%*

APPENDIX 3 - FINANCIAL REVIEW FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016 (continued)

Q2/SY17 Results (US$000's)	Commentary	Comparatives			
		Q1SY /17	*B/ (W)**	Q4/16	B/ (W)
769	**Mineral property** The Company incurred costs of US$1.0 million in the quarter offset by US$0.6 million of cost reallocated to operating expenditure in the quarter. The cost includes labour costs of $0.5 million and underground development costs of $0.5 million and an increase in the reclamation and closure provision of $0.5 million.	904	*(15)%*	921	*17%*
1,213	**Capital spending on property, plant and equipment** increased by US$0.3 million during the quarter compared to Q1/SY17 and included the purchase of asecond hand underground equipment.	884	*(37)%*	1,329	*9%*
-	**Capital spending on exploration and evaluation costs** in Q4/16 mainly relates to the Pre-Feasibility Study on the Ming mine's Lower Footwall Zone and further exploration drilling the 1806 and 1807 zones.	-	*N/a%*	54	*N/a%*

*B / (W) = Better / (Worse)

APPENDIX 4 – NON-GAAP FINANCIAL MEASURES

The Company has included non-GAAP performance measures throughout this document. These include: net direct cash cost (C1) per pound of saleable copper, fully allocated costs (C3) per pound of saleable copper and earnings before interest, taxes, depreciation, amortisation ('EBITDA').

C1 and C3 costs per pound of saleable copper are common performance measures in the mining industry but do not have any standardized meaning. The guidance provided by the World Gold Council for calculating all-in costs was followed; however, the Company adjusts for non-cash items and includes financing fees within the total cash costs. Total cash operating costs include mine site operating costs (mining, processing and refining, in-mine drilling expenditures, administration, and production taxes), but are exclusive of other costs (non-cash inventory valuation adjustments, reclamation, capital, long-term development and exploration). These measures, along with sales, are considered to be key indicators of the Company's ability to generate operating earnings and free cash flows from its mining operations. The Company believes that certain investors use this information to evaluate the Company's performance and ability to generate cash flows. These should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS and are not necessarily indicative of production costs presented under IFRS. The following tables provide reconciliation of said costs to the Company's financial statements for the five months ended December 31, 2016:

Cash Operating Cost *All amounts in 000s of US Dollars except pounds of saleable copper*	2 months to Dec 31, 2016	3 months to Oct 31, 2016	3 months to Jul 31, 2016	5 months to Dec 31, 2016	Year to Jul 31, 2016
Production Costs per Financial Statements	**$ 3,552**	$ 6,293	$ 5,195	**$ 9,845**	$ 21,701
Cash Production Costs	**$ 3,552**	$ 6,293	$ 5,195	**$ 9,845**	$ 21,701
On-site general administration costs	**$ 404**	$ 220	$ 528	**$ 624**	$ 1,811
By-product credits	**$ (324)**	$ (1,655)	$ (1,577)	**$ (1,979)**	$ (6,450)
Net direct cash costs (C1)	**$ 3,632**	$ 4,858	$ 4,146	**$ 8,490**	$ 17,062
Pounds of saleable copper	**1,220**	2,330	2,431	**3,550**	9,939
C1 cost per pound of saleable copper	**$ 2.98**	$ 2.08	$ 1.71	$ 2.39	$ 1.72

APPENDIX 4 - NON-GAAP FINANCIAL MEASURES (continued)

C3 per Pound of Saleable Copper *All amounts in 000s of US Dollars except pounds of saleable copper*	**2 months to Dec 31, 2016**	**3 months to Oct 31, 2016**	**3 months to Jul 31, 2016**	**5 months to Dec 31, 2016**	**Year to Jul 31, 2016**
Net direct cash costs (see above)	**$ 3,632**	$ 4,858	$ 4,146	**$ 8,490**	$ 17,062
Depreciation and amortisation	**1,176**	1,781	2,071	**2,957**	6,972
Profit on sale of property, plant and equipment	**-**	-	-	**(12)**	(105)
Corporate Cash Expense	**303**	330	273	**633**	1,015
Cash Interest Expense	**62**	125	103	**187**	544
Fully allocated costs (C3 cost)	**$ 5,173**	$ 7,094	$ 6,593	**$ 12,255**	$ 25,488
Pounds of saleable copper	**1,220**	2,330	2,431	**3,550**	9,939
C3 cost per pound of saleable copper	**$ 4.24**	$ 3.04	$ 2.71	**$ 3.45**	$ 2.56

APPENDIX 4 - NON-GAAP FINANCIAL MEASURES (continued)

Earnings before interest, tax and depreciation *All amounts in 000s of US Dollars*	**2 months to Dec 31, 2016**	**3 months to Oct 30, 2016**	**12 months to Jul 31, 2016**	**5 months to Dec 31, 2016**	**12 months to Jul 31, 2016**
(Loss)/profit after tax per Financial statements	**$ (945)**	$ (1,800)	$ (12,827)	**$ (2,745)**	$ (12,806)
Taxation	**(2,609)**	(717)	(2,561)	**(3,326)**	(2,422)
Net interest	**2,074**	1,085	2,104	**3,159**	3,207
Depreciation and amortisation	**1,176**	1,781	2,071	**2,957**	6,972
Gain on disposal of property, plant and equipment	**(12)**	-	-	**(12)**	(105)
Provision for impairment	**-**	-	11,268	**-**	11,268
EBITDA	**$ (316)**	$ 349	$ 55	**$ 33**	$ 6,114

APPENDIX 5 - CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The details of the Company's accounting policies are presented in accordance with International Financial Reporting Standards as set out in Note 2 to the financial statements. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

The following estimates are considered by management to be the most critical for investors to understand some of the processes and reasoning that go into the preparation of the Company's financial statements, providing some insight also to uncertainties that could impact the Company's financial results.

Going Concern

Historically the Company has been successful in accessing the equity and debt markets to finance the acquisition and initial development of the Project. 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 Project. 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 that 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.

Share-based payments

The Company calculates the cost of share based payments using the Black-Scholes model. Inputs into the model in respect of the expected option/warrant life and the volatility are subject to management estimates and any changes to these estimates may have a significant effect on the cost. The assumptions used in calculating the cost of share based payments are explained in notes 6 and 21 of the financial statements for the five months ended December 31, 2016.

APPENDIX 5 - CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

Gold Loan
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 (see note 23 of the financial statements for the five months ended December 31, 2016). The cash flows will be dependent on the production of gold and its selling price at the time of delivery which have been estimated in line with the mine plan, future prices of gold and resource and reserve estimates. Management's estimates of these factors are subject to risk and uncertainties affecting the amount of the interest charge. Any changes to these estimates may result in a significantly different interest charge which would affect the income statement and the corresponding Gold Loan liability.

Mineral Property and Exploration and Evaluation Costs
The directors have assessed whether there are any indicators of impairment in respect of mineral property and exploration and evaluation costs. In making this assessment they have considered the Company's business plan which includes resource estimates, future processing capacity, the forward market and longer term price outlook for copper and gold. Resource estimates have been based on the most recently filed NI43-101 report and its opportunities economic model which includes resource estimates without conversion of its inferred resources. Management's estimates of these factors are subject to risk and uncertainties affecting the recoverability of the Company's mineral property and exploration and evaluation costs.

Amortisation of Mineral Property
Amortisation of the Mineral Property is calculated on a unit of production method expected to amortise the cost including future forecast capital expenditure over the expected life of the mine based on the tonnes of ore expected to be extracted. Any changes to these estimates may result in an increase in the amortisation charge with a corresponding reduction in the carrying value of the Mineral Property.

Closure Costs
The Company has an obligation to reclaim its properties after the minerals have been mined from the site, and has estimated the costs necessary to comply with existing reclamation standards. These estimates are recorded as a liability at their fair values in the periods in which they occur. If the estimate of reclamation costs proves to be inaccurate, the Company could be required to increase the provision for site closure and reclamation costs, which would increase the amount of future reclamation expense, resulting in a reduction in the Company's earnings and net assets.

Revenue
Revenues are subject to variation after the date of sale due to assay, price and foreign exchange fluctuations. Management monitors these changes closely and at the end of the period the directors will consider whether the effect of these variations are material on the whole and determine whether an adjustment is therefore appropriate.

APPENDIX 5 - CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

Available for sale investments
Management considers that they do not have significant influence over the financial and policy decisions of the entities in which investment has been made and therefore have included the investments as available for sale investments.

Deferred tax
The Company has incurred losses which will be available for offset against future taxable profits and one of the subsidiaries has tax credits available to offset against future tax liabilities. Following the declaration of commercial production it has been concluded that the Company has sufficient evidence of future taxable profits to justify the recognition of a deferred tax asset. If future taxable profits prove to be insufficient the Company could be required to reduce the deferred tax asset which would result in a reduction in the Company's earnings and net assets.

The Company has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2016. The adoption of these new and revised Standards and Interpretations had no material effect on the profit or loss or financial position of the Company.

No standards issued but not yet effective have been adopted early.

International Financial Reporting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended December 31, 2016:

IFRS /Amendment	Title	Nature of change to accounting policy	Application date of standard	Application date for Company
IFRS 9	Financial instruments: Classification and Measurement	No change to accounting policy, therefore, no impact	January 1, 2018	January 1, 2018
IFRS 15	Revenue from contracts with customers	No change to accounting policy, therefore, no impact	January 1, 2018	January 1, 2018
IFRS 16	Leases	No change to accounting policy, therefore, no impact	January 1, 2019	January 1, 2019

Management have reviewed the impact of the above standards and interpretations and have concluded that they will not result in any material changes to reported results.

Details of the main accounting policies of the Company are included in note 2 of the financial statements for the five months ended December 31, 2016.

APPENDIX 6 – OTHER MATTERS

Outstanding Share & Option Data

As at the date of this MD&A the following securities are outstanding:

Security	Shares issued or issuable	Weighted Average Exercise Price
Common Shares	549,289,702	–
Warrants	65,000,000	US$0.062
Options	12,924,000*	US$0.14

*if all options have fully vested

For further assistance Mr. Peter Mercer, Corporate Secretary can be reached directly at +1-709-800-1929 ext.500 or pmercer@ramblermines.com.

Forward Looking Information

This MD&A contains "forward-looking information" ("FLI") which may include, but is not limited to, statements with respect to the Company's objectives and strategy, future financial or operating performance of the Company and its projects, exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining exploration and development, environmental risks, title disputes or claims and limitations of insurance coverage. All statements, other than statements of historical fact, are forward-looking statements. Often, but not always, statements containing FLI can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur be achieved or continue to be achieved. Forward-looking statements are based on opinions, estimates and assumptions of management considered reasonably at the date the statements are made. Key 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. Investors are cautioned however that forward-looking statements necessarily involve both known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the FLI. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; availability and cost of credit; fluctuations in Canadian dollar interest rates; fluctuations in the relative value of United States dollars, Canadian dollars and British Pounds; changes in planned parameters as plans continue to be refined; fluctuations in the market and forward prices of copper, gold, silver or certain other commodities; possible variations of ore grade or recovery rates; failure of equipment; accidents and other risks of the mining exploration industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risks and Uncertainties" in the Report of Directors for the five months ended December 31, 2016. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the FLI contained in this MD&A, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

APPENDIX 6 – OTHER MATTERS (continued)

Forward Looking Information(continued)

Unless stated otherwise, statements containing FLI herein are made as of the date of this MD&A and the Company disclaims any intention or obligation and assumes no responsibility to update or revise any FLI contained herein, whether as a result of new information, future events or otherwise, except as required by applicable law.

Other than as required by applicable securities law, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements. Accordingly, readers should not place undue reliance on forward-looking statements. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

FLI statements	Assumptions	Risk Factors
Continued positive cash flow	Actual expenditures from operations will not exceed revenues	Expenditures exceeding revenues resulting from fluctuations in the market and forward prices of copper, gold, silver or certain other commodities, or increased costs of production, or production stoppages or shortfalls
Continued mining and milling the exposed massive sulphide and LFZ workplaces with further exploration up-dip and down-dip	Achieving the planned capital and operating development and production targets; and, timely completion of drill bays to allow commencement of exploration drilling	Development delays reducing access to production ore
Increase production from the Ming Mine to allow the optimization of the Nugget Pond copper concentrator at 1,250 mtpd and potentially allow the gold hydromet to be operated independently and/or simultaneously with the copper concentrator	Successful completion of a detailed engineering review of existing infrastructure and availability of finance from cash flow from operations	Economic viability

Further information

Additional information relating to the Company is on SEDAR at www.sedar.com and on the Company's web site at www.ramblermines.com.

RAMBLER METALS AND MINING PLC

STRATEGIC REPORT FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

A review of the Company's business and future developments is set out in the Management's Discussion and Analysis including key performance indicators.

PRINCIPAL RISKS AND UNCERTAINTIES

An investment in Rambler should be considered speculative due to the nature of its operations and certain other factors. The risk factors which should be taken into account in assessing Rambler's activities and an investment in securities of Rambler include, but are not limited to, those set out below. Should any one or more of these risks occur, it could have a material adverse effect on the value of securities of Rambler and the business, prospects, assets, financial position or operating results of Rambler, any one of which may have a significant adverse effect on the price or value of any securities of Rambler.

The risks noted below do not necessarily comprise all those faced by Rambler and are not intended to be presented in any assumed order of likelihood or magnitude of consequences.

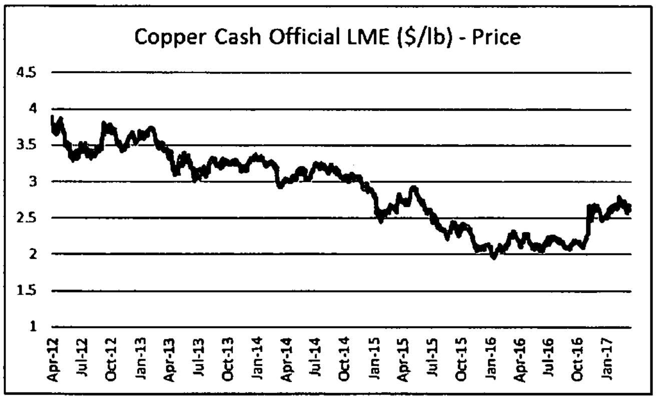
Mining risks
Mining operations are inherently risky. These operations are subject to all hazards and risks encountered in the exploration, development and production of mineralization in an underground setting. These include but are not limited to formation pressures, seismic activity, rock bursts, fires, power outages, cave-ins, flooding, explosions and other conditions involved in the drilling and removal of material. Any of these events could result in serious damage to the mine and other infrastructure, damage to life or property, environmental damage and possible legal liability.

The Company has all necessary permits in place to continue with the current operation. As expansion plans progress, the Company will be required to submit revised Development Plans for approval by the ministry. There can be no guarantee that these revised plans will be agreed to or approved in a timely manner.

The Company's profitability will depend, in part, on the economic returns and actual costs of developing its mining projects, which may differ from the estimates made by the Company.

Copper and Gold Price Volatility
The Company's revenues will continue to be derived from the extraction and sale of copper concentrate containing gold and silver by-products. The prices of copper, gold and silver have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased global production due to new extraction developments and improved extraction and production methods.

In recent years the price of copper has been affected by changes in the worldwide balance of copper supply and demand, largely resulting from economic growth and political conditions in China and other major developing economies. While this demand has resulted in higher prices for copper in past years, the current economic slowdown in China has placed downward pressure on the demand for copper. The effect of these factors on the price of copper and gold cannot be accurately predicted. Current predictions for the price of copper have improved since the last financial reporting period end and the Company has not made any further provision for impairment during the period.



PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

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.

Additional Requirement for Capital
As mentioned above, management is evaluating further increases in production through re-establishing the shaft for hoisting and the integration of ore pre-concentration. With further engineering and assessment, management will work to finalize internal modelling and economics for this Phase III expansion. Should any additional equity financing be required this may be further dilutive to shareholders and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company.

Uncertainty in the estimation of mineral resources and mineral reserves
The estimation of mineral reserves, mineral resources and related grades has a degree of uncertainty. Until such a time as the mineral reserves and mineral resources are actually mined and processed, the quantity of grades must be considered as estimates only. The mineral reserve estimates of the Company have been determined or reviewed by an independent consultant and is based on assumed metal prices, cut-off grades and costs that may prove to be inaccurate. Any material change in these variables, along with differences in actual metal recoveries when compared to laboratory test results, may affect the economic outcome of current and future projects.

ON BEHALF OF THE BOARD:

N P Williams
President and CEO
Director

March 28, 2017

REPORT OF THE DIRECTORS FOR THE FIVE MONTHS ENDED DECEMBER 31, 2016

The Directors present their report with the audited financial statements of the Company for the five months ended December 31, 2016.

PRINCIPAL ACTIVITY

The principal activity of the Company is the development, mining and exploration of the Ming Copper-Gold Mine located in Newfoundland and Labrador and the exploration and development of other strategic properties within the immediate area. The principal activity of the parent company is that of a holding company.

DIRECTORS

The Directors during the period under review were:

T I Ackerman
E C Chen
B Labatte
B A Mills
G R Poulter
M V Sander
N P Williams

DIVIDENDS

No dividends will be distributed for the five months ended December 31, 2016.

SUBSTANTIAL SHARE INTERESTS

At March 17, 2017 the parent company was aware of the following substantial share interests:

	Number of Ordinary Shares	% of Share Capital
CE Mining II Rambler	396,363,636	72.16
Henderson Global Investors	33,288,350	6.06
Tinma International Ltd.	22,736,992	4.14

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 foreign exchange risk, liquidity risk, credit risk, interest rate risk and commodity price risk, each of which is discussed in note 25 to the financial statements.

LIKELY FUTURE DEVELOPMENTS

Details of likely future developments are set out in the Management's Discussion and Analysis.

SUBSEQUENT EVENTS

Details of subsequent events are set out in the Management's Discussion and Analysis.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's Auditor for the purposes of their audit and to establish that the Auditor is aware of that information. The Directors are not aware of any relevant audit information of which the Auditor is unaware.

AUDITOR

The auditor, BDO LLP, will be proposed for re-appointment in accordance with Section 489 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

Peter Mercer

P Mercer
Company Secretary

March 28, 2017

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the strategic report, the report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and with IFRS and their interpretations adopted by the IASB, and the company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAMBLER METALS AND MINING PLC

Opinion

We have audited the financial statements of Rambler Metals and Mining PLC (the 'company') and its subsidiaries (the 'group') for the 5 month period ended 31 December 2016 which comprise the consolidated income statement, the consolidated and parent company statements of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of changes in equity, the consolidated and parent company statements of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion the financial statements:

• give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2016 and of the group's loss for the period then ended;
• the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union ;
• the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
• the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 2 to the financial statements the group, in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements give a true and fair view of the financial position of the group as at 31 December 2016 and of its financial performance and its cash flows for the period then ended in accordance with IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

• the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAMBLER METALS AND MINING PLC

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There have been no significant changes in the group's operations. The assessed risks of material misstatement described below, which are those that had the greatest impact on our audit strategy and scope, are substantially the same as in the prior year. We have set out below how we addressed these risks:

Risk	Response
Impairment review At 31 July 2016, impairment indicators had been noted on the Group's in-production mining assets and as a consequence detailed impairment testing was undertaken resulting in a $11.3m impairment charge being recognised. As required by the accounting standards, Management is required to assess whether there have been indicators of impairment of assets, and where this is the case, to undertake a formal impairment test. Management has asserted that at reporting date no impairment triggers had been noted that would require impairment testing of the in-production mining assets, and therefore no further impairment charge has been recorded. Given the impairment charges recognised over recent periods, and the judgements involved, this area represents a key risk to our audit.	We have reviewed Management's assessment of impairment by considering internal and external factors that may indicate impairment. This included: • Review of financial performance to forecast; • Review of key production and milling statistics to forecast; • Review of third party data on forecast commodity prices against assumptions in the previous impairment model; and • Considering any significant changes to the Group's cost of capital. We concur with Management's assessment that at reporting date there were no impairment triggers and are satisfied that the carrying value of in-production mining assets is fairly stated.
Accounting estimates in in-production mining assets In-production mining assets includes mineral properties and property, plant and equipment. The depreciation of mineral properties is considered a significant risk due to the inherent risk of judgement in this accounting estimate and significance of the quantum involved. We understand that Management base the depreciation charge on estimated tonnage over the life of the mine, in line with methods allowed under the accounting standards. Account needs to be taken of the mine plan, usage profile and future capital expenditure in assessing this, thus increasing estimation uncertainty. Underground costs are classified between in-production mining assets and operating expenditure in the period. Management determines the allocation of costs based on an estimated standard cost. There is a significant risk that this standard cost does not reflect the actual costs incurred, therefore affecting the classification of expenditure.	We have critically assessed Management's unit of production depreciation policy and its application, including a detailed review of Management's key assumptions used in the depletion model. We have reviewed Management's standard cost estimate against actual costs incurred for underground equipment, material and labour. We have substantiated a sample of expenditure items included in Management's cost estimate to supporting documentation, including purchase invoices. We concur with Management that the standard rate per metre materially reflects the current underground mining costs.
Going concern It is the Directors' responsibility to assess whether the financial statements should be prepared on a going concern basis. As such, the Directors are required to make an assessment of the Group's ability to continue as a going concern for a period of at least 12 months from the date of signing the current period's report. At balance sheet date, current liabilities exceeded current assets and cash available in the business had fallen against the comparative period. The risk that the business may not have sufficient expectations of funding to support the going concern assumption represents a significant risk to our audit.	We have reviewed and challenged Management's forecasts to assess the Group's ability to meet its financial obligations as they fall due for a period of at least one year. Management's forecast shows that the Group expect to maintain sufficient funding during this period, inclusive of funding arising post period end from the exercise of warrants. We performed our own sensitivities in respect of the key assumptions underpinning the forecasts. We have assessed Management's ability to restrict their capital expenditure programme in light of reduced cash flows. We concur with Management's assessment and disclosures regarding going concern.

Key Audit Matters (continued)

Risk	Response
Revenue recognition Revenue is recognised upon initial invoicing which is determined as the point at which legal title is passed onto the customer. This legal title transfer can occur when the concentrate is yet to be shipped. There is a significant risk that revenue is recognised when substantial risks and rewards have not been transferred. This is particularly prevalent around the period end. Further to this, differences in commodity prices arising from the time of provisional invoicing to the time of final settlement are recognised as a gain or loss on derivative financial instruments. We consider that there is a significant risk of material misstatement with regards to cut-off at period end.	We have agreed the sales generated throughout the period and January 2017 to supporting documentation. Management has correctly recognised revenue on each sale when payment from the customer is received, which in line with the contractual arrangements and the accounting standard requirements. As at period end, there was concentrate that had not been shipped. We have inspected the contractual arrangement with the customer and concur that whilst the stock is still to be shipped, legal title was transferred at point of payment, and the customer accepted the risks of ownership. Other concentrate, which had not been purchased by the customer, remained in inventories at period end. We have also reviewed the effect of changes in assays and commodity prices for invoiced goods that had not yet been delivered at period end. Management has correctly accounted for the decline in assays to revenue in profit or loss and the increase in commodity prices to gain on derivatives.
Valuation of Gold loan Rambler is party to an agreement with Sandstorm Resources Ltd (Sandstorm). The arrangement required Sandstorm to make upfront payments to Rambler, which are now being settled by Sandstorm receiving a pre-determined percentage of current and future gold production. This arrangement results in a complex accounting transaction and requires regular judgement over reforecasting to assess the carrying value. Given the re-forecasting and the judgement involved this is therefore considered to be a significant risk.	We have reviewed the Gold loan calculation, including the assumptions and estimations made, and checked its integrity. We considered the appropriateness of its discounted future estimated gold produced. We have assessed that the loan has been accounted for correctly in line with the mine plan. This includes forecast gold prices and ounces produced from the mine model, which determine the forecast gold repayments in the loan agreement. We concur with the value derived by Management.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The materiality for the group financial statements as a whole was set at $145,000. This was determined with reference to a benchmark of 1.5% of revenue of the group for the 5 month period ended 31 December 2016. We consider revenue to be an appropriate basis for materiality given the Group's operations are predominantly in production and Group earnings before tax is volatile.

Our materiality is lower than the level we set for the year ended 31 July 2016 of $452,000 due to the shortened reporting period.

We agreed with the audit committee that we would report to the committee all individual audit differences identified during the course of our audit in excess of $4,350. We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAMBLER METALS AND MINING PLC

An overview of the scope of our audit

Whilst Rambler Metals and Mining plc is a Company registered in England & Wales and listed on the Alternative Investment Market (AIM) in the UK and also a secondary listing on the TSX Venture Exchange (TSXV) in Canada, the Group's principal operations are located in Canada. In approaching the audit we considered how the Group is organised and managed. We assessed the business as being principally a single project comprising of the Canadian subsidiary entity that operates the Ming Mine, and a UK head office function.

Both the parent company and the Canadian subsidiary were subject to a full scope audit. Both of the audits were conducted by BDO LLP. The remaining non-significant components of the group were principally subject to analytical review procedures.

We set out above the risks that had the greatest impact on our audit strategy and scope.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, including Chairman's statement and Management's Discussion and Analysis, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

• the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

• adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
• the financial statements are not in agreement with the accounting records and returns; or
• certain disclosures of directors' remuneration specified by law are not made; or
• we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 32, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

S. McNaughton

Scott McNaughton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom
28 March 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

RAMBLER METALS AND MINING PLC

CONSOLIDATED INCOME STATEMENT

For the Five Months Ended December 31, 2016
(EXPRESSED IN US DOLLARS)

	Note	Five months to 31 December 2016 US$'000	Year to 31 July 2016 US$'000	Five months to 31 December 2015 US$'000
Revenue	4	9,680	30,378	12,038
Production costs		(9,845)	(21,701)	(9,249)
Depreciation and amortisation		(2,937)	(6,807)	(2,501)
Gross (loss)/profit		(3,102)	1,870	288
Administrative expenses		(1,299)	(2,899)	(1,052)
Exploration expenses		(14)	(26)	(8)
Operating loss before impairment		(4,415)	(1,055)	(772)
Provision for impairment	12	-	(11,268)	-
Operating loss after impairment	5	(4,415)	(12,323)	(772)
Exchange loss		(452)	(237)	(978)
Bank interest receivable		17	25	20
Profit on disposal of available for sale investments		451	-	-
Gain/(loss) on derivative financial instruments	7	1,504	539	769
Finance costs	8	(3,176)	(3,232)	(975)
Net expense		(1,656)	(2,905)	(1,164)
Loss before tax		(6,071)	(15,228)	(1,936)
Income tax credit	9	3,326	2,422	(1,366)
Loss for the period		(2,745)	(12,806)	(3,302)

Loss per share

	Note	31 December 2016 US$	31 July 2016 US$	31 December 2015 US$
Basic loss per share	22	(0.007)	(0.067)	(0.023)
Diluted loss per share	22	(0.007)	(0.067)	(0.023)

RAMBLER METALS AND MINING PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Five Months Ended December 31, 2016
(EXPRESSED IN US DOLLARS)

	31 December 2016 US$'000	31 July 2016 US$'000	31 December 2015 US$'000
Loss for the period	(2,745)	(12,806)	(3,302)
Other comprehensive income			
Items that may be reclassified into profit or loss			
Exchange differences on translation of foreign operations (net of tax)	(1,993)	(1,222)	(3,283)
Disposal of available for sale investment (net of tax)	(383)	-	-
Gain/(loss) on available for sale investment (net of tax)	(216)	1,178	(164)
Other comprehensive loss for the period	(2,592)	(44)	(3,447)
Total comprehensive loss for the period	(5,337)	(12,850)	(6,749)

RAMBLER METALS AND MINING PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2016
(EXPRESSED IN US DOLLARS)

	Note	31 December 2016 US$'000	31 July 2016 US$'000
Assets			
Intangible assets	10	2,169	2,233
Mineral property	11	34,453	35,238
Property, plant and equipment	13	23,056	23,125
Available for sale investments	14	1,333	2,402
Deferred tax	9	11,545	8,420
Restricted cash	19	3,243	3,339
Total non-current assets		75,799	74,757
Inventory	15	2,496	2,383
Trade and other receivables	16	1,284	599
Derivative financial asset	17	756	587
Cash and cash equivalents	18	2,156	8,929
Total current assets		6,692	12,498
Total assets		82,491	87,255
Equity			
Issued capital	20	6,374	6,374
Share premium		81,442	81,455
Share warrants reserve		2,089	2,089
Merger reserve		180	180
Translation reserve		(18,749)	(16,756)
Fair value reserve		476	1,075
Retained profits		(15,443)	(12,731)
Total equity		56,369	61,686
Liabilities			
Interest-bearing loans and borrowings	23	14,412	13,650
Provision	24	1,804	1,833
Total non-current liabilities		16,216	15,483
Interest-bearing loans and borrowings	23	4,814	5,226
Trade and other payables	22	5,092	4,860
Total current liabilities		9,906	10,086
Total liabilities		26,122	25,569
Total equity and liabilities		82,491	87,255

ON BEHALF OF THE BOARD:

N R Williams
Director
Approved and authorised for issue by the Board on March 28, 2017

RAMBLER METALS AND MINING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EXPRESSED IN US DOLLARS)

	Share Capital US$'000	Share Premium US$'000	Warrants Reserve US$'000	Merger Reserve US$'000	Translation Reserve US$'000	Fair Value Reserve US$'000	Accumulated Losses US$'000	Total US$'000
Group								
Balance at August 1, 2015	2,471	72,128	-	180	(15,534)	(103)	41	59,183
Comprehensive income								
Loss for the year	-	-	-	-	-	-	(12,806)	(12,806)
Foreign exchange translation differences	-	-	-	-	(1,222)	-	-	(1,222)
Gain on available for sale investments (net of tax)	-	-	-	-	-	1,178	-	1178
Total other comprehensive income	-	-	-	-	(1,222)	1,178	-	(44)
Total comprehensive (loss)/income for the year	-	-	-	-	(1,222)	1,178	(12,806)	(12,850)
Transactions with owners								
Issue of share capital	3,903	10,223	2,089	-	-	-	-	16,215
Share issue expenses	-	(896)	-	-	-	-	-	(896)
Share-based payments	-	-		-	-	-	34	34
Transactions with owners	3,903	9,327	2,089	-	-	-	34	15,353
Balance at July 31, 2016	6,374	81,455	2,089	180	(16,756)	1,075	(12,731)	61,686
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 period	-	-	-	-	-	-	(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 income	-	-	-	-	(1,993)	(599)	-	(2,592)
Total comprehensive income/(loss) for the period	-	-	-	-	(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

RAMBLER METALS AND MINING PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Five Months Ended December 31, 2016
(EXPRESSED IN US DOLLARS)

	31 December 2016 $'000	31 July 2016 $'000	31 December 2015 $'000
Cash flows from operating activities			
Operating loss	(4,415)	(12,323)	(772)
Depreciation and amortisation	2,927	6,972	2,633
Gain on disposal of property, plant and equipment	(12)	(105)	(105)
Provision for impairment	-	11,268	-
Share based payments	33	34	21
Foreign exchange difference	(126)	(703)	(90)
Decrease/(increase) in inventory	(114)	(551)	178
Decrease/(increase) in debtors	(685)	1,014	411
(Increase)/decrease in derivative financial instruments	1,335	191	50
(Decrease)/increase in creditors	232	(723)	(294)
Cash generated from operations	(825)	5,074	2,032
Interest paid	(122)	(266)	(114)
Net cash generated from operating activities	(947)	4,808	1,918
Cash flows from investing activities			
Interest received	17	25	20
Acquisition of bearer deposit note	-	(844)	-
Acquisition of subsidiary net of cash	-	(49)	-
Acquisition of evaluation and exploration assets	-	(480)	(284)
Acquisition of Mineral property – net	(1,673)	(3,551)	(1,413)
Acquisition of property, plant and equipment	(1,676)	(2,939)	(1,320)
Disposal of property, plant and equipment	30	136	102
Net cash utilised in investing activities	(3,302)	(7,702)	(2,895)
Cash flows from financing activities			
Issue of share capital	-	15,105	-
Share issue expenses	(13)	(896)	-
Disposal of available for sale investments	783	-	-
Loans received	-	1,000	1,000
Repayment of Gold Loan (note 23)	(1,255)	(2,297)	(1,141)
Repayment of Loans	(913)	(1,179)	-
Capital element of finance lease payments	(866)	(2,595)	(1,102)
Net cash utilised in financing activities	(2,264)	9,138	(1,243)
Net increase in cash and cash equivalents	(6,513)	6,244	(2,220)
Cash and cash equivalents at beginning of period	8,929	3,389	3,389
Effect of exchange rate fluctuations on cash held	(260)	(704)	(3)
Cash and cash equivalents at end of period	2,156	8,929	1,166

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Nature of operation 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 on pages 4 to 27. In addition, notes 20 and 25 to the financial statements includes 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 Significant accounting policies

Rambler Metals and Mining Plc (the "Company") is a company registered in England and Wales. The Company has changed its fiscal year from July 31 to December 31. The current reporting period is the five month period from August 1, 2016 to December 31, 2016 with comparatives for the five months ended December 31, 2015 as required by Canadian Securities Law. The consolidated financial statements of the Company for the five months ended December 31, 2016 comprise the Company and its subsidiaries (together referred to as the "Group").

(a) Statement of compliance

The consolidated financial statements of Rambler Metals and Mining plc have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union and with IFRS and their interpretations adopted by the IASB. There are no material differences on application to the Group. The consolidated financial statements have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Group has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2016.

The Group has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that adoption of standards or interpretations which have been issued by the International Accounting Standards Board but have not been adopted will have a material impact on the financial statements. Refer to Appendix 5 of Management's Discussion and Analysis on page 25 for standards not yet effective.

2 Significant accounting policies (continued)

(b) Basis of preparation

The financial statements are presented in United States dollars ("US dollars"), rounded to the nearest thousand dollars. US Dollars is used as the presentation currency in line with industry peers. The parent company has a functional currency of GB pounds and the majority of the Group's operations are carried out by its operating subsidiary which has a functional currency of Canadian dollars. Foreign operations are included in accordance with the policies set out in note 2(d). At December 31, 2016 the closing rate of exchange of US dollars to 1 GB pound was 1.23 (July 31, 2016: 1.32) and the average rate of exchange of US dollars to 1 GB pound for the five months was 1.33 (year to July 31, 2016: 1.42).

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The accounting policies have been applied consistently by Group entities.

(c) Basis of consolidation

(i) Subsidiaries

An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control is obtained.

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

(ii) Translation into presentation currency

The assets and liabilities of the UK parent are translated to US dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of the parent company are translated to US dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions.

(iii) Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to translation reserve. They are released into the income statement upon disposal.

2 Significant accounting policies (continued)

(e) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost. The cost of self-constructed assets includes the cost of materials, direct labour and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located, where an obligation to incur such costs exists.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

(iii) Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the income statement or capitalised as part of the exploration and evaluation costs or Mineral property where appropriate, on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. The estimated useful lives are as follows:

• buildings	5 to 10 years
• plant and equipment	2 to 10 years
• motor vehicles	3 years
• computer equipment	3 years
• fixtures, fittings and equipment	3 years

The estimated useful lives and residual values of the assets are considered annually and restated as required.

(f) Mineral property

Upon transfer of 'Exploration and evaluation costs' into 'Mineral property', all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised within 'Mineral property'. Development expenditure is net of proceeds from all sale of gold and copper concentrate extracted during the development phase and until commercial production is declared.

Mineral property is amortised on a unit of production basis. Future forecast capital expenditure is included in the unit of production amortisation calculation.

2 Significant accounting policies (continued)

(g) Intangible assets

(i) Exploration and evaluation costs

These comprise costs directly incurred in exploration and evaluation. They are capitalised as intangible assets pending determination of the feasibility of the project. When the existence of economically recoverable reserves and the availability of finance are established, the related intangible assets are transferred to Mineral property. Where a project is abandoned or is determined not to be economically viable, the related costs are written off.

The recoverability of deferred exploration and evaluation costs is dependent upon a number of factors common to the natural resource sector. These include the extent to which the Group can establish economically recoverable reserves on its properties, the ability of the Group to obtain necessary financing to complete the development of such reserves and future profitable production or proceeds from the disposition thereof.

(ii) Impairment of exploration and evaluation costs

Impairment reviews for exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise but typically when one of the following circumstances apply:

- unexpected geological occurrences that render the resource uneconomic;
- title to the asset is compromised;
- variations in metal prices that render the project uneconomic; and
- variations in the exchange rate for the currency of operation.

(h) Available for sale investments

Available for sale investments are recognised at fair value with changes in value recorded in other comprehensive income. Subsequent to initial recognition available-for-sale financial assets are stated at fair value. Movements in fair values are recognised in other comprehensive income, with the exception of impairment losses which are recognised in profit or loss. Fair values are based on prices quoted in an active market if such a market is available. If an active market is not available, the Company establishes the fair value of financial instruments by using a valuation technique, usually discounted cash flow analysis. When an investment is disposed, any cumulative gains and losses previously recognised in equity are recognised in profit or loss.

(i) Inventory

Stockpiled ore is recorded at the lower of production cost and net realisable value. Production costs include all direct costs plus an allocation of fixed costs associated with the mine site.

Operating supplies are valued at the lower of cost and net realisable value. Cost is determined on an average cost basis.

(j) Trade and other receivables

Trade and other receivables are generally stated at their cost less impairment losses. 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. Receivables with a short duration are not discounted.

2 Significant accounting policies (continued)

(k) Financial instruments measured at fair value through profit and loss
Financial instruments measured at fair value through profit and loss, which includes all derivative financial instruments and receivables containing embedded derivatives arising from sales of concentrate, are measured at fair value at each balance sheet date with changes in value reflected directly within the income statement.

(l) Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Restricted cash is not available for use by the Group and therefore is not considered highly liquid.

(m) Impairment of non-financial assets
The carrying amounts of the Group's assets (except deferred exploration and evaluation costs (see accounting policy (g)(ii)) and deferred tax assets (see accounting policy 2(t)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy 2(m)(i)).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(i) Calculation of recoverable amount
The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment
An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 Significant accounting policies (continued)

(n) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial liabilities include finance leases and hire purchase contracts which are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis except where the difference between cost and redemption value qualify to be capitalised as part of the cost of a qualifying asset.

The Company accounts for its share warrants as equity at fair value as of the date of issuance on the Company's consolidated balance sheets and no further adjustments to their valuation are made. Management estimates the fair value of these liabilities using option pricing models and assumptions that are based on the individual characteristics of the warrants or instruments on the valuation date, as well as assumptions for future financings, expected volatility, expected life, yield, and risk-free interest rate.

(o) Trade and other payables

Trade and other payables are stated at amortised cost.

(p) Provisions

The Group records the present value of estimated costs of legal and constructive obligations required to restore mining and other operations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and revegetation of affected areas.

(q) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of sales tax.

The Company recognises revenue when the amount of the revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met as described below. Any revenues generated during commissioning are treated as a contribution towards previously incurred costs and are therefore credited against mining and development assets accordingly.

Sale of concentrate

Revenue associated with the sale of copper concentrate is recognised when significant risks and rewards of ownership of the asset sold are transferred to the Group's off-taker, which is when the Company receives provisional payment for each lot of concentrate invoiced. Where a provisional invoice is not raised, risks and rewards of ownership transfer when the concentrate passes over the rail of the shipping vessel. Adjustments arising due to differences in assays and weights, from the time of provisional invoicing to the time of final settlement, are adjusted to revenue.

2 Significant accounting policies (continued)

(r) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) Borrowing costs

Borrowing costs are recognised in the income statement where they do not meet the criteria for capitalisation. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

(s) Equity settled share based payments

All share based payments are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based remuneration are measured at their fair values. Fair values of employee services are determined indirectly by reference to the fair value of the share options awarded. Their value is appraised at the grant dates and excludes the impact of non-market vesting conditions.

All share-based remuneration is ultimately recognised as an expense in the income statement with a corresponding credit to the accumulated losses in the balance sheet.

If vesting periods apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if the number of share options ultimately exercised is different to that estimated on vesting. Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital.

2 Significant accounting policies (continued)

(t) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Mining taxes and royalties are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax.

(u) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur. The Group measures a number of items at fair value:

- Derivative financial asset (note 17)
- Available for sale investments (note 14)

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

3. Critical accounting estimates and judgements

The details of the Group's accounting policies are presented in accordance with International Financial Reporting Standards as set out in Note 2 to the financial statements. The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following estimates are considered by management to be the most critical for investors to understand some of the processes and reasoning that go into the preparation of the Company's financial statements, providing some insight also to uncertainties that could impact the Company's financial results.

Going Concern
The risks associated with going concern are explained in note 1.

Mineral Property and Exploration and Evaluation Costs
The directors have assessed whether there are any indicators of impairment in respect of mineral property and exploration and evaluation costs. In making this assessment they have considered the Group's business plan which includes resource estimates, future processing capacity, the forward market and longer term price outlook for copper and gold. Resource estimates have been based on the most recently filed NI43-101 report and its opportunities economic model which includes resource estimates without conversion of its inferred resources. Management's estimates of these factors are subject to risk and uncertainties affecting the recoverability of the Group's mineral property and exploration and evaluation costs.

Amortisation of Mineral Property
Amortisation of the Mineral Property is calculated on a unit of production method expected to amortise the cost including future forecast capital expenditure over the expected life of the mine based on the tonnes of ore expected to be extracted. Any changes to these estimates may result in an increase in the amortisation charge with a corresponding reduction in the carrying value of the Mineral Property.

Closure costs
The Group has an obligation to restore its properties after the minerals have been mined from the site, and has estimated the costs necessary to comply with existing reclamation standards. These estimates are recorded as a liability at their fair values in the periods in which they occur. If the estimate of reclamation costs proves to be inaccurate, the Group could be required to increase the provision for site closure and reclamation costs, which would increase the amount of future reclamation expense, resulting in a reduction in the Group's earnings and net assets.

3. Critical accounting estimates and judgements (continued)

Share-based payments
The Group calculates the cost of share based payments using the Black-Scholes model. Inputs into the model in respect of the expected option/warrant life and the volatility are subject to management estimate and any changes to these estimates may have a significant effect on the cost. The assumptions used in calculating the cost of share based payments are explained in notes 6 and 20.

Gold Loan
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 (see note 23).The cash flows will be dependent on the production of gold and its selling price at the time of delivery which have been estimated in line with the mine plan, future prices of gold and reserve estimates. Management's estimates of these factors are subject to risk and uncertainties affecting the amount of the interest charge. Any changes to these estimates may result in a significantly different interest charge which would affect the carrying value of the exploration and evaluation costs and the corresponding Gold Loan liability.

Revenue
Revenues are subject to variation after the date of sale due to assay, price and foreign exchange fluctuations. Management monitors these changes closely and at the end of the period the directors will consider whether the effect of these variations are material on the whole and determine whether an adjustment is therefore appropriate.

Available for sale investment
Management consider that they do not have significant influence over the financial and policy decisions of Maritime and therefore have included the investment as an available for sale investment.

Deferred tax
The Company has incurred losses which will be available for offset against future taxable profits and one of the subsidiaries has tax credits available to offset against future tax liabilities. Following the declaration of commercial production it has been concluded that the Company has sufficient evidence of future taxable profits to justify the recognition of a deferred tax asset. If future taxable profits prove to be insufficient the Company could be required to reduce the deferred tax asset which would result in a reduction in the Company's earnings and net assets.

4. Operating segments

The Group's operations relate to the exploration for and development of mineral deposits with support provided from the UK and as such the Group has only one operating segment.

Information about geographical areas

	Five months to Dec 31, 2016			Year to July 31, 2016		
	UK	**Canada**	**Consolidated**	UK	Canada	Consolidated
	US$'000	**US$'000**	**US$'000**	US$'000	US$'000	US$'000
Revenue	-	9,680	9,680	-	30,378	30,378
Non-current assets	1,429	74,370	75,799	1,567	73,190	74,757

4. Operating segments (continued)

Information about major customers

Revenues from transactions with a single customer exceeding 10% of total revenues were as follows:

	5 months to Dec 31, 2016 US$'000	Year to July 31, 2016 US$'000	5 months to Dec 31, 2015 US$'000
Customer A	9,680	30,378	12,038
	9,680	30,378	12,038

5. Operating loss

The operating loss is after charging:

	5 months to Dec 31, 2016 US$'000	Year to July 31, 2016 US$'000	5 months to Dec 31, 2015 US$'000
Depreciation – owned assets	1,483	2,906	1,114
Gain on disposal of property, plant and equipment	(12)	(105)	(105)
Amortisation	1,444	4,066	1,516
Impairment charges (see note 12)	-	11,268	-
Directors' emoluments (see note 26)	168	416	144
Auditor's remuneration:			
Audit of these financial statements	125	81	-
Fees payable to the auditor for other services:			
Other assurance services	2	4	-

The Audit Committee reviews the nature and extent of non-audit services to ensure that independence is maintained.

6. Personnel expenses

Salary costs	Group 5 months to Dec 31, 2016 US$'000	Group Year to July 31, 2016 US$,000	Group 5 months to Dec 31, 2015 US$'000
Wages and salaries	3,988	8,308	3,240
Other short term benefits	219	504	219
Compulsory social security contributions	602	1,412	506
Share based payments	33	34	21
	4,842	10,258	3,986

Salary costs of US$138,000 (year to July 31, 2016: US$259,000, five months to Dec 31, 2015: US$80,000) were capitalised as part of the cost of assets under construction costs during the five months.

6. Personnel expenses (continued)

Number of employees

The average number of employees during the period was as follows:

	Group 5 months to Dec 31, 2016	Group Year to July 31, 2016	Group 5 months to Dec 31, 2015
Directors	6	7	7
Administration	11	11	11
Production and development	131	122	115
	148	140	133

During the period the Group granted share options to key personnel to purchase shares in the entity. The options are exercisable at the market price of the shares at the date of grant.

Share-based payments

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

	Weighted average exercise price Dec 31, 2016 US$	Number of options Dec 31, 2016 '000	Weighted average exercise price July 31, 2016 US$	Number of options July 31, 2016 '000
Outstanding at the beginning of the period	0.36	5,079	0.37	5,190
Granted during the period	0.06	9,580	0.62	264
Cancelled during the period	0.28	(1,620)	0.49	(375)
Expired during the period	0.52	(25)	-	-
Outstanding at the end of the period	0.14	13,014	0.36	5,079
Exercisable at end of period	0.38	3,430	0.36	4,999

The options outstanding at December 31, 2016 have an exercise price in the range of US$0.05 to US$0.82 (July 31, 2016: US$0.13 to US$0.84) and a weighted average remaining contractual life of 4.8 years (July 31, 2016: 4.3 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.

Fair value of share options and assumptions issued during the period	5m to Dec 31,2016	Year to July 31, 2016	5m to Dec 31,2015
Fair value at measurement date	USD$0.04	US$0.03	-
Share price (weighted average)	US$0.06	US$0.62	-
Exercise price (weighted average)	US$0.06	US0.07	-
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	94%	94%	-
Expected option life (years)	5	4	-
Expected dividends	-	-	-
Risk-free interest rate (based on national government bonds)	0.64%	0.55%	-

6. Personnel expenses (continued)

The expected volatility is based on the historical 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 is no performance or market conditions associated with the share option grants.

The share-based payment expense relates to the following grants:

	5m to Dec 31, 2016 US$'000	Year to Jul 31, 2016 US$'000	5m to Dec 31, 2015 US$'000
Share options granted in 2013	-	18	8
Share options granted in 2014	1	16	13
Share options granted in 2016	32	-	-
Total expense recognised as employee costs	33	34	21

7. Gain on derivative financial instruments

	5 months to Dec 31, 2016 US$'000	Year to July, 31 2016 US$'000	5 months to Dec 31, 2015 S$'000
Gain on concentrate receivables from off-taker	1,504	539	833

8. Finance costs

	5 months to Dec 31, 2016 US$'000	Year to July, 31 2016 US$'000	5 months to Dec 31, 2015 S$'000
Finance lease interest	46	123	49
Gold loan interest	3,003	2,648	746
Advance purchase facility interest and charges	51	279	-
Off-take provisional payment interest	66	144	65
Unwinding of discount on reclamation provision	10	38	10
	3,176	3,232	870

9. Income tax

Recognised in the income statement

	5 months to Dec 31, 2016 US$,000	Year to July, 31 2016 US$,000	5 months to Dec 31, 2015 S$'000
Current tax expense			
Current period	-	-	-
Deferred tax credit			
Origination and reversal of temporary timing differences	(1,601)	(4,186)	(398)
Mining tax – origination and reversal of temporary differences	(1,496)	-	-
(Under)/over provision in previous year	(229)	1,764	1,764
Total income tax (credit)/charge in income statement	(3,326)	(2,422)	1,366

9. Income tax (continued)

Reconciliation of effective tax rate

	5 months to Dec 31, 2016 US$'000	Year to July 31, 2016 US$'000	5 months to Dec 31, 2015
Loss before tax	(6,071)	(15,228)	(1,936)
Income tax using the UK corporation tax rate of 20% (2015: 20.67%)	(1,214)	(3,046)	(387)
Effect of tax rates in foreign jurisdictions (rates increased)	(542)	(1,416)	(159)
Mining tax	(1,496)	-	-
Non-deductible expenses	31	371	62
Effect of tax rates on chargeable gain	(62)	-	-
Effect of change in tax rates	162	(52)	(52)
Effect of tax losses and credits	3	155	-
(Under)/over provision in previous year	(229)	1,764	1,764
Exchange difference	21	(198)	138
	(3,326)	(2,422)	1,366

Recognised in other comprehensive income

	5 months to Dec 31, 2016 US$,000	Year to July 31, 2016 US$,000	5 months to Dec 31, 2015 US$,000
Current tax expense			
Current year	-	-	-
			-
Deferred tax (credit)/expense			
Fair value re-measurement of available for sale investments	(93)	201	(21)
Exchange difference on retranslation of UK deferred tax asset	59	256	(196)
Over provision in previous period	-	-	(50)
Total income tax expense/(credit) in statement of other comprehensive income	(34)	457	(267)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	Balance Dec 31, 2016 US$'000	Balance July 31, 2015 US$'000	Balance Dec 31, 2016 US$'000	Balance July 31, 2016 US$'000	Balance Dec 31, 2016 US$'000	Balance July 31, 2016 US$'000
Property, plant and equipment		-	(3,112)	(3,264)	(3,112)	(3,264)
Mineral property	3,064	3,328	-	-	3,064	3,328
Intangible assets	109	107	-	-	109	107
Available for sale investment	3	-	-	(91)	3	(91)
Gold loan	26	-	-	(634)	26	(634)
Mining tax	1,496	-	-	-	1,496	
Other timing differences	-	-	(94)	-	(94)	-
Tax value of loss carry-forwards and credits recognised	10,053	8,974	-	-	10,053	8,974
Net tax assets / (liabilities)	14,751	12,409	(3,206)	(3,989)	11,545	8,420

9. Income tax credit (continued)

Movement in recognised deferred tax assets and liabilities

	Balance Aug 1, 2015	Recognised in income	Recognised in other comprehensive income	Exchange difference	Balance July 31, 2016
	US$'000	US$'000	US$'000	US$'000	US$'000
Property, plant and equipment	2,103	1,157	-	4	3,264
Mineral property	(1,795)	(1,528)	-	(5)	(3,328)
Intangible assets	361	(467)	-	-	(106)
Available for sale investment	(110)	-	201	-	91
Gold loan	(713)	1,348	-	(1)	634
Other timing differences	(30)	1	-	-	(29)
Tax value of loss carry-forwards and credits	(6,264)	(2,933)	256	(5)	(8,946)
	(6,448)	(2,422)	457	(7)	(8,420)

	Balance Aug 1, 2016	Recognised in income	Recognised in other comprehensive income	Exchange difference	Balance Dec 31, 2016
	US$'000	US$'000	US$'000	US$'000	US$'000
Property, plant and equipment	3,264	(59)	-	(93)	3,112
Mineral property	(3,328)	169	-	95	(3,064)
Intangible assets	(106)	(4)	-	1	(109)
Available for sale investment	91	-	(93)	(1)	(3)
Gold loan	634	(645)	-	(15)	(26)
Mining tax	-	(1,496)	-	-	(1,496)
Other timing differences	(29)	117	-	6	94
Tax value of loss carry-forwards and credits	(8,946)	(1,408)	59	242	(10,053)
	(8,420)	(3,326)	(34)	235	(11,545)

The Group has incurred losses which will be available for offset against future taxable profits and one of the subsidiaries has tax credits available to offset against future tax liabilities. The Group considers that it has sufficient evidence of future taxable profits to justify the recognition of a deferred tax asset of US$10.7 million (July 31, 2016: US$8.4 million).

The Group has recognised a deferred tax asset in respect of mining tax of US$1.5 million during the period (July 31, 2016: unrecognised deferred tax asset of US$1.4 million). The group considers that with recent increases in the market outlook for copper prices that it has sufficient evidence of future mining profits to justify the recognition of this asset.

10. Intangible assets

	Exploration and evaluation costs		
	Ming Mine	Little Deer Project	Total
	US$'000	US$'000	US$'000
Cost			
Balance at 1 August 2015	16,665	631	17,296
Additions	440	1,463	1,903
Transfer to mineral property	(17,125)	-	(17,125)
Effect of movements in foreign exchange	20	139	159
Balance at 31 July 2016	-	2,233	2,233
Balance at 1 August 2016	-	2,233	2,233
Effect of movements in foreign exchange	-	(64)	(64)
Balance at December 31, 2016	-	2,169	2,169
Impairment			
Balance at 1 August 2015	3,212	-	3,212
Transfer to mineral property	(3,214)	-	(3,214)
Effect of movements in foreign exchange	2	-	2
Balance at July 31, 2016	-	-	-
Balance at 1 August 2016	-	-	-
Balance at December 31, 2016	-	-	-
Carrying amounts			
At 1 August 2015	13,453	631	14,084
At 31 July 2016	-	2,233	2,233
At 1 August 2016	-	2,233	14,084
At December 31, 2016	-	2,169	2,169

Consideration of impairment for exploration and evaluation costs

The directors have assessed whether there are any indicators of impairment in respect of exploration and evaluation costs.

11. Mineral property

	Mineral property US$'000
Cost	
Balance at August 1, 2015	48,775
Additions	4,050
Transfer from exploration and evaluation costs	17,125
Effect of movements in foreign exchange	108
Balance at July 31, 2016	70,058
Balance at August 1, 2016	70,058
Additions	1,673
Effect of movements in foreign exchange	(2,030)
Balance at December 31, 2016	69,701
Amortisation and impairment	
Balance at August 1, 2015	16,214
Amortisation charge	4,066
Provision for impairment	11,268
Transfer from exploration and evaluation costs	3,214
Effect of movements in foreign exchange	58
Balance at July 31, 2016	34,820
Balance at August 1, 2016	34,820
Amortisation charge	1,444
Effect of movements in foreign exchange	(1,016)
Balance at December 31, 2016	35,248
Carrying amounts	
At August 1, 2015	32,561
At July 31, 2016	35,238
At August 1, 2016	35,238
At December 31, 2016	34,453

Consideration of impairment for mineral property costs

The directors have assessed whether there are any indicators of impairment in respect of mineral property costs. See note 12 for an explanation of the factors considered in respect of the Ming Mine.

12. Review of indicators of impairment

Management are required to assess whether there have been any indicators of impairment, and where this is the case, undertake a formal impairment test.

In assessing whether there have been any indicators of impairment, management considered internal and external factors that may indicate impairment including:

Reviewing the financial performance compared to forecast;

Reviewing the key production and milling statistics to forecast;

Reviewing the commodity price forecasts against assumptions in the previous impairment model; and

Considering any significant changes to the cost of capital.

After consideration of the above factors management concluded that no impairment triggers had been noted that would require a formal impairment test and no further impairment charge against in-production mining assets has been recorded.

An impairment charge of US$ 11.3 million was recorded against mineral property costs at July 31, 2016 based on the current market outlook for commodity prices, foreign exchange rates and the current market cost of capital at that date.

13. 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, 2015	3,267	532	228	36,390	93	763	41,273
Additions	138	1,159	-	3,822	2	1	5,122
Disposals	-	-	-	(707)	-	-	(707)
Reclassification	641	(963)	-	322	-	-	-
Effect of movements in foreign exchange	17	-	-	58	1	-	76
Balance at July 31, 2016	4,063	728	228	39,885	96	764	45,764
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
Depreciation and impairment losses							
Balance at August 1, 2015	1,734	-	202	17,656	84	678	20,354
Depreciation charge for the year	304	-	14	2,522	6	60	2,906
Eliminated on disposals	-	-	-	(675)	-	-	(675)
Effect of movements in foreign exchange	7	-	1	46	-	-	54
Balance at July 31, 2016	2,045	-	217	19,549	90	738	22,639
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
Carrying amounts							
At August 1, 2015	1,533	532	26	18,734	9	85	20,919
At July 31, 2016	2,018	728	11	20,336	6	26	23,125
At August 1, 2016	2,018	728	11	20,336	6	26	23,125
At December 31, 2016	1,815	1,357	7	19,840	5	33	23,056

Leased plant and machinery

The Group leases surface and underground equipment under a number of finance lease agreements. At the end of each lease the Group has the option to purchase the equipment at a beneficial price. At December 31, 2016, the net carrying amount of leased plant and machinery was US$3.3 million (July 31, 2016: US$4.2 million). The leased plant and machinery secures lease obligations (see note 23). During the period plant and equipment additions of US$0.5 million (2016: US$2.3 million) were acquired through finance lease arrangements.

14. Available for sale investments

	Available for sale investments US$'000
Cost or valuation	
Balance at August 1, 2015	994
Acquisitions	21
Revaluation	1,371
Effect of movements in foreign exchange	16
Balance at July 31, 2016	2,402
Balance at August 1, 2016	2,402
Disposals	(783)
Revaluation	(245)
Effect of movements in foreign exchange	(41)
Balance at December 31, 2016	1,333
Carrying amounts	
At July 31, 2016	2,402
At December 31, 2016	1,333

Rambler holds a 10.86% equity stake in Maritime Resources Corp and a representative on the Board of Directors. This representation does not result in the Group having significant influence over the investment. The market price at December 31, 2016 was US$0.10 (July 31, 2016: US$0.21 per share).

Rambler holds 1.16% equity stake in Marathon Gold Corporation. The market price at December 31, 2016 was US$0.44 (July 31, 2016: US$0.37 per share). During the period the Company disposed of half its shareholding in Marathon Gold Corporation for US$0.8 million.

The carrying amount of the available for sale investments is the level 1 fair value determined using the closing market price of the shares on the TSX exchange. The cost of the available for sale investments is US$1,399,000 (July 31, 2016: US$1,776,000).

15. Inventory

	Dec 31, 2016 US$'000	July 31, 2016 US$'000
Metals in process	884	891
Operating supplies	1,612	1,492
	2,496	2,383

16. Trade and other receivables

	Dec 31, 2016 US$'000	July 31, 2016 US$'000
Trade receivables	-	-
Other receivables	200	206
Sales taxes recoverable	684	250
Prepayments and accrued income	400	143
	1,284	599

There are no trade receivables past due or considered impaired (year ended July 31, 2016: $nil).

17. Derivative financial asset

	Dec 31, 2016 US$'000	July 31, 2016 US$'000
Concentrate receivables from off-taker	756	587

The carrying amount of the derivative financial asset is the level 2 fair value determined using forward prices of copper, gold and silver. The cost of the concentrate receivables is US$375,000 (July 31, 2016: US$638,000).

18. Cash and cash equivalents

	Dec 31, 2016 US$'000	July 31, 2016 US$'000
Bank balances	2,156	8,929
Cash and cash equivalents in the statement of cash flows	2,156	8,929

19. Restricted cash

	Dec 31, 2016 US$'000	July 31, 2016 US$'000
Bearer deposit notes	3,243	3,339

The Group is required to hold Letters of Credit in favour of the Government of Newfoundland and Labrador in respect of the reclamation and closure liability associated with the Ming Mine. The bearer deposit notes mature on differing dates throughout fiscal 2016 and have a nominal value of US$3,243,000 (July 31, 2016 - US$3,339,000) giving an effective yield of 1.2% (July 31, 2016 – 1.2%).

20. Capital and reserves

Share capital and share premium – group and company

	Share capital US$'000	Share premium US$'000	*Number* *Number '000*
In issue at 1 August 2015	2,471	72,128	144,168
Issued during the year	3,903	9,327	270,122
In issue at 31 July 2016	6,374	81,455	414,290
In issue at 1 August 2016	6,374	81,455	414,290
Share issue expenses	-	(13)	-
In issue at December 31, 2016	6,374	81,442	414,290

At December 31, 2016, the authorised share capital comprised 1,000,000,000 ordinary shares of 1p each.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

20. Capital and reserves continued

Warrants reserve

	Number '000	$'000
At August 1, 2015	-	-
Fair value of warrants issued during the year	200,000	2,089
At July 31, 2016	200,000	2,089
At August 1, 2016	200,000	2,089
At December 31, 2016	200,000	2,089

On June 3, 2016 the Company issued 200,000,000 share purchase warrants at an exercise price of US$0.07 (GBP 0.05). The share purchase warrants expire on 3 June 2018. The fair value of the share purchase warrants is measured using the Black-Scholes model assuming an expected volatility of 100%, a risk-free interest rate of 1% and a contractual life of the warrant of 2 years. The fair value of services received in return for the warrants issued is measured by reference to the fair value of the warrants issued in the absence of information on the fair value of the services provided. The share warrant reserve reflects the value of outstanding share warrants based on the fair value of the share warrants at the time of issue.

Merger reserve

The merger reserve arose from the acquisition of Rambler Mines Limited by Rambler Metals and Mining PLC. This acquisition was accounted for in accordance with the merger accounting principles set out in UK Financial Reporting Standard 6 and the Companies Act 1985, which continue under the Companies Act 2006, whereby the consolidated financial statements were presented as if the business previously carried out through Rambler Mines Limited had always been owned and controlled by the Company. The transition provisions of IFRS 1 allow all business combinations prior to transition to IFRS to continue to be accounted for under the requirements of UK GAAP at that time. Accordingly this acquisition has not been re-stated in accordance with that standard.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the parent company which has a different functional currency from the presentation currency. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in the income statement in the period of disposal of the operation.

Fair value reserve

The fair value reserve comprises cumulative adjustments made to the fair value of available for sale investments.

Capital management

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern so that it can continue to increase the value of the entity for the benefit of the shareholders. Given the nature of the Group's current activities the entity will remain dependent on a mixture of debt and equity funding until such a time as the Group becomes self-financing from the commercial production of mineral resources.

20. Capital and reserves continued

Capital management continued

The Group's capital was as follows:

	Dec 31, 2016	July 31, 2016
	US$'000	US$'000
Cash and cash equivalents	2,156	8,929
Finance leases	(2,656)	(3,195)
Advance purchase loan	(1,120)	(1,979)
Gold loan	(15,450)	(13,702)
Net debt	(17,079)	(9,947)
Equity	(56,369)	(61,686)
Total capital	(73,439)	(71,633)

21. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at December 31, 2016 was based on the loss attributable to ordinary shareholders of $3.1 million and a weighted average number of ordinary shares outstanding during the five months ended December 31, 2016 of 414.3 million calculated as follows:

Loss attributable to ordinary shareholders

	Dec 31, 2016	Jul 31, 2016
	US$'000	US$'000
Loss for the period	(1,747)	(12,806)
Loss attributable to ordinary shareholders	(1.747)	(12,806)

Weighted average number of ordinary shares

	Number '000
At August 1, 2015	144,168
Effect of shares issued during the year	46,964
At July 31, 2016	191,132

In issue at August 1, 2016	414,290
Effect of shares issued during period	-
Weighted average number of ordinary shares at December 31, 2016	414,290

There is no material difference between the basic and diluted loss per share. At December 31, 2016 there were 13,014,000 (July 31, 2016: 5,373,157) share options in issue of which 2,909,049 (July 31, 2016: nil) were considered to be dilutive and may have a dilutive effect on the basic earnings or loss per share in the future. At December 31, 2016 there were 200,000,000 (July 31, 2016: 200,000,000) warrants in issue of which 49,785,331 were considered to be dilutive (July 31, 2016: 42,485,304).

22. Trade and other payables

	Dec 31, 2016 US$'000	July 31, 2016 US$'000
Trade payables	3,669	3,396
Non trade payables	125	193
Accrued expenses	1,298	1,271
	5,092	4,860

23. 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 25.

	Dec 31, 2016 US$'000	July 31, 2016 US$'000
Non-current liabilities		
Finance lease liabilities	1,371	1,550
Gold Loan	13,041	12,100
	14,412	13,650
Current liabilities		
Current portion of finance lease liabilities	1,284	1,645
Advance Purchase Facility	1,121	1,980
Current portion of Gold Loan	2,409	1,601
	4,814	5,226

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Minimum lease Payments Dec 31, 2016 US$'000	Interest Dec 31, 2016 US$'000	Principal Dec 31, 2016 US$'000	Minimum lease Payments July 31, 2016 US$'000	Interest July 31, 2016 US$'000	Principal July 31, 2016 US$'000
Less than one year	1,354	70	1,284	1,730	85	1,645
Between one and five years	1,430	59	1,371	1,611	61	1,550
	2,784	129	2,655	3,341	146	3,195

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

23. Interest-bearing loans and borrowings (continued)

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.

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 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$3,003,000 (year ended July 31, 2016: US$2,648,000) 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 December 31, 2016 the balance was US$1,120,000 which is repayable by twelve monthly instalments of US$176,005 plus interest at 3 month LIBOR plus 7.5%.

The advance purchase payments of US$3,000,000 have been accounted for as a financial liability carried at amortised cost.

24. Provision

	Dec 31, 2016 US$'000	July 31, 2016 US$'000
Reclamation and closure provision		
Opening balance	1,833	1,297
Charged/(credited) to Mineral Property	-	498
Unwinding of discount	10	38
Effect of movements in foreign exchange	(39)	-
Ending balance	1,804	1,833

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. During the year ended July 31, 2016 the Company made an additional provision in respect of its extended stockpile resulting in an amount of US$498,000 being debited to mineral properties. The liability is secured by Letters of Credit for US$3,242,746.

25. Financial instruments

The Group's principal financial assets comprise: cash and cash equivalents, restricted cash, available for sale investments, derivative financial instruments and other receivables. In addition the Company's financial assets include amounts due from subsidiaries. The Group and Company's financial liabilities comprise: trade payables; other payables; and accrued expenses. The Group's financial liabilities also include interest bearing loans and borrowings.

All of the Group's and 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 as described in notes 13 and 16 respectively.

The Group held the following categories of financial instruments at December 31, 2016:

	Dec 31, 2016 US$'000	July 31, 2016 US$'000
Financial assets		
Assets at fair value through profit and loss:		
Derivative financial instruments – level 2 fair value	756	587
Available for sale investments:		
Investment in quoted equity securities – level 1 fair value	1,333	2,402
Loans and receivables:		
Trade receivables	-	-
Other receivables	200	206
Sales taxes recoverable	684	250
Cash at bank	2,156	8,929
Restricted cash	3,243	3,339
	6,283	12,724
Total financial assets	8,372	15,713

25. Financial instruments (continued)

Liabilities at amortised cost or equivalent:	Dec 31, 2016 US$'000	July 31, 2016 US$'000
Trade payables	(3,669)	(3,396)
Non trade payables	(125)	(193)
Accrued expenses	(1,298)	(1,271)
Loans and borrowings	(19,226)	(18,876)
Total financial liabilities	(24,318)	(23,736)

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 liabilities of the parent company are due within one year. The parent company has adequate financial resources to meet the obligations existing at December 31, 2016.

The Group's and Company'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:

	Dec 31, 2016 US$'000	Jul 31, 2016 US$'000
Due within one year	5,945	6,412
Due within one to two years	2,443	3,482
Due within two to three years	2,893	2,046
Due within three to four years	2,605	1,964
Due within four to five years	2,615	2,012
Due after five years	17,318	14,368
	33,819	30,284

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	Dec 31, 2016 US$'000	Jul 31, 2016 US$'000
Due within one year	1,354	2,356
Due within one to two years	662	1,125
Due within two to three years	574	214
Due within three to four years	194	20
Due within four to five years	-	1
	2,784	3,716

25. Financial instruments (continued)

The average fixed interest rate for the finance leases and hire purchase contracts outstanding at December 31, 2016 was 5.1%.

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 (see note 16). The Group maximum exposure to credit risk at December 31, 2016 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	
	Dec 31, 2016 US$'000	July 31, 2016 US$'000
10% strengthening of GB pound	98	783
10% weakening of GB pound	(89)	(712)
10% strengthening of Canadian dollar	(107)	(291)
10% weakening of Canadian dollar	97	265

25. Financial instruments (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
At December 31, 2016		
	$'000	$'000
Canadian $	948	948
US $	37	37
Sterling	1,171	1,171
	2,156	2,156
At July 31, 2016		
	$'000	$'000
Canadian $	757	757
US $	17	17
Sterling	8,155	8,155
	8,929	8,929

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 23.

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.

As explained in note 3 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	
	Dec 31, 2016	July 31, 2016
	US$'000	US$'000
10% increase in the price of gold	(1,368)	(1,370)
25% decrease in the price of gold	3,397	3,425

25. Financial instruments (continued)

Market risk (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, gold and silver. These percentages represent management's assessment of the reasonable possible exposure.

	Gross assets	
	Dec 31, 2016 $'000	July 31, 2015 $'000
5% increase in the price of copper, gold and silver	603	434
5% decrease in the price of copper, gold and silver	(603)	(434)

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 Company's financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Related parties

Identity of related parties
The Group has a related party relationship with its subsidiaries and with its directors and executive officers.

Transactions with key management personnel
The directors' compensations were as follows:

	Dec 31, 2016 US$'000	July 31, 2016 US$'000
Salary – executive		
N Williams	130	282
Fees – non-executive		
B A Mills	6	5
B Labatte	6	5
M V Sander	6	5
T I Ackerman	6	5
G Poulter	6	17
G Ogilvie	-	32
L D Goodman	-	23
T S Chan	-	10
J Thomson	-	18
E C Chen	8	14
	168	416

Share options held by directors were as follows:	At 31.12.16 No. '000	At 31.07.16 No. '000
N Williams[1]	4,575	1,175
	4,575	1,175

[1] 100,000 options at an exercise price of US$0.71 expiring on July 7, 2018, 75,000 options at an exercise price of US$0.13 expiring on November 10, 2018, 250,000 options at an exercise price of US$0.37 expiring on May 7, 2020, 750,000 options at an exercise price of US$0.37 expiring on February 19, 2024 and 3,400,000 options at an exercise price of US$0.06 expiring on August 22, 2021.

Total key management personnel compensations were as follows:

	Dec 31, 2016 $'000	July 31, 2016 $'000
Short term employee benefits	253	412
Social security costs	16	37
Share based payments	20	19
	289	468

26. Related parties (continued)

Subsidiaries
The company has interests in the following material subsidiary undertakings, which are included in the consolidated financial statements.

Name	*Class*	*Holding*	*Activity*	*Country of Incorporation*
Rambler Mines Limited	Ordinary	100%	Holding company	England
Rambler Metals and Mining Canada Limited	Common	100% (indirectly)	Exploration, development and mining	Canada
1948565 Ontario Resources Inc.	Common	100%	Exploration	Canada

The registered address of Rambler Mines Limited is Salatin House, 19 Cedar Road, Sutton, Surrey SM2 5DA, England and for the two Canadian subsidiaries the registered address is P.O. Box 610, Baie Verte, NL, Canada A0K 1B0.

CE Mining II Rambler Limited, a controlling shareholder of the Company, holds 200,000,000 warrants which equates to US$2.089m (see Note 20).

Ultimate and controlling party

CE Mining II Rambler Limited is the ultimate and controlling party of the Company.

27. Subsequent events

On February 6, 2017 CE Mining II Rambler Limited exercised 135 million warrants to subscribe for 135 million ordinary shares of one penny each at an exercise price of 5p (US$0.0623) raising £6.75 million (US$8.4 million).

RAMBLER METALS AND MINING PLC

COMPANY STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended July 31, 2016
(EXPRESSED IN US DOLLARS)

	31 December 2016 $'000	31 July 2016 $'000	31 December 2015 $'000
Profit/(loss) for the period	1,348	5,870	(793)
Other comprehensive income			
Items that may be reclassified into profit or loss			
Exchange differences on translation into presentation currency	(4,426)	(9,252)	(2,416)
Other comprehensive loss for the year	(4,426)	(9,252)	(2,416)
Total comprehensive loss for the year	(3,078)	(3,382)	(3,209)

RAMBLER METALS AND MINING PLC

COMPANY STATEMENT OF FINANCIAL POSITION

As at December 31, 2016
(EXPRESSED IN US DOLLARS)

	Note	31 December 2016 $'000	31 July 2016 $'000
Assets			
Investments	C2	59,806	55,861
Deferred tax	C3	1,429	1,567
Total non-current assets		61,235	57,428
Trade and other receivables	C4	46	41
Cash and cash equivalents	C5	1,171	8,155
Total current assets		1,217	8,196
Total assets		62,452	65,624
Equity			
Issued capital	20	6,374	6,374
Share premium		81,409	81,455
Warrants reserve		2,089	2,089
Translation reserve		(13,172)	(8,746)
Retained profit		(14,391)	(15,759)
Total equity		62,309	65,413
Liabilities			
Trade and other payables	C6	143	211
Total current liabilities		143	211
Total liabilities		143	211
Total equity and liabilities		62,452	65,624

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the company is not presented as part of these financial statements. The company's total comprehensive loss for the financial year was US$3.1m (2016: US$3.4m)

ON BEHALF OF THE BOARD:

N R Williams
Director
Approved and authorised for issue by the Board on March 28, 2017.

Rambler Metals and Mining Plc

Company Statement of Changes in Equity

(EXPRESSED IN US DOLLARS)	Share capital US$'000	Share premium US$'000	Warrants reserve US$'000	Translation reserve US$'000	Accumulated losses US$'000	Total US$'000
Balance at August 1, 2015	2,471	72,128	-	506	(21,643)	53,462
Comprehensive income						
Profit for the year	-	-	-	-	5,870	5,870
Foreign exchange translation differences	-	-	-	(9,252)	-	(9,252)
Total other comprehensive income	-	-	-	(9,252)	-	(9,252)
Total comprehensive loss for the year	-	-	-	(9,252)	5,870	(3,382)
Share issue expenses	3,903	10,223	2,089	-	-	16,215
Share based payments	-	(896)	-	-	-	(896)
Share based payments	-	-		-	14	14
Transactions with owners	3,903	9,327	2,089	-	14	15,333
Balance at July 31, 2016	6,374	81,455	2,089	(8,746)	(15,759)	65,413
Balance at August 1, 2016	6,374	81,455	2,089	(8,746)	(15,759)	65,413
Comprehensive income						
Profit for the year	-	-	-	-	1,348	1,348
Foreign exchange translation differences	-	-	-	(4,426)	-	(4,426)
Total other comprehensive income	-	-	-	(4,426)	-	(4,426)
Total comprehensive loss for the year	-	-	-	(4,426)	1,348	(3,078)
Share issue expenses	-	(46)	-	-	-	(46)
Share based payments	-	-		-	20	20
Transactions with owners	-	(46)	-	-	20	(26)
Balance at December 31, 2016	6,374	81,409	2,089	(13,172)	(14,391)	62,309

RAMBLER METALS AND MINING PLC

STATEMENT OF CASH FLOWS

For the Five Months Ended December 31, 2016
(EXPRESSED IN US DOLLARS)

	31 December 2016	31 July 2016	31 December 2015
	$'000	$'000	$'000
Cash flows from operating activities			
Operating profit/(loss)	1,383	5,695	(860)
Share based payments	20	14	10
Foreign exchange losses	(2,132)	(7,258)	533
Decrease/(increase) in debtors	(4)	20	14
Increase in creditors	(69)	(92)	155
Net cash utilised in operating activities	(802)	(1,621)	(148)
Cash flows from investing activities			
Acquisition of subsidiary	-	(70)	-
Advances to subsidiaries	(6,243)	(5,277)	-
Loans repaid by subsidiaries	364	1,530	107
Net cash generated from/(utilised in) investing activities	(5,879)	(3,817)	107
Cash flows from financing activities			
Proceeds from the issue of share capital	-	15,105	-
Share issue expenses	(46)	(896)	-
Net cash from financing activities	(46)	14,209	-
Net (decrease)/increase in cash and cash equivalents	(6,727)	8,771	(41)
Cash and cash equivalents at beginning of period	8,155	86	86
Effect of exchange rate fluctuations on cash held	(257)	(702)	(2)
Cash and cash equivalents at end of period	1,171	8,155	43

C1. Accounting policies

The accounting policies of the Company are consistent with those adopted by the Group with the addition of the following:

Investments
Investments are stated at their cost less impairment losses.

C2. Investments

	Investment in subsidiary $'000	Loans $'000	Total $'000
Cost			
Balance at August 1, 2015	373	51,595	51,968
Acquisition of subsidiary	1,110	-	1,110
Advances	-	5,277	5,277
Repayments	-	(1,530)	(1,530)
Effect of movements in foreign exchange	15	(979)	(964)
Balance at July 31, 2016	1,498	54,363	55,861
Balance at August 1, 2016	1,498	54,363	55,861
Advances	-	6,243	6,243
Repayments	-	(364)	(364)
Effect of movements in foreign exchange	(100)	(1,834)	(1,934)
Balance at Dec 31, 2016	1,398	58,408	59,806

The company has interests in the following subsidiary undertakings, which are included in the consolidated financial statements.

Name	*Class*	*Holding*	*Activity*	*Country of Incorporation*
Rambler Mines Limited	Ordinary	100%	Holding company	England
Rambler Metals and Mining Canada Limited	Common	100% (indirectly)	Exploration, development and mining	Canada
1948565 Ontario Inc.	Common	100%	Exploration	Canada

The registered address of Rambler Mines Limited is Salatin House, 19 Cedar Road, Sutton, Surrey SM2 5DA, England and for the two Canadian subsidiaries the registered address is P.O. Box 610, Baie Verte, NL, Canada A0K 1B0.

The aggregate value of shares in subsidiary undertakings is stated at cost.

The loans to the subsidiary undertakings are interest free.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

C3. Deferred tax

The Company has incurred losses which will be available for offset against future taxable profits. Given the continuing profitability of one of the Company's subsidiaries it has been concluded that the Company has sufficient evidence of future taxable profits to justify the recognition of a deferred tax asset of $1.6 million (2015: US$1.6 million).

C4. Trade and other receivables

	31 December 2016 $'000	31 July 2016 $'000
Sales taxes recoverable	7	24
Prepayments and accrued income	39	17
	46	41

C5. Cash and cash equivalents

	31 December 2016 $'000	31 July 2016 $'000
Bank balances	1,171	8,155
Cash and cash equivalents in the statement of cash flows	1,171	8,155

C6. Trade and other payables

	31 December 2016 $'000	31 July 2016 $'000
Trade payables	1	105
Non trade payables	-	1
Accrued expenses	142	105
	143	211

C7. Related party transactions

The Company has a related party relationship with its subsidiaries (see note C2) and with its directors and executive officers (see note 26).

Transactions with subsidiary undertakings
Details of loans advanced to subsidiary undertakings are included in note C2.

Other related parties
Transactions with other related parties are detailed in note 26.