



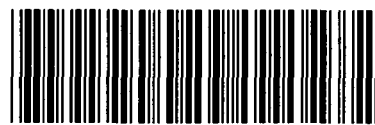
# Rambler Metals and Mining Plc

Annual Report and Audited Financial Statements  
for the year ended 31 December 2021

Registered Number: 05\*01822 (England and Wales)



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10/06/2022

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COMPANIES HOUSE

Concentrate ship being  
loaded at Goodyear's Cove.





**Directors**

TI Ackerman  
TJ Bradbury  
EC Chen (resigned 24 March 2022)  
B Labatte (resigned 1 November 2021)  
BA Mills  
P Patil\* (appointed 22 February 2021)  
RC Round\* (appointed 16 February 2021)  
MV Sander

**Secretary**

T Sanford

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**Registered Number**

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**Solicitors**

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London EC4A 2DY

\* Independent director

This Annual Report, including appendices, is intended to help the reader understand Rambler Metals and Mining Plc (the "Company") and its subsidiaries (the "Group" or 'Rambler'), our operations and our present business environment. It has been prepared as of 16 May 2022 and covers the results of operations for the year ended 31 December 2021. This discussion should be read in conjunction with the audited Financial Statements for the year ended 31 December 2021 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 United Kingdom and with IFRS and their interpretations adopted by the IASB. The Company's presentation currency is US dollars (\$), and the financial information is in \$ unless otherwise stated. These statements together with the narrative of the Annual Report are intended to provide investors with a reasonable basis for assessing the potential future performance.

# Contents

Our Business	1
Chairman's Statement	3
Chief Executive Officer's Review	5
Our Mission, Vision and Values	19
Strategic Report	21
Principal Risks and Uncertainties	31
Financial review	33
Corporate Governance	35
Report of the Directors	41
Directors' Responsibilities	43
Independent Auditor's Report	45
Consolidated Income Statement and Comprehensive Income	53
Consolidated Statement of Financial Position	54
Consolidated Statement of Changes in Equity	55
Consolidated Statement of Cash Flows	57
Notes to the Consolidated Financial Statements	59
Company Statement of Comprehensive Income	91
Company Statement of Financial Position	92
Company Statement of Changes in Equity	93
Company Statement of Cash Flows	94
Notes to the Company Financial Statements	95
Additional Information	97
Appendix 1: Mineral Resource Estimate Notes	103

# Our Business

## **About Rambler**

Rambler is a mining and development company holding a portfolio of properties on the Baie Verte Peninsula, in Newfoundland and Labrador, Canada.

In November 2012 Rambler brought its 100% owned Ming Copper-Gold Mine into commercial production. This is supported by a fully operational base and precious metals processing facility and year-round bulk storage and shipping facility.

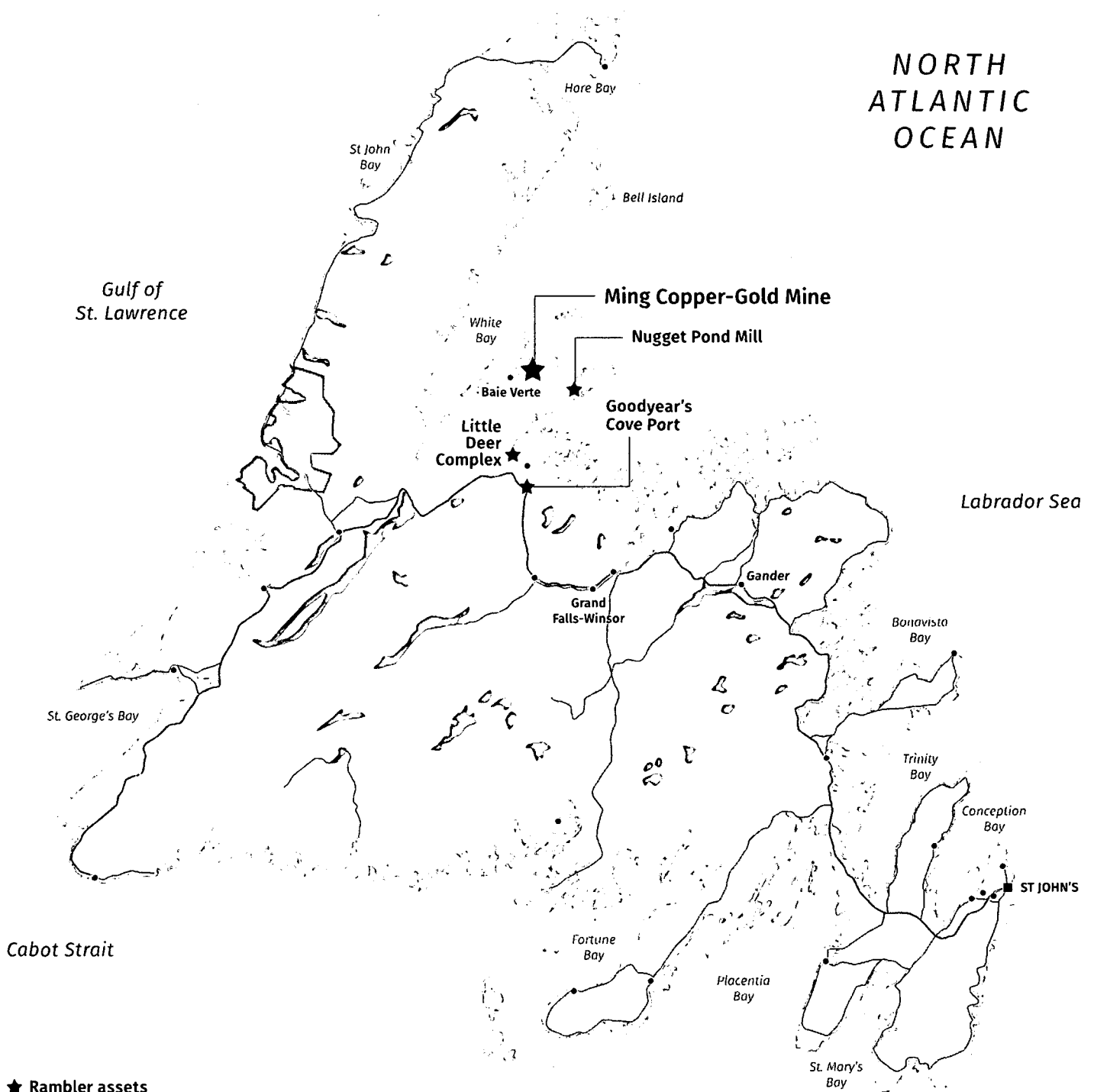
Rambler's focus is to regain its production profile at 1,350 metric tonnes per day at a target grade of 2% Cu in 2022 and evaluate expansion opportunities from that base.

Along with the Ming Mine, Rambler also owns 100% of the former producing Little Deer and Whales Back copper mines.

The Company's Ordinary Shares trade on the London AIM market under the symbol "RMM".

Additional information relating to the Company is on the website of the London Stock Exchange at [www.londonstockexchange.com](http://www.londonstockexchange.com) and on the Company's web site at [www.ramblermines.com](http://www.ramblermines.com).

# NORTH ATLANTIC OCEAN



★ Rambler assets

# Chairman's Statement

**I am pleased to report that 2021 has proved to be the turn-around year we had planned for Rambler Metals and Mining ("Rambler" or the "Company"). \$23.2 million invested in the mine and equipment in 2021 has placed the Company in a position to start to deliver to its true potential.**

The timing of this in parallel with improved sentiment in the copper market bodes well for Rambler. We foresee a strong future for copper but at the same time recognise potential for optimisation in our own operations in the coming months and years that will enable the Ming Mine to operate profitably through the commodity cycle.

Rambler was committed to the sale of 3,600 tonnes of copper at \$7,700/tonne as part of the financing commitment made in 2020. A residual commitment of 584 tonnes rolled into 2022 and was cleared by February 2022, leaving Rambler now fully exposed to the buoyant copper price.

A total of \$32.2 million was raised including \$19.4 million from issuance of shares and warrant exercise (net of transaction costs), \$3.0 million from sale of non-core assets and equity investment and \$9.8 million from net borrowing. The most significant of these was the introduction of Newgen as a new partner, both as a lender and equity holder at the end of the year. The Newgen debt facility of \$16.4 million included a roll-over of the West Face \$5.0 million loan which demonstrated their confidence in the project.

Once again, I am pleased to report a year in which no person was seriously injured in our operations. This achievement has been recognised with the award of the John T. Ryan National Safety Trophy for Metal Mines for 2021 and the Company returned a total recordable injury frequency rate of zero for the year. As was frequently reported through the year, the Company implemented an effective Covid-19 protocol and while there were employees that needed to isolate due to exposure elsewhere, there were no cases of the virus among its employees or contractors in 2021.


Due to limitations on timing and availability of cash, projects for the ore sorting and the Duck Pond Mill were postponed and cancelled respectively. The rationale for a mill located at the mine site remains and this is a future study that will be embarked upon. The intention for the ore sorting is that the Company will have the resources to rejuvenate this study in 2022.

2021 was a successful year for exploration, adding over 20,000 tonnes of copper to Measured and Indicated ("M&I") resource status after depletion, and uplifting the average copper resource grade by 7% to 1.81% (at 1% Cu cut-off). Historically, exploration has targeted zones of known mineralisation. While that is important to adequately define zones for mining, probing just outside the defined boundaries is leading to new discoveries as has been demonstrated twice already in 2022. Even with more than 428,000 tonnes of copper in M&I status, the Ming Mine remains a vastly under-explored asset.

In 2021, an updated resource statement was prepared for the Little Deer Complex. There had been some corporate interest in the asset and, even though it didn't materialise on this occasion, Little Deer remains a valuable resource for future growth, beyond the expansion and optimisation opportunities that exist at Ming Mine.

Our Board was enhanced early in 2021 with the addition of Priya Patil and Richard Round, each of whom has adopted the Chair of the Compensation, Corporate Governance and Nomination Committee and the Audit Committee, respectively. Belinda Labatte stepped down as a director to embark on a full time CEO role. Eason Chen became an executive director and stepped down as the Chair of the Audit Committee to become CFO for Rambler through the financing obligations of 2021. I wish to thank these and my other fellow directors for their service to the Company.

Whilst we haven't entirely completed the process of turning round the operation at Ming Mine, significant progress was made in 2021. We are now looking to the future with renewed confidence, and we look forward to providing updates on our continuing progress.



**Bradford Mills**  
Chairman

16 May 2022



Rambler maintenance  
personnel

CHAIRMAN'S STATEMENT



# Chief Executive Officer's Review

## Background to 2021

2021 was a year of investment and recovery for Rambler following a year of rescue and survival with rethinking and replanning in 2020. Overall, what was achieved in 2021 has placed the Company in a significantly better position to build its production, cash generation, and profitability going forward.

A series of capital raisings enabled the redevelopment of Ming Mine to progress in a logical sequence with our attention aimed at an approach that would consistently sustain production at a level to make full use of the existing mill capacity of 1,350 tonnes per day. Given the limitation of mill throughput and the quality of the mineral resource, the targeting of a higher feed grade at 2% copper is the objective.

## Safety and Health

Before launching into the detail of our activities and achievements in 2021, it is important to highlight Rambler's success in the management of safety and health. In recognition of working for a complete year with no reportable injuries, Rambler Metals and Mining was awarded the John T. Ryan National Safety Trophy for Metal Mines. This is a tremendous accomplishment and one of which we are all proud.

During the year, we separated the safety and health accountability from environment and appointed a senior safety professional to the management team. Health and safety are never issues that we can take for granted and we continuously seek ways to improve behaviour that reduces the potential for harm.

## Environmental

There were no environmental incidents to report for the year and the Company remained in compliance with all of its environmental targets.

In June 2021, a new federal legal limit for release of unionised ammonia came into effect. In preparation for this, modifications were made to the water treatment process.

The major environmental/operational projects for 2021 were the completion of two lifts, one on each of the tailings facilities at Fly Pond and Camp Pond which service the Nugget Pond Mill. These were completed in August and October respectively and provide capacity at present production rates to 2026.

## Mining

The start of 2021 saw the completion of remediation work in mine pumping, ventilation, electrical power distribution and equipment maintenance.

The primary focus for 2021 was on underground development. Resources were brought into the Company by way of people, equipment, and contractors to establish the developed platform in the mine from which sustained production could be achieved. Key to this strategy was creating mining zones in 4 (of the 6 active) resource zones - two in the Lower Footwall Zone ("LFZ") and one each in the Upper footwall Zone ("UFZ") and the Ming North Zone ("MNZ").

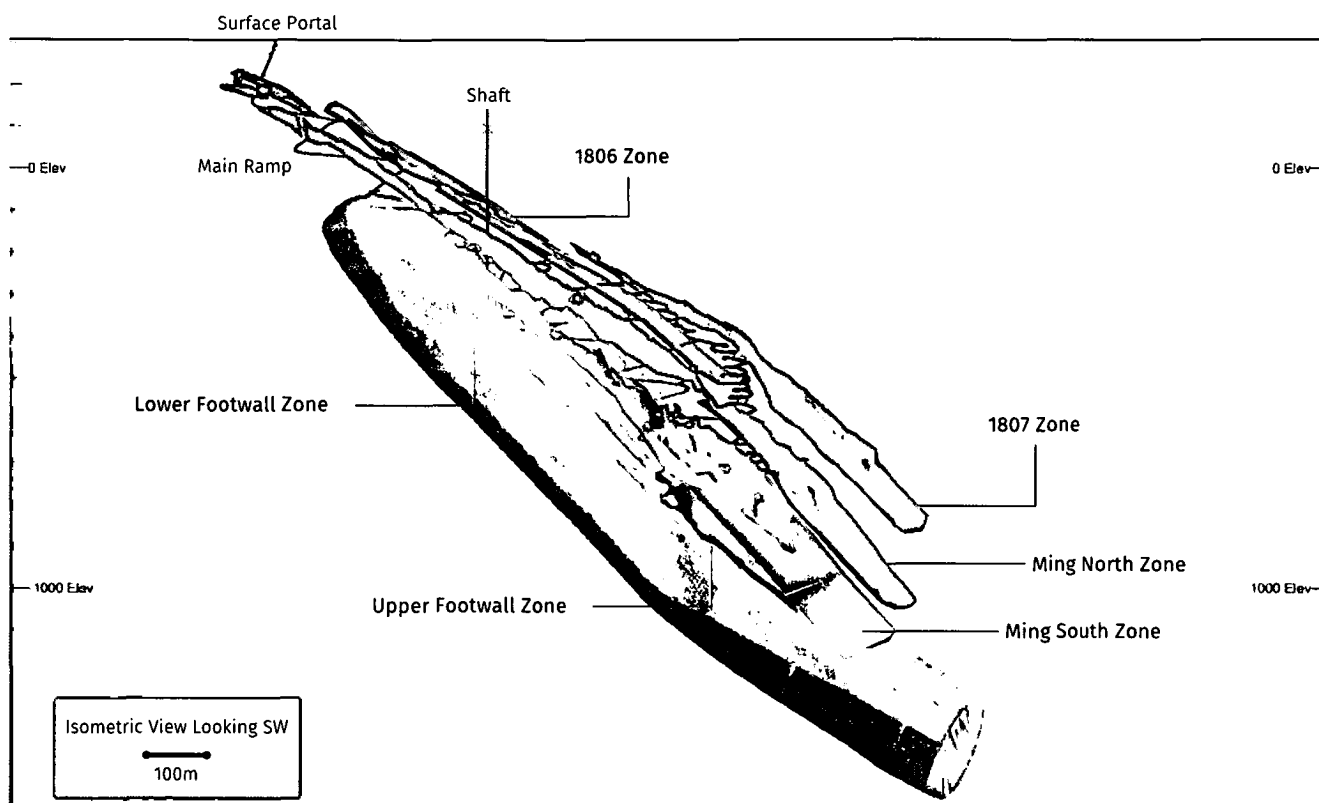
The multiple mining zone approach has been designed to take advantage of higher grades at depth and to provide a blend of the higher-grade zones (MNZ and UFZ) with the bigger tonnage profile of the LFZ. The split of ore production from two geographic areas in the LFZ provides a balance of mining between the upper and lower levels of the mine. Multiple ore production zones help mitigate the risk of day-to-day mining and is a status that, at the targeted level of production, has never been achieved before. This represents a fundamental favourable shift in the risk profile of the business.

Mining methods were also reviewed on the back of experiences in the various ore zones where previously there had been a universal application of long-hole open stoping. The MNZ has been converted to a cut and fill operation to improve geotechnical performance and reduce dilution. While mining cost/tonne of ore is higher, cost/lb copper is lower due to reduced material (waste) handling and improved mining grade.

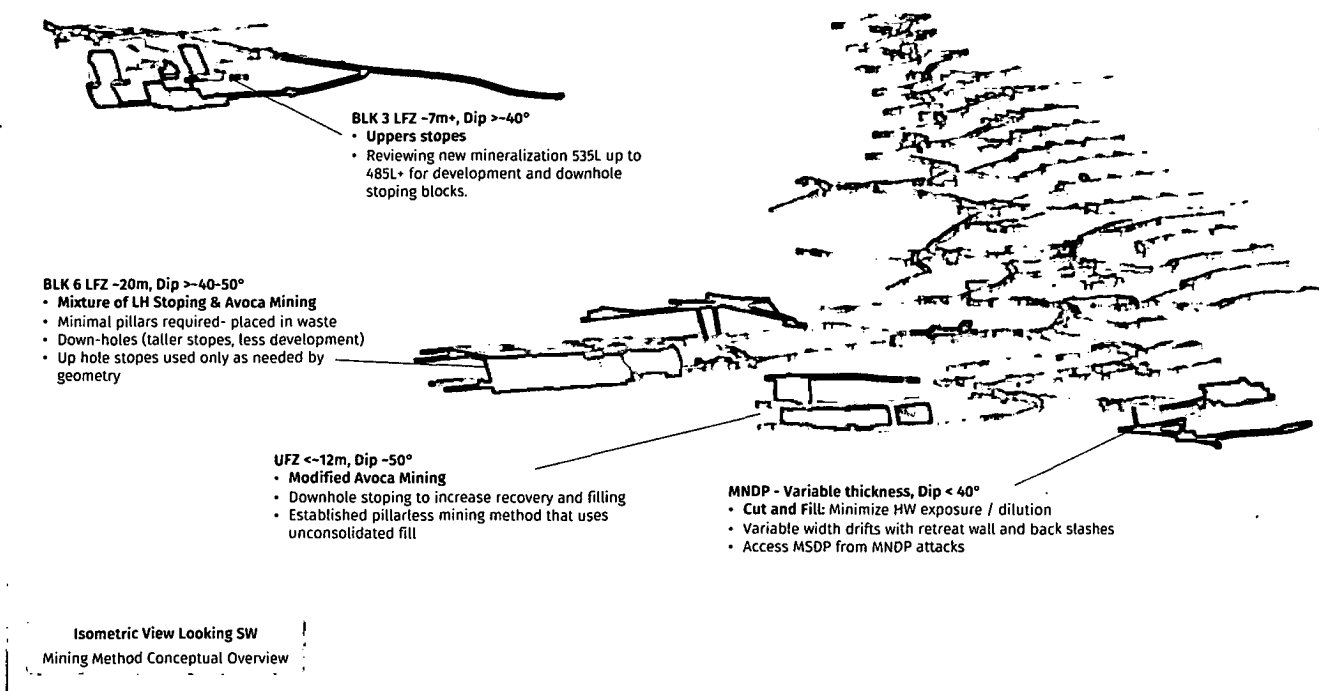
Previously, for the sake of expediency and cash flow, long-hole stopes were mostly extracted by "up-hole" drilling from a single development level. This method of mining typically results in: reduced ore recovery as sill pillars have to be left between development levels; inefficient backfill leading to diminished geotechnical stability; and less available void space for placing of waste leading to increased waste removal to surface. In addition, the long-hole drilling process is "blind" when compared to drilling between two levels. Going forward, wherever possible, Rambler has adopted "down-hole" long-hole drilling as a standard which necessitates development between two levels. If ore would otherwise be sterilised, up-hole drilling will still be employed.

New dam raise on Fly Pond,  
completed August 2021.





Isometric view of the Ming Mine outlining each of the 6 mining horizons.



Mining methods and work areas planned for 2022.

As at the end of 2021, four mining zones had been established. Prior to mining from the lower levels (760 in LFZ, 790 in UFZ and 785 in MNZ), in December 2021 a 2nd egress had to be established between 701 and 735 levels. This pushed mining production beyond the end of the year pending the 2nd egress which was completed in January 2022. Ore production continued from 510 in the LFZ and development activities throughout the mine.

While the focus in 2021 was on development, production was maintained to the maximum extent possible based on the generally limited availability of stopes which oscillated between 0 and 1 stope through the year.

The total investment in the mine in 2021 amounted to \$23.2 million including mine development (\$15.3 million), new property and equipment (\$7.6 million) and exploration (0.3

million). While a material sum for a Company with a market capitalisation of approximately \$41 million, this pales into insignificance when taking account of a Measured and Indicated Resource of more than 428,000 tonnes of copper at an average grade of 1.81% (at 1% Cu cut-off).

### **Operational results**

Reflecting the focus on redevelopment, 2021 demonstrates a year of progressive improvement as shown in the table and graphs on the next page.

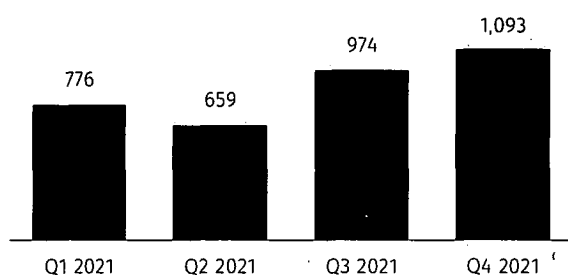
The mill operated at or around 50% of capacity through the year which was a reflection of the levels of mine production. Even at the reduced feed rates, there were occasions when processing had to stop and this is reflected in occasional lower recoveries. The key to high recovery is continuous operation.

## Mine development and production for the previous five quarters and full years 2021 and 2020

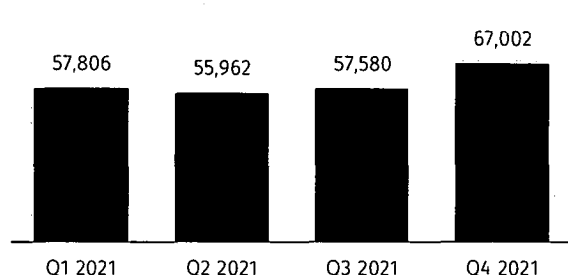
	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2020	FY 2021
<b>Mine development</b>							
Capital development (m)	371	573	417	509	284	1,373	1,784
Operating development (m)	260	204	242	465	809	1,235	1,720
Total development (m)	631	776	659	974	1,093	2,608	3,502
<b>Throughput and recovery</b>							
Dry tonnes mined	60,232	57,806	55,962	57,580	67,002	261,414	238,251
Dry tonnes milled	60,963	57,357	51,514	60,381	66,651	263,230	235,903
Copper recovery (%)	95.6	96.6	94.0	93.4	97.2	95.6	95.5
Gold recovery (%)	67.7	66.0	65.7	67.1	77.4	67.3	67.5
Copper head grade (%)	1.63	1.64	1.44	1.43	1.75	1.55	1.57
Gold head grade (g/t)	0.62	0.55	0.61	0.46	0.17	0.58	0.43
<b>Concentrate production</b>							
Copper grade (%)	25.9	27.4	27.9	27.5	27.5	26.8	27.6
Gold grade (g/t)	7.0	6.3	8.3	6.3	2.2	7.0	5.4
Dry tonnes produced	3,666	3,323	2,502	2,939	4,109	14,550	12,874
<b>Saleable metal production</b>							
Copper (tonnes)	917	876	673	778	1,090	3,769	3,418
Gold (ounces)	703	562	585	502	155	2,819	1,805

## Tabulated key performance indicators for the last four quarters

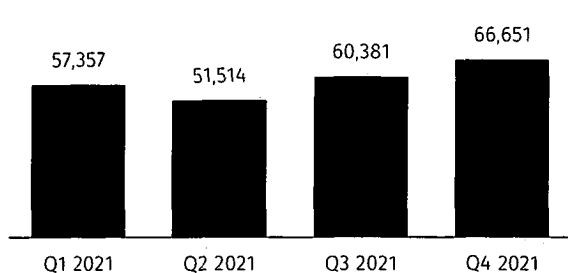
Mine development (m)



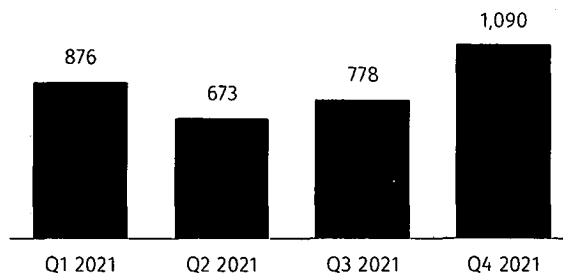
Mine production (t)



Plant throughput (t)



CU saleable (t)



Rambler expects to continue to demonstrate that the improving trend achieved in 2021 will continue through 2022.

**Annual production metrics for the previous four years**

	FY 2018	FY 2019	FY 2020	FY 2021
<b>Throughput and recovery</b>				
Dry tonnes mined	364,363	403,752	261,414	238,351
Dry tonnes milled (t)	364,176	406,298	263,230	235,903
Copper recovery (%)	96.3	93.9	95.6	95.5
Gold recovery (%)	70.7	71.4	67.3	67.5
Copper head grade (%)	1.24	1.45	1.55	1.57
Gold head grade (g/t)	0.57	0.59	0.58	0.43
<b>Concentrate production</b>				
Copper grade (%)	28.1	27.7	26.8	27.6
Gold grade (g/t)	9.4	8.4	7.0	5.4
Dry tonnes produced	15,525	19,924	14,550	12,874
<b>Saleable metal production</b>				
Copper (tonnes)	4,187	5,299	3,769	3,418
Gold (ounces)	4,189	4,887	2,819	1,805
Direct cost per lb copper net of by-product credits	3.30	2.58	3.45	4.29

**Exploration**

In stark contrast to last year's report that there was no exploration undertaken in 2020, a total of 14,998 meters of drilling in 66 holes was completed in 2021. The results of this drilling were provided in a total of 8 exploration announcements through the course of the year, culminating in a resource update on 21 December 2021. Gold and silver assays and the resulting gold resource estimate were not available at the time of release. Subsequent to year end all precious metal assay results were received and included in an updated depleted mineral resource estimation for the Ming Copper-Gold Mine with an effective date of 31 March 2022.

The new Mineral Resource Estimate includes 23.755 million tonnes of Measured and Indicated Resources grading 1.80% copper and 0.35 grammes per tonne gold, containing 945 million pounds of copper and 271 thousand ounces of gold, at a 1% copper cut-off.

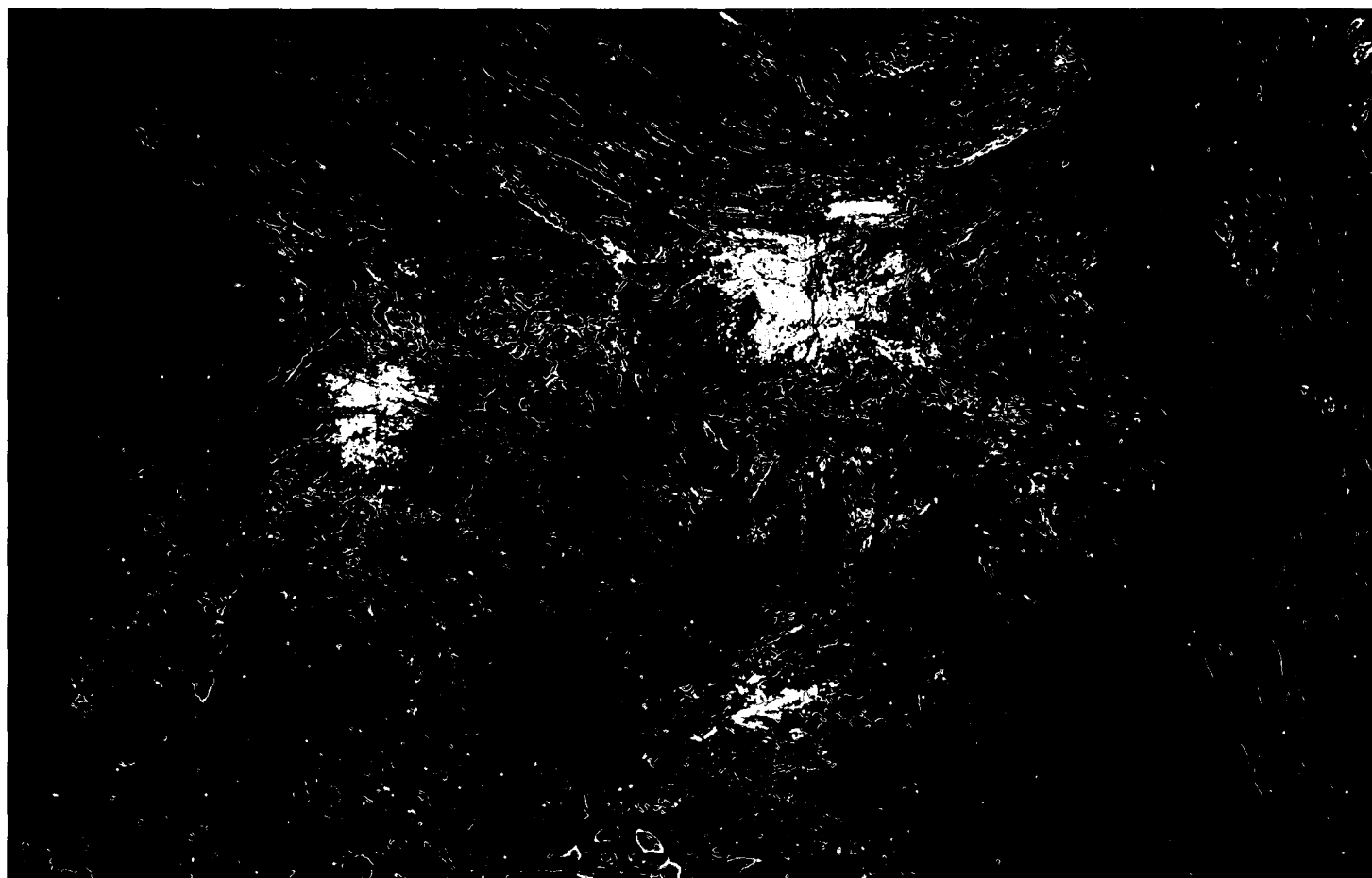
The Inferred Mineral Resource estimate includes 6.430 million tonnes grading 1.86% copper and 0.38 grammes per tonne gold, containing 264 million pounds of copper and 78 thousand ounces of gold, at a 1% copper cut-off.

Compared to the 27 May 2021 (effective date of 31 December 2020) mineral resource estimate, the 4 May 2022 update contained an additional 45 million pounds of contained copper metal in the Measured and Indicated categories which occurs in zones we will be mining from 2022 onwards.

**Mineral Resource summary for the Ming Copper-Gold Mine at 1% copper cut off**

Classification	Quantity ( <sup>'000</sup> t)	Grades			Contained metal			
		Copper (%)	Gold (g/t)	Silver (g/t)	Copper (m lbs)	Copper ( <sup>'000</sup> t)	Gold ( <sup>'000</sup> oz)	Silver ( <sup>'000</sup> oz)
Measured total	8,408	1.71	0.46	3.56	318	144	124	961
Indicated total	15,346	1.85	0.30	2.36	627	284	147	1,163
M&I total	23,755	1.80	0.35	2.78	945	428	271	2,124
Inferred total	6,430	1.86	0.38	2.60	264	120	78	538

See Mineral Resource Note 1 under Appendix I.



Ming North Zone copper and gold mineralization in cut and fill stope heading.

**Mineral Resource Comparison of press released 4 May 2022 to 26 May 2021 for the Ming Copper-Gold Mine, at a 1% Copper Cut-off**

Classification		Quantity ('000 t)	Grades			Contained metal			
			Copper (%)	Gold (g/t)	Silver (g/t)	Copper (m lbs)	Copper ('000 t)	Gold ('000 oz)	Silver ('000 oz)
Measured total	2022	8,408	1.71	0.46	3.56	318	144	124	961
	2021	6,390	1.65	0.53	4.02	234	106	108	827
	<b>Resource change</b>	<b>32%</b>	<b>4%</b>	<b>-13%</b>	<b>-11%</b>	<b>36%</b>	<b>36%</b>	<b>15%</b>	<b>16%</b>
Indicated total	2022	15,346	1.85	0.30	2.36	627	284	147	1,163
	2021	17,753	1.70	0.25	2.08	667	303	143	1,190
	<b>Resource change</b>	<b>-14%</b>	<b>9%</b>	<b>20%</b>	<b>13%</b>	<b>-6%</b>	<b>-6%</b>	<b>3%</b>	<b>-2%</b>
M&I total	2022	23,755	1.80	0.35	2.78	945	428	271	2,124
	2021	24,143	1.69	0.32	2.60	900	408	251	2,017
	<b>Resource change</b>	<b>-2%</b>	<b>7%</b>	<b>9%</b>	<b>7%</b>	<b>5%</b>	<b>5%</b>	<b>8%</b>	<b>5%</b>
Inferred total	2022	6,430	1.86	0.38	2.60	264	120	78	538
	2021	5,023	1.89	0.41	3.10	209	95	66	501
	<b>Resource change</b>	<b>28%</b>	<b>-2%</b>	<b>-7%</b>	<b>-16%</b>	<b>26%</b>	<b>26%</b>	<b>18%</b>	<b>7%</b>

See Mineral Resource Note 1 under Appendix I.

Exploration remains the lifeblood of mining at Ming Mine, both in terms of upgrading the knowledge of the mineral resources we are about to mine and also to continue to add to the scale and potential of the project.

As highlighted through the exploration we have completed, the quality of the asset continues to improve with depth in terms of both quantity and quality. All zones remain open for extension with further drilling, especially down dip from the current resources.



## Projects

The major projects undertaken for the year were the cancelled acquisition of the Duck Pond Mill and the delayed feasibility of the Ore Sorting study. In both cases, these projects were reviewed in light of funding availability. At a time when cash resources were constrained, the deferral of these projects was the correct decision.

The Duck Pond Mill acquisition represented great value for Rambler and, environmentally, would have recycled the use of an existing asset on the island of Newfoundland. The limiting factor became the timeline by when the entire removal of the facility from Duck Pond would have to be achieved and Rambler's ability to finance that. The rationale for a mill facility at the Ming Mine site remains and will be the subject of further study.

On ore sorting, a feasibility study was commissioned but put on hold. Given the 44-kilometre haul of our ROM ore to Nugget Pond and based on the detailed test-work completed, the viability of ore sorting to the economics of the mine will be compelling. The intention is for the ore sorting study to be rejuvenated in Q2 2022 for implementation in 2023.

## Financial

### Three-year financial performance summary

Financial results (US\$m)	2021	2020	2019 (restated)
Revenue	28.2	24.3	37.1
EBITDA	(8.5)	(3.6)	(2.6)
Net loss after tax	(14.0)	(1.8)	(13.5)
Operating cash flow	(11.8)	1.9	(2.5)

- A total of 12,874 dmt (2020: 14,550 dmt) of concentrate was provisionally invoiced during the year, containing 3,418 (2020: 3,769) tonnes of saleable copper metal and 1,805 (2020: 2,819) ounces of saleable gold.
- Revenue for the year was \$28.2 million (2020: \$24.3 million). This increase was mainly due to the increase in the copper hedged price.
- Average prices for the year were \$3.42 (2020: \$2.61) per pound of copper and \$1,797 (2020: \$1,752) per ounce of gold.
- EBITDA for the year was a loss of \$8.5 million (2020: loss of \$3.6 million).
- The net loss for the year was \$14.0 million (2020: \$1.8 million) which includes the following non-cash losses (gains):

### 2020 and 2021 non-cash losses (gains) comparison

Non-cash losses (gain)	2021	2020
Loss (gain) on fair value of Gold Stream	3.2	(0.2)
Loss (gain) on fair value of copper forward contract	0.4	(0.6)
Share based payments	1.0	0.2
Loss on early repayment of West Face loan (excluding 5% early repayment fee)	2.7	-
Amortization of deferred borrowing cost	0.3	-
Deposit written off	0.7	-
Depreciation and amortization	7.7	6.3
<b>Total</b>	<b>16.0</b>	<b>5.7</b>

- Cash production costs for the year were \$31.0 million (2020: \$27.4 million). Net direct cash costs and net of by-product credits ("C1 costs") for the year were \$4.26 per pound of saleable copper (2020: \$3.45).
- Saleable copper in pounds for the period was 7.5 million pounds (2020: 7.9 million pounds).
- Cash utilised in operations for the year was \$11.8 million (2020: Cash inflow of \$1.9 million). The decrease in the cash generated in the operation is related to the changes in working capital.
- The cash balance as of the 31st of December 2021 was \$1.6 million (2020: \$6.2 million).

### Financing and investment

- During the year, a payment of \$1.6 million (2020: \$0.8 million) (project to date: \$24.5 million) was made on the Company's Gold Stream through the delivery of 869 ounces of gold (2020: 469 ounces). The Company has delivered 17,177 ounces of gold to Sandstorm Gold Royalties from the inception of the facility until the end of 2021.
- Net debt was \$19.4 million (2020: \$3.5 million).
- The Company completed equity financings of \$10.6 million in February 2021, \$2.6 million in August 2021 and \$5.0 million in December 2021. Transaction costs related to the equity financings were \$0.9 million.
- In April 2021, the Company received \$2.0 million in cash and 3.6 million Maritime Resources Corp. ("Maritime") shares from the sale of non-core assets. During the year, the Company sold the Maritime Resources Corp. shares and other equity investments for \$0.7 million.
- Given the focus on the mine operation in 2021, the purchase of Duck Pond Mill was shelved but establishment of a new mill at Ming Mine will continue to be reviewed.
- In December 2021, the Company completed a 3-year senior secured debt financing in the gross amount of \$16.4 million with NewGen Resource Lending Inc. ("NewGen"), which was originally expected to be completed in August 2021.

Our suppliers and partners continued to be highly supportive through 2021, which we sincerely appreciate. The delay to financing anticipated at the end of August 2021 was

1. Refer to "Alternative Performance Measures" section for details.

material and our suppliers assisted us to the end of the year when funds were eventually received. This continued support enabled us to maintain some of the momentum we had built up and deliver on the objectives for the year.

### 2021 Strategic Objectives

The 2021 Annual Report presented a series of strategic objectives which are assessed for their level of achievement and comment below.

### Assessment of the 2021 Business Objectives

2021 Business Objective	2021 Achievement	Comment
Perform all its activities in such a way that no harm is caused to people, the environment or the community	<ul style="list-style-type: none"> <li>■ Lost Time Injury Frequency Rate of zero</li> <li>■ No environmental incidents</li> <li>■ Strong Community support maintained</li> </ul>	Rambler was recognised with the John T. Ryan National Safety Award for its safety performance in 2021
Upgraded primary infrastructure	Completed remediation of pumping, ventilation and power distribution	This was the precursor to the development in the mine
Establish the Ming Mine to a level of production that fully utilises the existing mill capacity of 1,350 tonnes per day	3,504 metres of development completed creating the platform for 1,350 tonnes per day	Required development was achieved
At this throughput level, target an average feed grade of 2% Cu	Average feed grade of 1.57% Cu	With emphasis on mining from lower levels, the opportunities to blend to a higher feed grade will progressively improve
Advance underground development to prepare for an increase of underground production to 2,000 tonnes per day in 2022	Deferred	This was linked to the ore sorting objective below
Exploration – complete 15,900 metres of drilling	14,998 metres completed	Delay to drilling in Q4 pending assay results
Complete the feasibility study and implementation of an ore sorting facility at the Ming Mine site for operation in 2022	Deferred	The feasibility study was started but deferred due to limited availability of capital
Commence the relocation of the Duck Pond mill to the Ming Mine and initiate a feasibility study for the establishment of a new process and tailings storage facility in the next four to five years	Cancelled	While the objective of locating a mill at the mine site remains empirically correct, the required timing and cost of the relocation of the Duck Pond Mill (to be completed by Q3 2022) forced the cancellation of this project
Resetting the culture	In progress	Changes in management and introduction of mining contractors were implemented during the year. There is more work to do, and this represents further opportunity for Rambler
Engaging core competencies and skills	<ul style="list-style-type: none"> <li>■ The introduction of mining contractors has helped elevate the development ethos within the Rambler team</li> <li>■ Director, Eason Chen appointed as CFO provided a focus on financing</li> <li>■ Enhanced mechanical and electrical engineering and planned maintenance capability</li> <li>■ Several mining engineering appointments have improved capabilities in ventilation, stope design and planning</li> </ul>	<p>This is an on-going process and Rambler has implemented in-house development and training across a range of disciplines to support the long-term nature of its operations</p> <p>Further appointments are in progress to advance the ERP system</p>
Repairs and remediation	<ul style="list-style-type: none"> <li>■ 2 jumbos, 2 scoops, 2 bolters and 2 trucks underwent major repairs and returned to service</li> <li>■ Mill discharge pumps were upgraded</li> <li>■ Tailings lifts completed on Fly Pond and Camp Pond providing capacity for additional 5 years of operating</li> </ul>	A new maintenance strategy and focus was put in place to improve reliability of the current fleet. Training in equipment diagnostics and use of intelligent methods to extract and interpret data played a key role in improved maintenance capabilities of the organization
Additional equipment to meet operational requirements	4 scoops; 1 truck; 2 personnel carriers were purchased to meet ongoing production requirement; 2 scissors lifts, 1 jumbo, 2 personnel carriers and 1 scoop brought in on a rental basis to support mine development	Additional equipment was brought to support ramp-up in production. Rental equipment was part of the mining strategy to facilitate contract development needs to create adequate inventory for ongoing production
Improved reserve definition	14,998 metres of in-fill drilling completed	An updated Mineral Resource Estimate was issued on 21 December 2021, updated again on 4 May 2022, increasing the M&I resource by 5% (+45M pounds, +20k tonnes) and contained gold by 8% (+20k ounces)

### Human Resources Initiatives

Recognising the continually changing and challenging situation with respect to attracting and retaining employees, a number of initiatives were introduced over the course of the year.

In May 2021, we started a Registered Retirement Saving Program ("RRSP") as a co-contributory scheme for employees to provide for their future. Prior to this, there was no Company retirement scheme in place.

We have developed an in-house "common core" training program for underground employees to ensure we achieve a uniform level of training and competence.

Rambler became a Designated Employer for Immigration Purposes and engaged three employees through the AIPP Program (Atlantic Immigration Pilot Program). Rambler is recognised as a significant and responsible employer that develops its employees and adds tangible economic value to the region and the province. This favoured designation status makes it easier for Rambler to access the talent pool outside of Canada.

As referred below, the camp that was established mid-year has helped with recruitment and retention of new employees.

### Covid-19

Covid-19 had some direct impact in 2021 but it was the provision for the risk that it represented that was most material.

Although the number of Covid-19 cases on site for the year was zero, this was achieved on the back of excellent protocols designed and implemented by the Company and, in many instances, adopted by the province of Newfoundland and Labrador.

There were incidences of reduced attendance due to self-isolating and we took measures to improve social distancing which in turn took a toll on equipment utilisation, particularly in the underground.

To mitigate the impact of Covid-19 and to provide the capacity for people to isolate, if necessary, a 47-person camp was established at the mine site. This has the added benefit of making Rambler a more attractive worksite for remote employees.

### Website, Branding and Sustainability

Rambler introduced a new corporate brand in the year which has been incorporated into a refreshed website. The rationale for the brand is one of a "Sustainable" company, in all senses of the word.

As a primary copper producer, we are privileged to be producing a commodity that is essential to the sustainable future of our planet. We have identified several "green" initiatives that will be highly complementary to our business, and we will be assessing these going forward. They include projects such as electrification, reduction in carbon emissions and tailings backfill. There are government funds available to promote such projects and Rambler is exploring opportunities to access these wherever possible.

In Canada, copper has been designated a "critical mineral" and this in turn provides attractive terms for investment in exploration and development of mining projects that Rambler will seek to maximise.

### Little Deer Complex

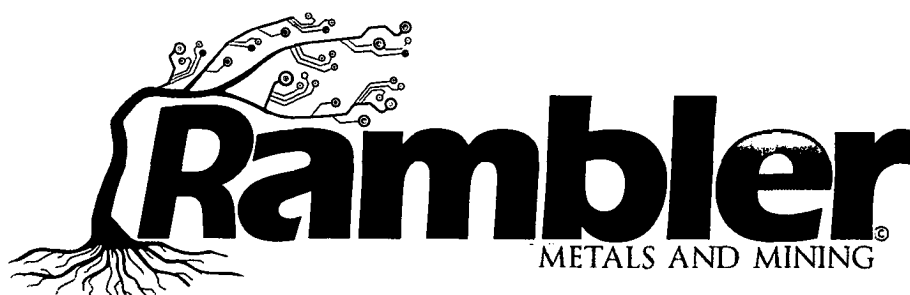
During the year, Rambler updated its mineral resource estimate for Little Deer and Whalesback Mines, grouping them as the Little Deer Complex.

The updated estimate for the Little Deer Complex includes 2.9M tonnes of Indicated Resource at 2.13% copper containing 135.4M pounds or 61.4K tonnes at 1% Cu cut-off, with an effective date of 12 July 2022. This represents a 6.5% increase in tonnes and a 4.8% increase in contained copper metal in the indicated category. The Inferred Mineral Resource of 6.2M tonnes at 1.79% Cu, containing 243.8M pounds or 110.6K tonnes (at 1% Cu cut-off) highlights the exciting exploration potential of this project. This represents a 47.4% increase in tonnes and a 27.5% increase in contained copper metal in the inferred category.

### Summary of the Little Deer Complex Mineral Resource estimate at 1% copper cut off

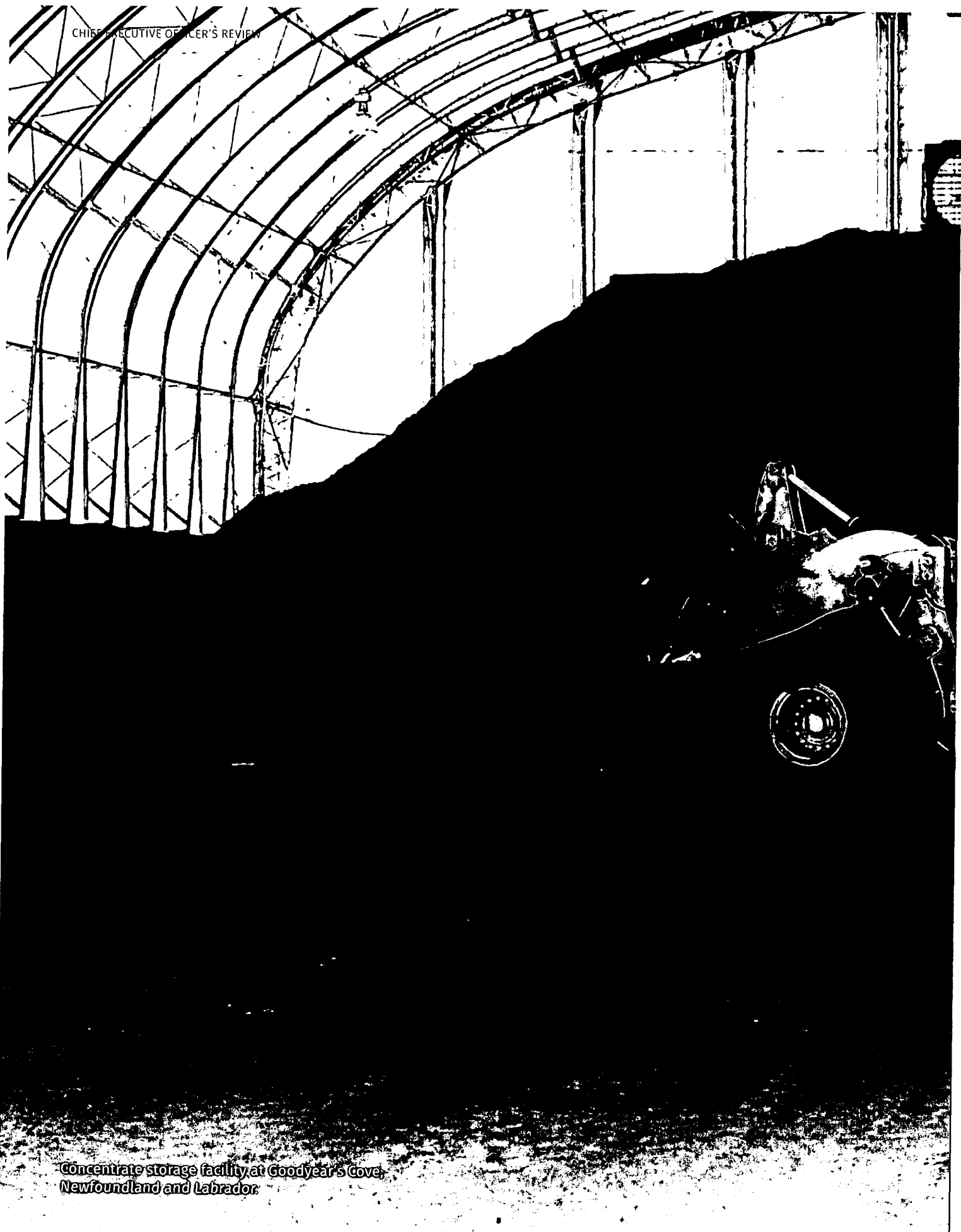
Deposit	Classification	Tonnes ('000 t)	Cu (%)	Ag (g/t)	Au (g/t)	Co (%)	Copper (m lbs)	Copper ('000 t)
Little Deer	Indicated	2,029	2.33	4.12	0.13	0.03	104.2	47.2
	Inferred	5,882	1.78	2.16	0.05	0.02	230.9	105.0
Whalesback	Indicated	854	1.67	1.79	0.03	0.01	31.4	14.2
	Inferred	294	1.85	2.32	0.03	0.02	12.0	5.6
Total complex	Indicated	2,883	2.13	3.43	0.10	0.02	135.4	61.4
	Inferred	6,176	1.79	2.17	0.05	0.02	243.8	110.6

See Mineral Resource Note 2 under Appendix 1.



Rambler introduced a new corporate brand in the year which has been incorporated into a refreshed website. The rationale for the brand is one of a “Sustainable” company, in all senses of the word. The new Rambler logo embraces the following elements:

- **Rambler’s new “Circuit Board Tree”** is our version of a very common sight in Newfoundland and Labrador – the wind-swept pine. The tree, with its underground root system, represents the transformation of underground minerals to hi-tech and industrial products.
- **The stylized “R”.** The “R” depicts the headframe of an operating mine.
- **The green “e”**, is the color of oxidized copper, and represents the fact that Rambler:
  - Operates with an **environmental** conscience;
  - Produces **clean energy** minerals; and
  - Is an **economic** force in the region.
- **The copper color** used in our name is the hexadecimal value of copper – a nearly exact color match for the valuable metal we produce.
- **Metals and Mining** finalizes our formal name.
- **From an aesthetic perspective**, the tree roots and branches frame the logo from top to bottom.



Concentrate storage facility at Goodyear's Cove,  
Newfoundland and Labrador

## Conclusion

In wrapping up this review for 2021, it is useful to consider an extract from my 2020 concluding remarks:

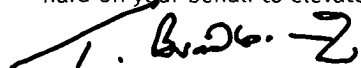
*"The effort required to complete this reinvestment and recovery in order to restore the Ming Mine to its designed 1,350 tpd of ore production should not be underestimated. From a standing start in the middle of December 2020, we expect it to take nine to twelve months to achieve this recovery. There is complete confidence that all the issues can be addressed and that the true potential of the Ming Mine can be realised, even if there are some challenges along the way."*

There is no doubt that we did have some challenges but, despite these, most of our objectives were achieved, and we have brought the mine to the cusp of delivery.

While underground development is the key to our production and cash flow, the exploration work that we also completed has shone a light again on where the true potential of our Ming Mine asset may yet lie.

It is testament to the commitment and resilience of our employees and all our stakeholders that we achieved what we did, and I would like to thank them for all their efforts. We have expectations of better to come.

I would like to thank my Team and the Board for their support and guidance through the year and our shareholders for their fortitude. The true value of this Company has yet to be realised and we will be working hard on your behalf to elevate it to where it should be.



**Toby Bradbury**  
President and Chief Executive Officer

16 May 2022



# Our Mission, Vision and Values

Rambler Metals and Mining's **Mission, Vision and Values** are the primary building blocks of the business which provides guidance for all employees on how they are expected to approach their respective duties and responsibilities.

**Our Mission is:**

"To deliver superior returns as a responsible Canadian mining company."

**Our Vision is:**

"To be a respected mining company that makes a meaningful difference".

Rambler is a company that:

- Protects its people and the environment from harm
- Provides opportunities for growth
- Strives to continuously improve
- Is a valued part of its community

Our **Values** provide guidance on the required behavior of all employees:

- **No Harm** – the safety and health of our employees and protection of the environment are our first priority.
- **Integrity** – in all that we do, we are honest, ethical, law-abiding and transparent.
- **Respect** – we are respectful towards one another, and we acknowledge and value our diversity.
- **Accountability** – we are accountable for our performance, individually and collectively, and for upholding the policies and values of the Company.
- **Engaged** – we support each other to achieve our objectives and we recognise the contributions made by individuals and by the team that lead to our success.

We have a fundamental principle that all our work is done to ensure that people do not get hurt and we do not cause harm to the environment or the community. No job is so important that it should be done in a way that exposes people or the environment to harm.

While the Company provides safe equipment, safe systems of work, safe places to work and training to ensure competence, every individual is accountable to work safely in accordance with the training that she or he has received. There is no acceptable excuse to work in an unsafe manner.



# CATERPILLAR®

## 2022 GALA AWARDS



Rambler employees receiving the 2021 John T. Ryan National Safety Award for Outstanding Safety Excellence.

# Strategic Report

## The Investment Proposition

The fundamental future for Rambler and the Ming Mine is robust and is better placed following the investment through 2021. The short-term strategy is to deliver on the newly developed state of the Ming Mine to make it a sustainable cash generating operation. This will create a base for the future growth potential of this high-grade copper and gold deposit.

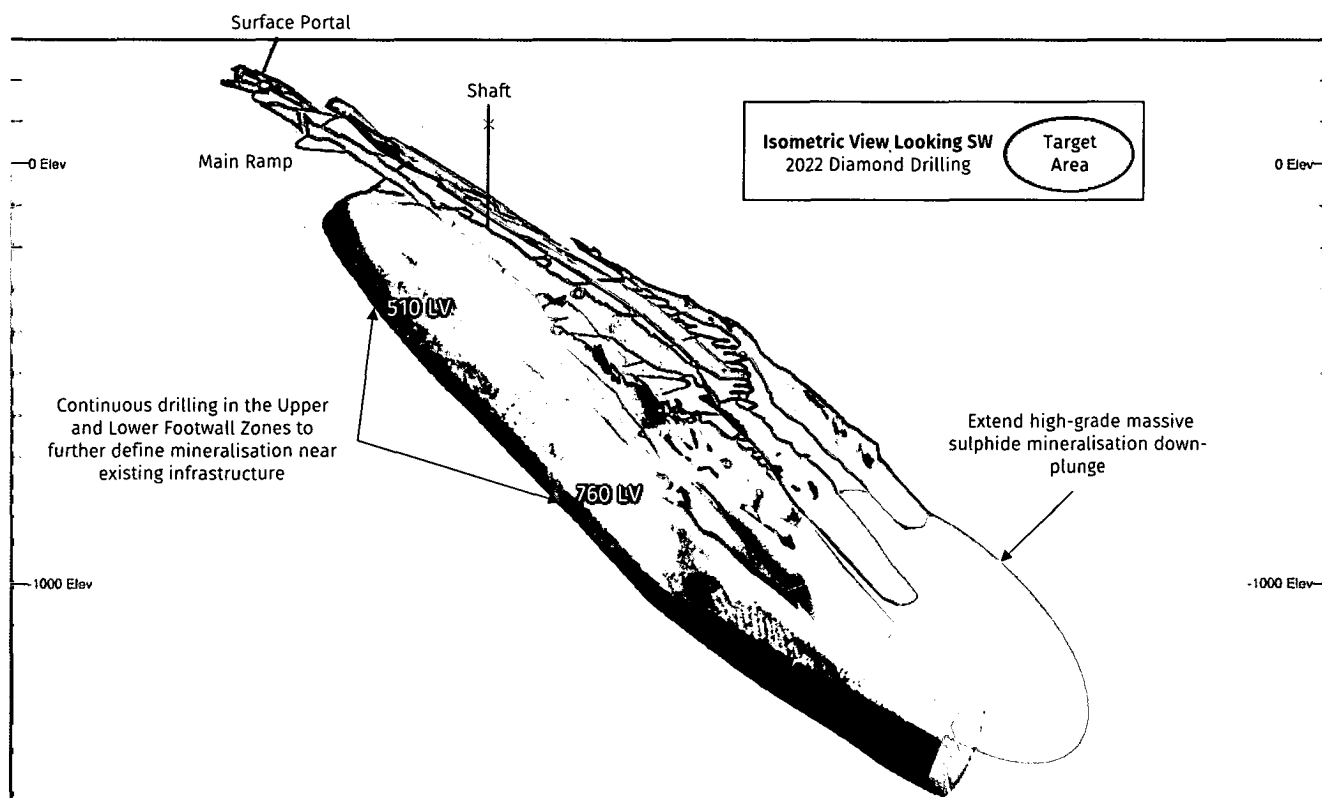
Medium to long term, the operation is geared to see a steady increase in production and revenue generation through:

- Applying our exploration and technical expertise to unlock value in our current ore bodies;
- The alignment of the resource size and production capacity, from current production levels of sub 500ktons p.a. for a M&I resource size of 24Mt at 1.8% copper. There is significant growth upside;

- Staged investment into the existing infrastructure to gradually increase production output;
- Use of technology and modern methods like ore sorting to increase capacity; and
- Regional growth including the advancement of the Little Deer Complex.

### Resources and Reserves

As of 4 May 2022, the exploitable Measured and Indicated mineral resources comprised 23.755 million tonnes grading 1.80% copper and 0.35 grammes per tonne gold, containing 945 million pounds (428k thousand tonnes) of copper and 271 thousand ounces of gold, at a 1% copper cut-off.



2022 Diamond drill program target areas.

**Mineral Resource summary for the Ming Copper-Gold Mine at 1% copper cut off** (see Note 1 under Appendix 1)

Classification	Quantity ('000 t)	Grades			Contained metal			
		Copper (%)	Gold (g/t)	Silver (g/t)	Copper (m lbs)	Copper ('000 t)	Gold ('000 oz)	Silver ('000 oz)
Measured total	8,408	1.71	0.46	3.56	318	144	124	961
Indicated total	15,346	1.85	0.30	2.36	627	248	147	1,163
M&I total	23,755	1.80	0.35	2.78	945	428	271	2,124
Inferred total	6,430	1.86	0.38	2.60	264	120	78	538

**Mineral Reserve Estimate for the Ming Copper-Gold Mine, fully depleted of all mining, effective 31 March 2022**

(see Note 2 under Appendix 1)

Classification	Quantity ('000 t)	Grades			Contained metal		
		Copper (%)	Gold (g/t)	Silver (g/t)	Copper (m lbs)	Gold ('000 oz)	Silver ('000 oz)
Total Proven Reserve (undiluted, unrecovered)	2,937	1.95	0.43	2.75	126	40	259
Total Probable Reserve (undiluted, unrecovered)	4,226	1.88	0.43	2.84	175	58	386
Dilution (all sources)	1,074	0.64	0.06	0.73	15	2	25
Reserve (diluted and recovered)	7,413	1.74	0.38	2.53	290	94	645

The updated mineral reserve is depleted from the last published reserve statement of 2018 and is effective as of 31 March 2022. This is a depleted estimate and not a fully updated mineral reserve based on the new mineral resource referenced above. It is intended that a fully updated mineral reserve and life of mine production plan will be released before the end of 2022.

**Operating Mine**

The Ming Mine is an established mine with the following attributes:

- All primary infrastructure is in place: power, water, public road access.
- The mine is fully permitted in terms of licences and environmental approvals.
- Existing surface facilities are in place, including offices, workshops, stores, etc.
- The underground mine is developed in terms of primary access and ventilation.
- The processing facility at Nugget Pond has a proven capacity of 1,350 tonnes per day.
- There is an established concentrate storage facility and port for product despatch.

**Metallurgy and Recoveries**

The metallurgy and process recoveries are proven and robust. Copper recoveries are typically above 95%, and the concentrate produced is recognised for its high quality in terms of low deleterious materials. The gold by-product is a valuable addition.

**Long Mine Life**

At a mill throughput of 1,350 tonnes per day, targeting a 2% mined grade, there are adequate Measured and Indicated mineral resources to support a mine life of at least 20 years. The scale and/or life of the mine has the potential to grow with further exploration success and expansion options.

**2022 Drilling Plan**

The 2022 drilling plan is designed to support the 18 month mine plan, and to build on recent discoveries in the Lower Footwall Zone (LP East and Jennings Zone)

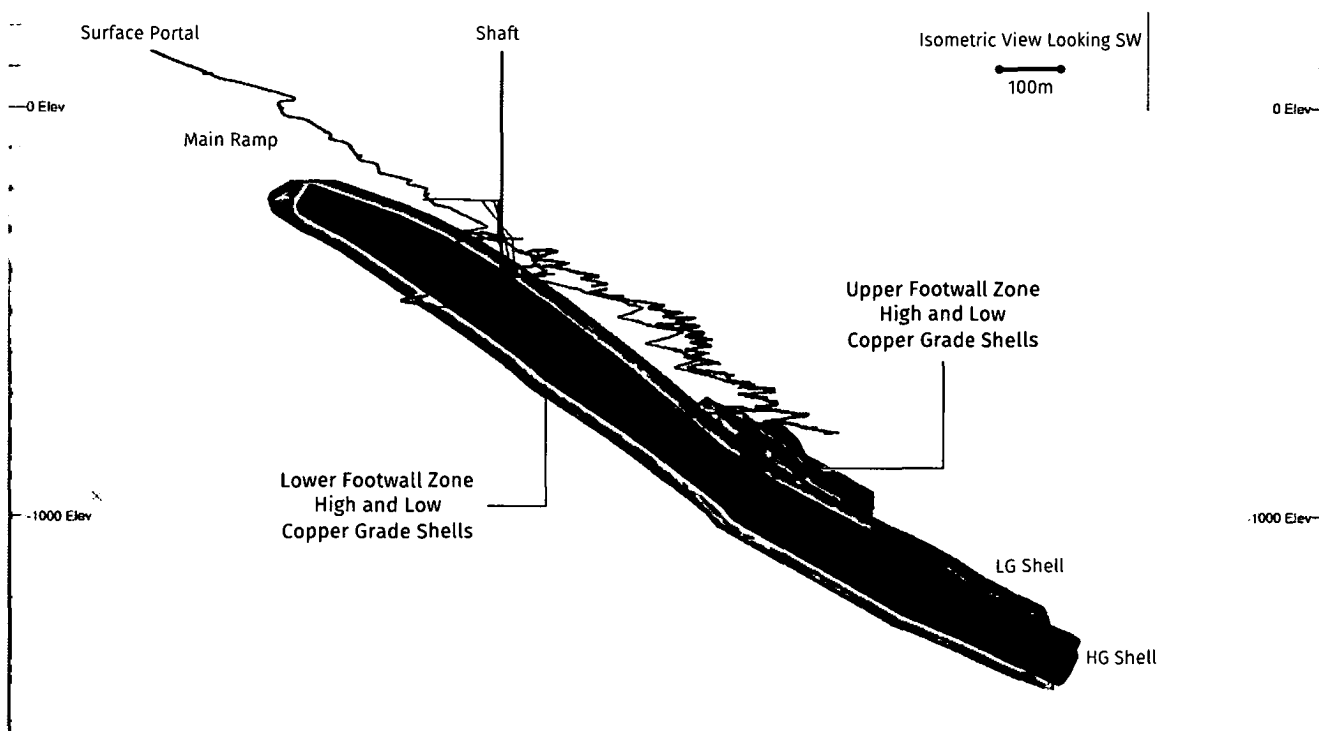
- Planned infill drilling of up to 16,000m
- Majority of core will be orientated, logging dip and dip direction of all structures, lithologies and mineralized zones
- Two drills available to do the planned metres for the year
- Sourcing a portable drill to support tight definition drilling for stope design
- All drill platforms for 2022 drilling are available now, so we are able to prioritize drilling based on the needs of the mine
- Deep exploration holes planned depending on management strategy

### Expansion Potential

Mineral deposits that demonstrate an economic life beyond 20 years at a given production could justify expansion of the mining rate to accelerate the investment return. In conjunction with the exploration potential to extend the resources even further and a cost-benefit analysis of the cut-off grade, the Ming Mine provides scope for expansion considerations.

In particular, the Lower Footwall Zone comprises a central high-grade core with a disseminating grade to the hanging and foot walls, as shown in the cross-section below.

At a 1.5% cut-off, the mine is currently targeting a mineral resource base of 9.4M tonnes from the Lower Footwall Zone, which contains 440M pounds (200k tonnes) of copper. This resource base doubles to 20.1M tonnes at a 1.0% Cu cut-off for 730M pounds (331k tonnes) of copper.

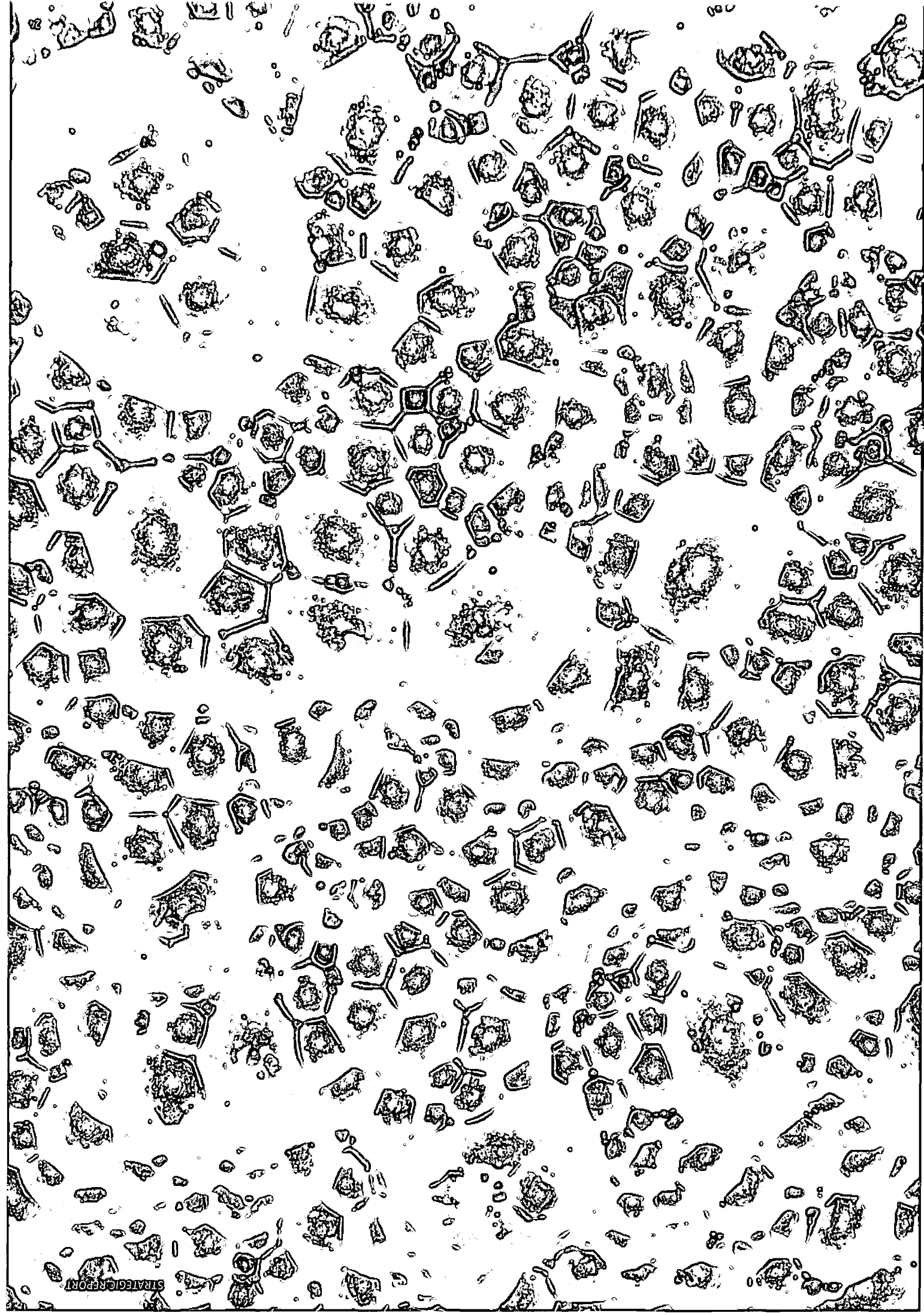


Isometric view of the LFZ and UFZ high grade (red) and low grade (green) mineralised areas.

LFZ Measured and Indicated resource sensitivity table

Copper cutoff (%)	Quantity ('000 t)	Grades			Contained metal		
		Copper (%)	Gold (g/t)	Silver (g/t)	Copper ('000 lbs)	Gold ('000 oz)	Silver ('000 oz)
1.0	20,145	1.65	0.12	1.65	730,654	78	1,067
1.1	17,419	1.74	0.12	1.73	667,626	70	972
1.2	15,009	1.83	0.13	1.82	606,565	63	879
1.3	12,821	1.93	0.13	1.91	546,309	56	789
1.4	11,056	2.03	0.14	2.00	493,836	50	711
1.5	9,383	2.13	0.15	2.10	440,400	44	633
1.6	8,024	2.23	0.15	2.19	393,992	39	565
1.7	6,891	2.32	0.16	2.28	352,804	35	506
1.8	5,869	2.42	0.16	2.38	313,405	30	449
1.9	5,019	2.52	0.17	2.47	278,769	27	399
2.0	4,271	2.62	0.17	2.57	246,589	24	352

Close up view of copper minerals adhering to bubbles in the mill's flotation cells, Nugget Pond.



**Portfolio of Growth Projects**

Aside from the Ming Mine, Rambler also holds mineral licences at the Little Deer, Whalesback and Ming East mineral properties. Just like the Ming Mine, these are all former mining properties with similar geological characteristics that can benefit from further exploration. Success at the Ming Mine will serve as a platform for future growth for Rambler, with projects already available in-house.

**Supportive Community**

The Baie Verte peninsula on the island of Newfoundland has a long history of mining, and the local communities have grown up in support of and reliant on the industry. There is great interest in the success of mining as a

mainstay of the economy, and the government plays an active role in the sector, including with financial support.

**Excellent Jurisdiction**

Located in Canada and benefiting from a supportive government, low tax regime and long history of mining, Newfoundland is accepted as one of the best mining jurisdictions in the world for mining investment and is at the top of the Fraser Institute rankings. It continues to build up on its excellent geology and geography as is evident in the many important mining initiatives being undertaken in the Province.

**Business Objectives**

The 2022 business objectives for Rambler are tabulated below:

2022 Objective	Comment
Perform all its activities in such a way that no harm is caused to people, the environment or the community.	<ul style="list-style-type: none"> <li>■ On-going management involvement with visible felt leadership campaigns and programs.</li> <li>■ Compliance to systems and procedures with on-going monitoring and corrective actions.</li> </ul>
Deliver 7,000 tonnes saleable copper.	<ul style="list-style-type: none"> <li>■ Realistic production plan which has been built on the mine development and operational redundancy created in 2021.</li> <li>■ 4 x mining areas established to deliver the required tonnage at an improving grade as we target the lower levels.</li> <li>■ Proven process and milling plant which has consistently achieved the planned recoveries of 95% Cu and 70% Au.</li> </ul>
Maintain development to support current and future production.	2022 planned development of 4,000m will maintain redundancy and set up the mine for future planned growth in 2023.
Exploration – complete 16,000 metres of drilling.	See planned exploration program.
Resetting the culture.	On-going process from 2021. Behaviour based coaching and training programs to continue.
Engaging core competencies and skills.	On-going – focus areas in mining and finance.
Review mine ventilation for future expansion and production.	A full ventilation review and study planned.
Ore sorting study.	Continue and complete the work started in 2021 with a view to possible operation in 2023.
Updated NI 43-101 base case including ore sorting.	An updated mineral reserve statement based on revised resources and current mine design and planning for life of mine. It is anticipated that ore sorting will form part of the base case.
Commence optimisation studies.	Tailings backfill; Shaft hoisting; Electrical power supply upgrade; Mine digitisation – fibre optic communications; Mill relocation studies.

### Mine Production Plan

The Ming Mine is comprised of six active mining zones along with unmined historic mineral resources. With commercial production commencing in 2012, Rambler was mining just one of the six zones, the 1807 Zone. In recent years, mining has extended into the newer zones defined through ongoing exploration. However, seldom has availability of zones extended beyond one or two zones at any one time, and then mining has been “top down” due to the pressures on production.

Through underground development in 2021, the operation has been set up to extract ore from four separate zones in two different mining horizons providing flexibility and reduced risk.

Further, with the establishment of advanced development, stopes can be mined “bottom up” creating voids for low-cost backfilling of development waste. This further enhances the mining efficiency.

### Exploration

Since the early 1970s, within a 2km radius of the Ming Mine, there have been multiple mining operations developed on the back of only limited exploration.

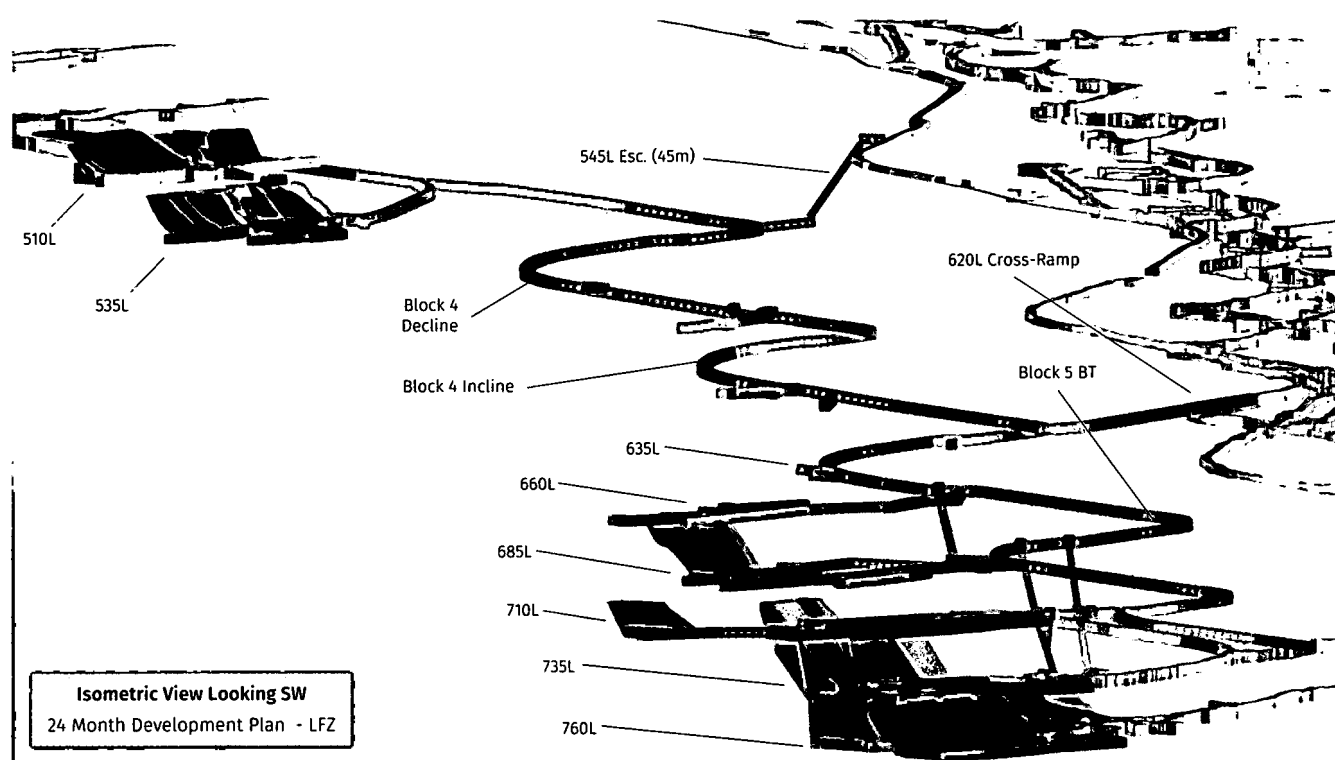
Rambler has been successful in building and growing its mineral resource within the Ming Mine with diamond drilling having proven multiple economic zones within the

interpreted mineralised system and these are now being mined. Even with only limited exploration from the current state, further growth of the mineral resource at the Ming Mine is expected.

In conjunction with improving the Ming Mine resource base through drilling, Rambler will also initiate an outward exploration campaign targeting nearby mineralisation targets. As the lithological model becomes stronger on the back of underground development, step-out drilling and reconciliation from mining activities, the knowledge gained from the Ming Mine will also help grow the regional story.

The historical “top-down” approach to mining at the Ming Mine has limited the opportunity for traditional mine exploration and step-out drill programmes. The shift to the lower mine in 2021 and “bottom-up” mining will allow time and space for conventional exploration programmes in both the upper and lower levels of the mine. These ongoing exploration programmes are being designed to fully define and grow the mineral resource within the mineralised envelope and down plunge of the current mining front.

The 2022 drill programme is designed to support the 18 month mine plan, and to build on recent drill successes like the LP East and Jennings Zones.



Schematic view of up and down hole production drilling areas in the Ming Mine.

### Ore Sorting Project

Test work completed in 2015 demonstrated that both ore types at the Ming Mine, the massive sulphide and disseminated ores, are amenable to preconcentration by means of X-Ray Technology (XRT). Following funding in December 2020, two four-tonne bulk samples of each ore type were prepared for despatch to Tomra in Germany for full-scale testing.

This testing was completed in Q1 2021 and the results supported the target of 25 - 30% removal of screened oversize of ROM feed as waste rock.

Given the road haul of 44km to Nugget Pond, the ore sorting has particular benefits in terms of reduced haulage cost for an upgraded feed. The intention is that underground mine production can be increased to around 2,000 tpd to make full use of the mill's capacity of 1,350 tpd.

The ore sorting plant design work that commenced in 2021 is being resumed in 2022 with an intention of establishing a commissioned facility in 2023. The plant will comprise a crushing and screening facility that feeds an XRT sorting machine.

### On-site Milling Facility

Given the expansion opportunities that the Ming Mine presents, together with the environmental and cost benefit of eliminating the road haul to Nugget Pond, there is a strong motivation to study the opportunities that a mill based at the Ming Mine would represent.

### Value-Add Projects

There are several inherent and identified projects that have the potential to improve the business in the mid and long term. Two of these are ore hoisting and paste backfill.

The Ming Mine has an existing vertical shaft that extends to 500 metres below the surface. This shaft used to be a hoisting shaft and is currently used as a downcast for ventilation and an emergency means of egress. A study will

be conducted to assess the value of re-establishing the hoisting capability. Potential benefits would be reduced trucking of underground ore, reduced cost, reduced carbon footprint and improved air quality.

Tailings back fill, both from a future on-site mill and potentially from a nearby tailings accumulation from which it may be possible to reclaim material, could increase resource mining recoveries, reduce operating cost and improve environmental outcomes.

### Asset Disposal

Rambler will continually evaluate opportunities to capitalise on the disposal of its redundant equipment assets.

### Government Support

The Canadian and provincial governments are generally supportive of the mining sector and the region. The Ming Mine and the other development projects are on the Baie Verte peninsula of the island of Newfoundland. The area is rural, and Rambler is a significant employer and contributor to the economy. There are programmes of government support that the Company may be entitled to, particularly in relation to skills development and "green" initiatives.

### Other Assets

Using the success of a turnaround at the Ming Mine, Rambler has organic growth options in terms of expansion but also through its ownership of additional mineral resources in close proximity to the current operations. These can be seen on the location map on page 2.

### Little Deer and Whalesback Mines

Little Deer and Whalesback are both former producing mines that rate as advanced stage exploration projects. The property is in close proximity to its current operations in Newfoundland amenable to potential synergies between current and future operations.

**Summary of the Little Deer Complex Mineral Resource estimate at 1% copper cut off** (see Note 3 under Appendix)

Deposit	Classification	Tonnes (k t)	Cu (%)	Ag (g/t)	Au (g/t)	Co (%)	Copper (m lbs)	Copper (k t)
Little Deer	Indicated	2,029	2.33	4.12	0.13	0.03	104.2	47.2
	Inferred	5,882	1.78	2.16	0.05	0.02	230.9	105.0
Whalesback	Indicated	854	1.67	1.79	0.03	0.01	31.4	14.2
	Inferred	294	1.85	2.32	0.03	0.02	12.0	5.6
Total complex	Indicated	2,883	2.13	3.43	0.10	0.02	135.4	61.4
	Inferred	6,176	1.79	2.17	0.05	0.02	243.8	110.6



There has been limited exploration work over the past five years. Both deposits are open at depth and along strike, with the exploration potential forming the basis of their acquisition in 2015. The mines are connected by a 1000-metre drift on the 240 level, which provides an all-weather platform for exploration after pumping. Further planned exploration work includes the upgrading of Inferred resources to Indicated status and testing resource expansion potential down plunge and along strike.

#### **East Mine**

The East Mine is adjacent to the Ming Mine and provides a valuable platform for deep exploration of both properties. The East Mine has historically mined 2,130,854 tonnes at a grade of 1.04% copper and elevated gold grades. This is an historic estimate and has not been verified by a Rambler qualified person.

#### **Nugget Pond Gold Mine**

The Nugget Pond Gold Mine began commercial production in April 1997 and ceased operation in August 2001. During its operating life the mine produced a total of 168,748 ounces of gold from 487,765 tonnes at a grade of 10.76 g/t. The previous owners closed the mine in 2001 due to the depressed market price for gold and depth of remaining mineralisation.

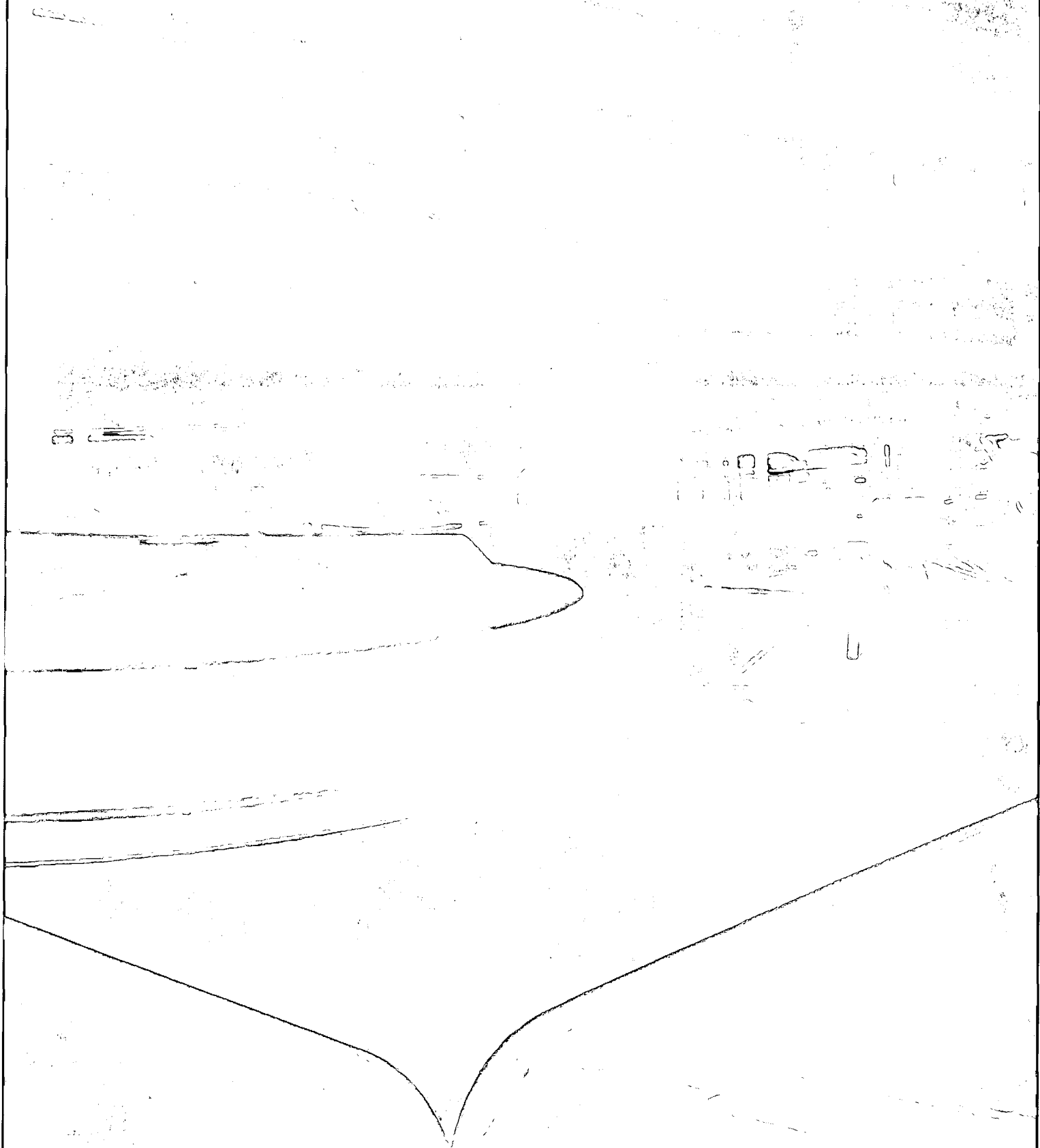
In 2015, the Company completed an internal evaluation on the remaining ounces potentially left behind by the previous operators. Based on the available diamond drilling and historic mining records, the remaining mineralization could potentially contain between 190,000 to 205,000 tonnes grading between 7 and 9 grammes per tonne gold, translating to in-situ gold ounces between 45,000 and 55,000. This is an internal estimate, is non NI43-101 compliant and should not be relied upon.

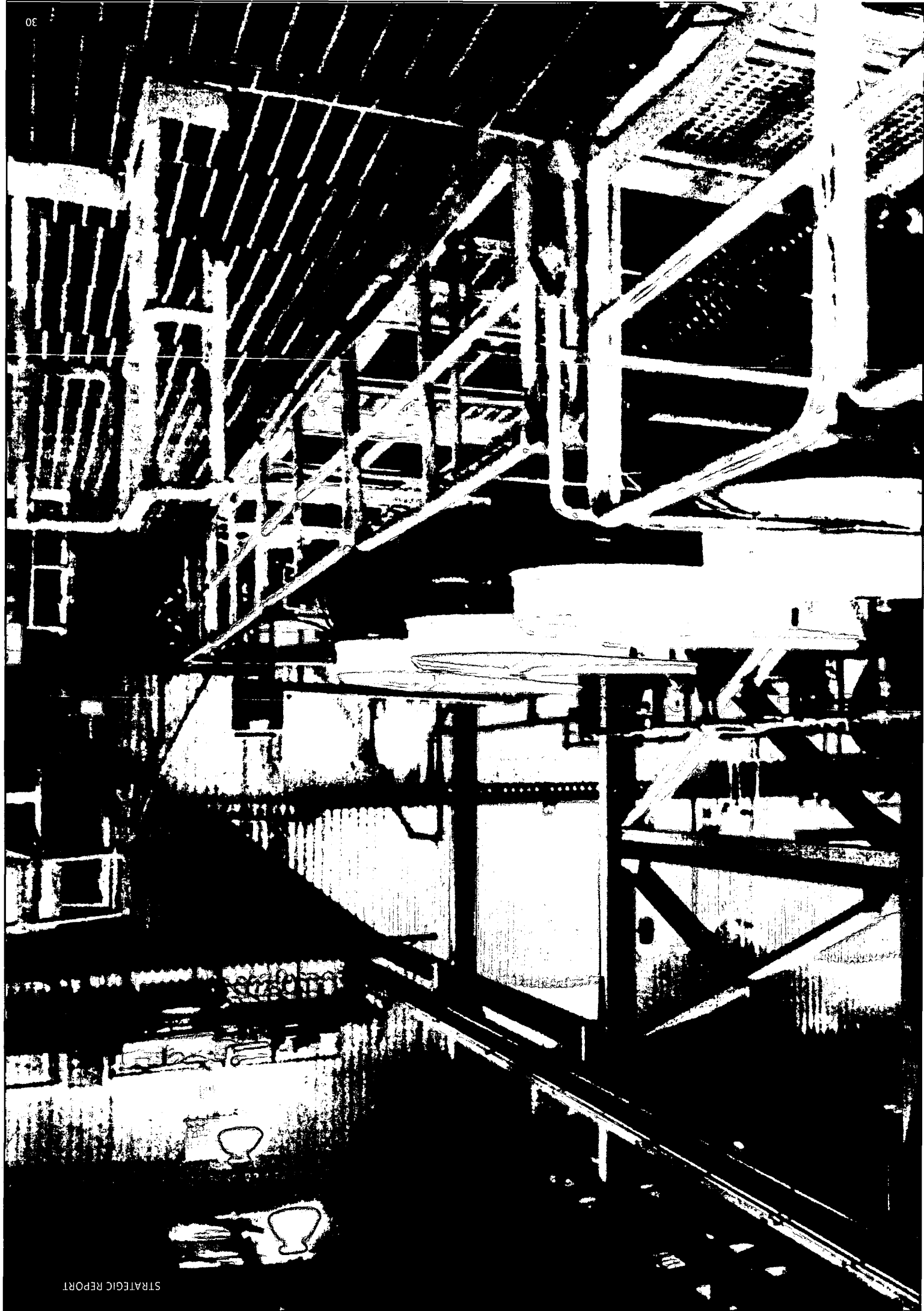
In 2022, we will evaluate remaining ounces under today's gold price and cost parameters.

#### **Digital Transformation and Business Intelligence**

The Company implemented a new ERP system during 2021 which will be upgraded and expanded into a detail financial planning and cost analysis module in 2022 to provide more detailed financial and operational data on a timely basis to support business operations and to make informed decisions.

Flotation cells at the Nugget Pond  
copper concentrator.





# 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.

## Market Risk - Commodity Price

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 global pandemic, economic growth and political conditions in China and other major developing economies. The price of copper was negatively impacted due to Covid-19 and fell to a low of \$2.10/lb in March 2020. As the copper price started to recover at the end of 2020, the Company entered into a copper forward sale contract to hedge 3,600 tonnes of copper production at \$7,700 per tonne in 2021 to protect the operating cash flow from any unexpected decrease in copper price in 2021.

## Market Risk - Foreign Currency

The Company has a small amount of cash resources and certain liabilities including the Gold Streaming and the advance purchase facility 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.

Development jumbo  
drilling on a high grade  
copper face in the UFZ.

**Capital requirement Risk**

As mentioned above, management is evaluating further increases in production. With further engineering and assessment, management will work to progress internal modelling and economics for further phased 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.

**Cash Flow Risk**

The Risk that the company is unable to generate sufficient cashflow to meet their operational commitments and debt funding repayments, which could have a negative impact on the Company's going concern ability. The Directors review the company cashflow on a regular basis to ensure that the company will meet its commitments as required.

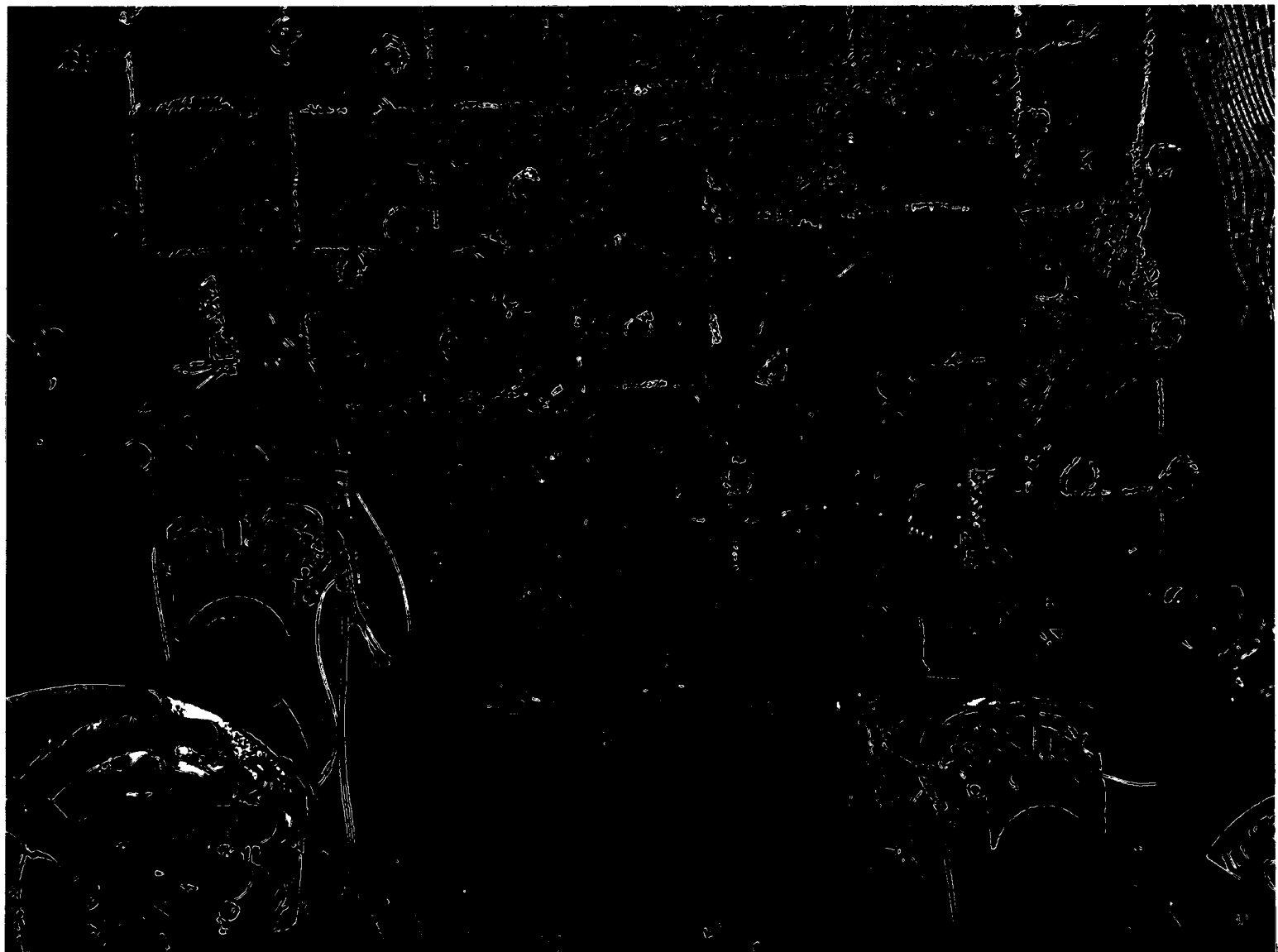
**Uncertainty in the Estimation of Mineral Resources and Mineral Reserves**

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 and grades must be considered as estimates only. The mineral reserve estimates of the Company has been depleted since 2018. In 2018 the reserve estimates was determined or reviewed by an independent consultant and were based on assumed metal prices, cut-off grades and costs that may prove to be inaccurate. Any material changes 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.

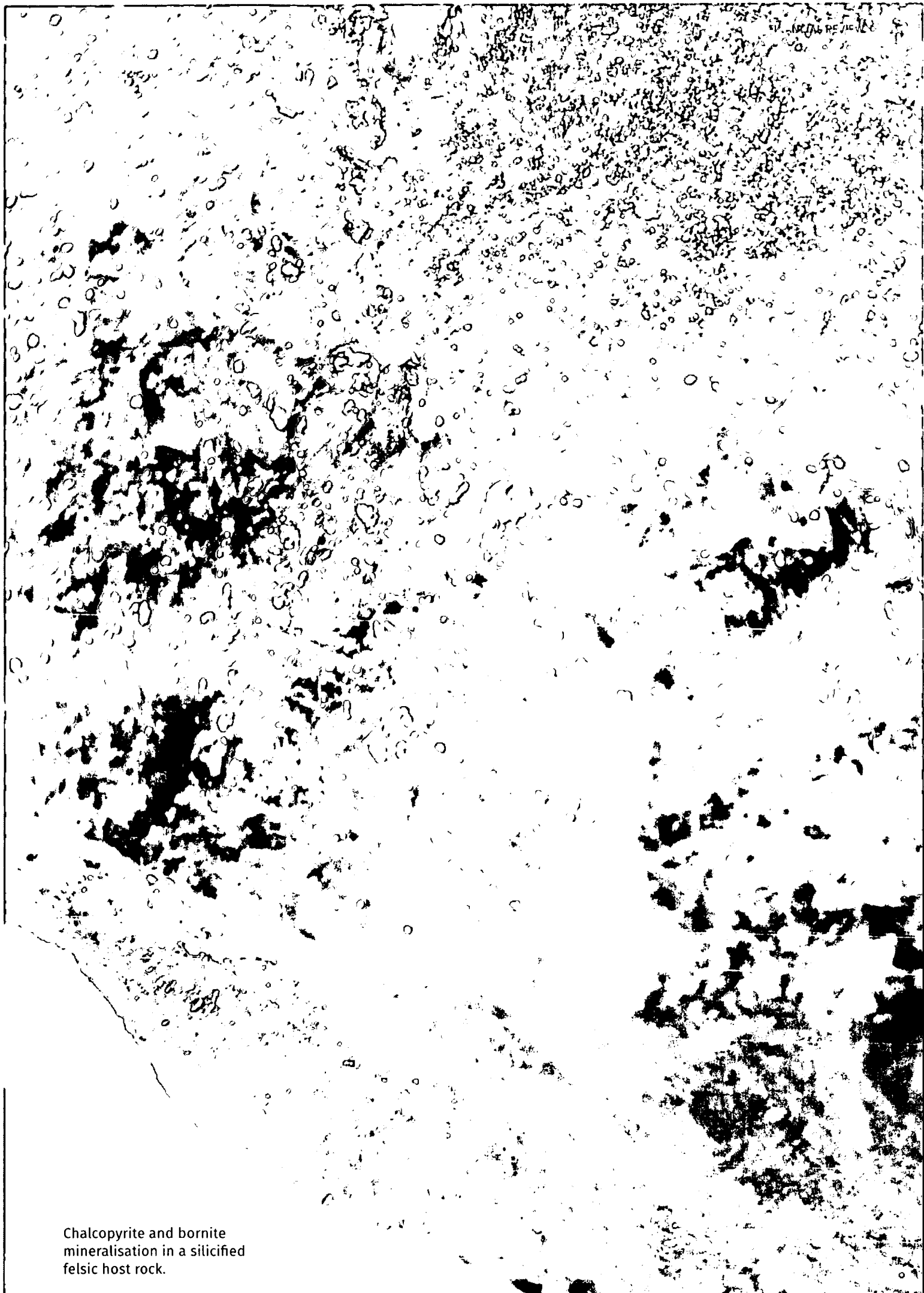
**Global Pandemic Risk**

The impact of the Covid-19 pandemic has been significant in the mining and other industries. The Company's production would be delayed or suspended if one or more cases were to be found among employees and potential disruption from the supply chain. There is also the risk that government may impose more strict restrictions should the pandemic worsens.



# Financial review

Fiscal 2021 (\$000s)	Commentary	Comparatives	
		2020 (\$000s)	Better/ (Worse)
28,176	<b>Revenue</b> of \$28.2 million was generated through the sale of 12,874 dmt of copper concentrate containing 3,418 tonnes of accountable copper metal and 1,805 ounces of accountable gold. This compared with revenue of \$24.3 million in 2020 which was generated through the sale of 14,550 dmt of copper concentrate containing 3,769 tonnes of accountable copper metal and 2,819 ounces of accountable gold. The increase in revenue in 2021 is due to increase in commodity prices from 2020.	24,346	16%
37,121	<b>Production costs</b> relate to the processing and mining costs associated with the Company's Ming Mine and include processing costs of \$6.3 million (2020: \$5.4 million), mining costs of \$23.2 million (2020: \$22.7 million) and depreciation and amortisation of \$7.6 million (2020: \$6.2 million).  The production costs increased in 2021 mainly due to 42% of the ore production in 2021 was from development instead of stope and mining inefficiency due to delay in completion of financings. The cost of ore from development is significantly higher than ore from stopes. Because of the delay in completing the equity financing in December 2020, most of underground development work in 2020 were pushed to 2021. The Company started to use a mining contractor in H2 2021 to catchup the underground development which is more expensive compared to inhouse development. However, the development completed by the contractor in 2021 allows the Company to start mining at multiple zones in 2022. The production costs per tonne will be lower in 2022 because the percentage of development ore will be reduced, and mining efficiency will improve when mining at multiple zones.  Because of the delay in financing, the Company also needed to postpone repair and maintenance works on mining equipment till the first quarter of 2021 which caused increase in repair and maintenance costs and inefficiency due to low equipment availability in the first quarter of 2021.  Furthermore, the production from August to October 2021 was interrupted because the closing of the secured debt financing was deferred from August to October.  Covid 19 and global supply chain disruption also increased its labour and material and consumable costs.	34,353	(8)%
5,732	<b>General and administrative expenses</b> increased by \$2.9 million because of higher professional and legal fees, insurance costs, travel and wages for the year.	4,684	(22)%
1,029	<b>Share based payments</b> increased due to the RSUs and share options granted in 2021.	168	(513)%
4,903	<b>Other income</b> includes Canadian Emergency Wage Subsidy of \$2.0 million (2020: \$2.6 million), gain from sale of non-core assets of \$2.7 million (2020: Nil), and fair value gain on government interest free loan of \$0.1 million (2020: \$0.1 million).	4,415	12%
1,619	<b>Other expense</b> includes write off deposit of \$0.7 million (2020: nil), penalties of \$0.5 million ((2020: \$0.5 million), provision of \$0.3 million (2020: nil), and loss on disposal of equity investments of \$0.1 million (2020: nil).	816	(98)%
(217)	<b>Foreign exchange gains/(losses)</b> arising as a result of strengthening of the Canadian dollar against the US dollar during the period.	541	(140)%
7,921	<b>Income tax credit</b> in 2021 is mainly due to the recognition of deferred income tax assets related to tax losses carried forward and mineral property.	10,042	(21.12)%
15,267	<b>Addition to mineral property:</b> Ming Mine was significantly underdeveloped in 2020 and the Company hired a mining contractor in 2021 to catchup the mine development in 2021 which allows the Company to start mining at multiple zones in 2022.	4,046	277%
4,197	<b>Capital spending on property, plant and equipment</b> during the year included \$2.2 million (2020: \$0.5 million) spent on underground equipment and \$1.2 million (2020: \$0.7 million) spent on assets under construction, \$0.7 million (2020: nil) spent on camp.	1,157	271%
259	<b>Capital spending on exploration and evaluation</b> in 2021 is mainly related to exploration drilling at Ming Mine.	2	12,850%
19,365	<b>Net Debt</b> has increased by \$10.2 million due to increase in loan balances of \$11.2 million and decrease in cash balance of \$4.6 million.	3,532	(459)%



Chalcopyrite and bornite  
mineralisation in a silicified  
felsic host rock.

# Corporate Governance

## Corporate Governance Statement

The Board of Directors (the "Board") of the Company is committed to the principles of good corporate governance and recognises the importance of improving the opportunity and potential for the success of the Company and increasing shareholder value over the medium to long-term.

We believe strongly in the value and importance of robust corporate governance and in our accountability to all the Company's stakeholders, including shareholders, employees, customers, contractors, suppliers, government, administrative authorities and the communities in which the Company operates.

Rambler adopts the principles of the Quoted Companies Alliance Corporate Governance Code (the "QCA Code") to the extent that the Directors consider it appropriate, having regard to the Company's size, board structure, nature of operations and available resources.

The QCA Code identifies ten principles to be followed for companies to deliver growth in long term shareholder value, encompassing an efficient, effective, and dynamic management framework accompanied by good communication to promote confidence and trust. The sections below set out the ways in which the Company applies the ten principles of the QCA Code in support of the Company's medium to long-term success, together with any areas of non-compliance.

## Establish a Strategy and Business Model Which Promote Long-term Value for Shareholders

The strategy and business operations of the Company are set out in the Strategic Report of the Company's Annual Report.

The Company's strategy and business model and amendments thereto, are developed by the Chief Executive Officer and the senior management team and approved by the Board. The senior management team, led by the Chief Executive Officer, is responsible for implementing the strategy and managing the business at an operational level.

More specifically, and in order to deliver the optimal medium- and long-term value for its shareholders, the Board has adopted a strategy of risk management, appropriate allocation of financial and human resources, proper planning and performance management, resulting in an optimal and financially viable company.

The Board recognises that through execution of this strategy together with on-going exploration, there will be opportunities to convert resources into reserves and thereby extend the mine life beyond the current life-of-mine plan.

The Company's ability to execute its strategy is highly dependent on the skills and abilities of its people. We undertake ongoing initiatives to foster effective and good staff engagement and ensure that remuneration packages are competitive in the market in which the Company operates.

The Board manages the risks to the business model via the Safety and Health Committee and the Technical Committee and is implementing a Risk Register to progressively demonstrate the understanding of the risks and methods of risk mitigation.

## Seek to Understand and Meet Shareholder Needs and Expectations

The Board is committed to maintaining a regular dialogue with both existing and potential new shareholders in order to communicate the Company's strategy and progress and to understand the needs and expectations of shareholders.



The Chief Executive Officer and Chief Financial Officer are principally responsible for shareholder liaison and have regular dialogue with investors in order to develop an understanding of their views.

The Company's investor relations activities encompass dialogue with both institutional and private investors. This could include meetings with analysts, investors and institutional shareholders of the Company.

The Company also endeavours to maintain a dialogue and keep shareholders informed through its public announcements and its corporate website, [www.ramblermines.com](http://www.ramblermines.com), where the Annual Report as well as investor presentations and interim accounts are available. The Annual General Meeting of the Company, attended by a quorum of Directors, also gives the Directors the opportunity to report to shareholders on current and proposed operations which are in the public domain in an open forum (when possible) and enables them to express their views of the Company's business activities. The Board attaches importance to maintaining good relationships with all its shareholders and ensures that all price sensitive information is released to all at the same time in accordance with the AIM Rules and the Market Abuse Regulations. As part of the regulatory process, results of General and Annual General Meetings are subsequently published via RNS and made available on the Company's website.

The Company also maintains dialogue with interested equity research analysts and whilst the Company has not historically hosted dedicated analyst meetings in respect of its annual and interim financial results, the Chief Executive Officer and Chief Financial Officer may consider doing so in future.

#### **Take Into Account Wider Stakeholder and Social Responsibilities and Their Implications for Long-term Success**

The Board recognises that the success of the Company is reliant on the stakeholders of the business and, to this effect, the Company engages with these stakeholder groups on a regular basis. The Board recognises its responsibility under UK and Canadian corporate law to promote the success of the Company for the benefit of its members. The Board also understands that it has a responsibility towards employees, partners, suppliers, contractors, government, administrative authorities and the local communities in which it operates and has in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships.

The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company. This feedback can be provided either during formal sessions or using the 'contact us' page of our website ([www.ramblermines.com/contact.php](http://www.ramblermines.com/contact.php)).

Stakeholder	Reason for engagement	How we engage
Shareholders	Shareholders are the owners of the Company and the board's primary mission is to increase shareholder value	As described in section "Seek to understand and meet shareholder needs and expectations".
Customers	Our customers are essential for generation of revenues	Senior executives maintain regular dialogue with the Company that buys the Rambler's concentrates to ensure a good relationship that encourages pro-active issue resolution.
Suppliers and partners	The Company engages with external suppliers	We work to ensure that relevant members of staff engage in a respectful and professional manner with suppliers. We operate systems to ensure that supplier invoices are processed and paid within agreed timeframes based on the Company's cash position.
Staff and Employees	Recruiting and retaining highly skilled and motivated professions is one of the key drivers of our success	In addition to regular communication between Directors and employees, site management conducts regular staff meetings to promote effective two-way communication with agreement on goals, targets and aspirations of the employees and the Company.

#### **Embed Effective Risk Management, Considering Both Opportunities and Threats**

The health and safety of the employees is the Board's highest priority, and the Board is committed to their protection as a cornerstone to ensuring the long-term viability of the Company.

The world has been and continues to take unprecedented measures to slow the spread of the Covid-19 virus and Rambler has adapted to this reality. As conditions change Rambler has and will continue to deploy as many precautions as possible to minimise the potential impact/risk to employees and the sites.

Rambler has been successful at all sites over the last 12 months and have implemented several measures, in line with health authority guidelines and requirements. As the national and provincial vaccination protocols roll out,

Rambler will continue to update measures in response, always in line with guidance of the local Health Authorities.

Rambler will remain vigilant and continue to take as many precautions as necessary to eliminate potential exposure and will continue to keep employees safe. Details of protocols and actions taken by Rambler in this regard can be found on the website at [www.ramblermines.com](http://www.ramblermines.com).

The Board has overall responsibility for ensuring risk is appropriately managed across the business. The Board sets clear strategic objectives for the business. The risks to the achievement of those objectives are identified by corporate and divisional management and a few examples are shown below. The audit committee provides further independent review and robust challenge.

The Board has been working on improving the effectiveness of the system of internal controls but, by their very nature, these procedures can provide reasonable, not absolute, assurance against material misstatement or loss. Identified risks are evaluated, both before and after controls and mitigating actions have been applied, as to their likelihood of occurring and potential financial and reputational impact. Risks are treated in accordance with risk appetite, which has been defined by the Board across a range of risk categories under the section "Principal Risks and Uncertainties" on page 31 to 32.

The Company has an established internal controls framework to address these risks, the effectiveness of which is regularly reviewed by management, the Audit Committee and the Board. The Board is responsible for reviewing and approving overall Company strategy and annual budget. Monthly results and variances from budget and forecast are reported to the Board.

The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal controls. There are comprehensive procedures for budgeting and planning, for monitoring and reporting to the Board business performance against those budgets and plans, and for forecasting expected performance over the remainder of the financial period. The Board has ultimate responsibility for the Company's system of internal control and for reviewing its effectiveness. This applies to mitigating both financial and non-financial risks faced by the Company. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Company. The principal elements of the Company's internal control system include:

- Close management of the day-to-day activities of the Company by the Executive Directors;
- Control over key areas such as capital expenditure authorisation and banking facilities;

- A comprehensive budgeting process is completed once a year and is reviewed and approved by the Board; and
- The Company's actual performance, compared to the budget, are reported to the Board on a monthly basis.

The Company maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Company. The insured values and type of cover are comprehensively reviewed on a periodic basis.

The CEO and CFO conduct meetings with their team at least once a week to discuss their business area and to consider new risks and opportunities presented to the Company, making recommendations to the Board and/or Audit Committee as appropriate.

A summary of the principal risks and uncertainties facing the Company, as well as mitigating actions, are available in the Company's Annual Reports which are available on the Company website at: <http://www.ramblermines.com/>.

#### **Maintain the Board As A Well-Functioning, Balanced Team Led By the Chair**

Rambler's Board currently consists of one executive director and five non-executive directors (including a non-executive chairman) at the date of this Annual Report. It is the Board's policy to have at least half of the Board comprising non-executive directors who are free from any business or other relationship with the Company. Whilst this is not currently the case with only two independent directors, the Company will keep this under review as the Company grows. The structure of the Board as it currently stands does however ensure that no one individual or group dominates the decision-making process and is in line with QCA guidance which recommends at least two independent non-executive directors on the Board.

All the directors are subject to election by shareholders at the first Annual General Meeting after their appointment to the Board and then subject to re-election at annual intervals.

The Board is responsible to the Company's shareholders for the proper management of the Company and formally meets at least on a quarterly basis and aims to periodically receive updates from management.

A summary of the board meetings held during the year and attendance records of each Director are available in the Company's Annual Report.

The time commitment formally required by the Company is an overriding principal that each Director will devote as much time as is required to carry out the roles and responsibilities that the Director has agreed to take on.

The Board considers that it collectively has an appropriate balance of technical skills and knowledge, as well as an appropriate balance of listed company experience,

personal qualities and capabilities. Further, the Board is supported by a strong management team consisting of Celeste van Tonder (Chief Financial Officer), Tim Sanford (Vice President and Corporate Secretary), Bonnie Matthews (Vice President Human Resources), Peter Mercer (Vice President), Raphael Mwangobola (Vice President and Projects Director), and Gus Simbanegavi (Vice President and General Manager) to ensure the day-to-day business of the Company runs smoothly.

Director independence should be assessed from two perspectives- independence from the major shareholder and its concert parties being CE Mining II and III funds and Aether (currently owning combined 20.3% in the Company), and independence from the Company as a whole. Given that Mark Sander, Brad Mills and Terrell Ackerman are all appointed as investor directors or “shareholder associates” to the Rambler board on behalf of the CE Funds, Richard Round and Priya Patil are independent directors.

Board members are all expected to fully engage in board meetings and activities they have committed to. All board members are part of, and actively participate in at least one board sub-committee. Board members are also expected to review monthly and quarterly financial and operational reports, as well as half yearly and annual reports.

#### **Ensure That Between Them the Directors Have the Necessary Up-To-Date Skills**

The Board considers that all the directors are of sufficient competence and calibre to add strength and objectivity to its activities and bring considerable experience in the financial and operational development of the Company.

Details of the directors including brief biographies are set out at <http://www.ramblermines.com/directors-and-officers.php>.

The Directors are of the view that the Company does not currently require a Board-level Chief Financial Officer given its current stage of development. Ms. Celeste van Tonder, the Company's non-board Chief Financial Officer is invited to attend all Board meetings and audit committee meetings as required. In addition, the NEDs have appropriate financial experience, including Mr Richard Round (qualified with the Chartered Association of the Certified Accountants) and Ms. Priya Patil who was formerly chair of the Audit Committee at Alexandria Minerals.

The Board also has the relevant professional and technical skills to ensure they can fulfil their duties. The Board believes that the current skills of the directors reflect a broad range of both commercial and professional skills across the relevant industries and territories in which the Company operates, plus the Board has sufficient experience of operating in public markets.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

#### **Evaluate Board Performance Based on Clear and Relevant Objectives, Seeking Continuous Improvement**

The members of the Board are evaluated each year by way of peer appraisal. The appraisal seeks to determine the effectiveness and performance of each member with regards to their specific roles as well as their role as a Board member in general.

The appraisal system seeks to identify areas of concern and make recommendations for any training or development to enable the Board member to meet their objectives which will be set for the following year. The appraisal process will also review the progress made against prior year targets to ensure any identified skill gaps are addressed. Details of the reviews, the findings and agreed actions may be made available in future Annual Reports, at the discretion of the Board.

Whilst the Board considers this evaluation process is currently best carried out internally, the Board will keep this under review and may consider independent external evaluation reviews in due course as the Company grows.

As well as the appraisal process, the Board monitors the non-executive directors' status as independent to ensure a suitable balance of independent non-executive and executive directors remains in place.

The Board may utilise the results of the evaluation process when considering the adequacy of the composition of the Board and for succession planning. Succession planning is formally considered by the Board on an annual basis, in conjunction with the appraisal process. Due to the importance of succession planning, the Board will also consider this on an ad hoc basis as required.

#### **Promote a Corporate Culture that is Based on Ethical Values and Behaviours**

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. Our core values serve as a common language that allows all members of staff to work together as an effective team and it is these values and our shared long-term business mission, vision, and strategy that we believe will drive growth in shareholder value over the long term.

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Company's operations because the Board recognises that the culture of any business is set by the actions and conduct of its Board of Directors. These values are enshrined in the written policies and working practices adopted by all employees in the Company. The Board takes the time to consider the wider ramifications to its stakeholders when making strategic and corporate decisions, whilst at the same time delivering the long-term objectives of stakeholders.

Having open communications with stakeholders allows them to give constructive feedback to the Board and enables the Board to monitor the reactions of those stakeholders to decisions made.

The Company operates in international markets and is mindful that respect of individual cultures is critical to corporate success. Accordingly, the Board endeavours to promote sound ethical values and behaviours and treats its customers, suppliers and business partners with such respect at all times.

The Board has implemented a code for Directors' and employees' dealings in securities which it considers to be appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation.

The Company is committed to providing a safe environment for its staff and all other parties for which the Company has a legal and moral responsibility. The Company operates a Health and Safety Committee which meets regularly to monitor, review and make decisions concerning health and safety matters. The Company's health and safety policies and procedures are enshrined in the Company's documented quality systems, which encompass all aspects of the Company's day-to-day operations and include:

- Actively protect the environment in its areas of operation by preventing pollution, making efficient use of energy and natural resources, reducing emissions and avoiding waste;
- Comply with all applicable laws, rules and regulations;
- Ensure that all contractors and employees understand their health, safety and environmental responsibilities, are trained, and have the appropriate resources to meet them;
- Identify, assess and effectively manage risks and re-evaluate those risks following significant changes to operations, facilities or personnel;
- Ensure appropriate preparation and handling of emergencies;
- Ensure that responsibility for health, safety and environmental matters is a condition of employment for all of the Company's personnel, contractors and consultants.

The Company is an equal opportunity employer and seeks to hire, promote and retain highly skilled people based on merit, competence, performance, and business needs. The Board considers itself to be diverse in terms of its range of gender, culture, nationality and international experience.

#### **Maintain Governance Structures and Processes That Are Fit for Purpose and Support**

The Board recognises that the responsibility for ensuring the Company operates in the correct manner is ultimately theirs and as such the Board has implemented various sub-committees which helps implement the strategy of the Board. The executive directors have day-to-day

responsibility for the operational management of the Company's activities. The non-executive directors are responsible for bringing independent and objective judgement to Board decisions.

There is a clear separation of the roles of the Chief Executive Officer and the non-executive Chairman. The Chairman is responsible for overseeing the effectiveness of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the non-executive directors are properly briefed on matters. The Chairman has overall responsibility for corporate governance matters in the Company. The Chief Executive Officer is responsible for implementing the strategy of the Board and managing the day-to-day business activities of the Company.

The Board has established audit, compensation, safety and technical committees with formally delegated duties and responsibilities, as set out below.

#### **Audit Committee**

The Audit Committee has responsibility for ensuring that the financial performance of the Company is properly reported on and reviewed, and its role includes monitoring the integrity of the financial statements of the Company (including annual and interim accounts and results announcements), reviewing internal control and risk management systems and ensuring that an effective system of internal controls is maintained, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors. The Audit Committee have unrestricted access to the Company's external auditors.

The Audit Committee meets at least twice per annum.

As at the date of this Annual Report, the Audit Committee comprises three non-executive directors, who are Richard Round (Audit Committee Chair), Brad Mills, and Priya Patil.

#### **Compensation, Corporate Governance and Nominating Committee**

The Compensation Committee, which meets as required but at least twice per year, has the following responsibilities with respect to compensation matters:

- Recruitment, development and retention of senior management;
- Appointment, performance evaluation and compensation of senior management;
- Succession planning systems and processes relating to senior management;
- Compensation structure for the senior management including salaries, annual and long-term incentive plans and plans involving share options, share issuances and share unit awards;
- Pension and benefit plans;

- Compensation structure consistent with industry standards for the Board of Directors which is strictly cash compensation in the form of equity/equity derivatives are not recommended by the policies of the AIM of the LSE; and
- Share ownership guidelines.

The Compensation Committee has the following responsibilities with respect to corporate governance and nominating matters:

- Develop and recommend to the Board of Directors criteria for selecting new directors;
- Assist the Board of Directors by identifying individuals qualified to become members of the Board of Directors (consistent with criteria approved by the Board of Directors);
- Recommend to the Board of Directors the director nominees for the next annual meeting of shareholders and for each committee of the Board of Directors and the chair of each committee;
- Develop and recommend to the Board of Directors appropriate corporate governance principles for the Company;
- Recommend to the Board of Directors procedures for the conduct of Board meetings, and the proper discharge of the Board of Directors' mandate;
- Oversee the annual review of the Board of Directors' its committees' and individual directors' performance and the assessment of the Board of Directors' and committee charters; and
- Undertake such other initiatives that may be necessary or desirable to enable the Board of Directors to provide effective corporate governance.

As at the date of this Annual Report, the Compensation Committee comprises of two non-executive directors, with Priya Patil being the elected Chair of the Compensation Committee. The other member of the Compensation Committee is Richard Round.

#### **Safety, Health and Environment Committee**

The Safety, Health and Environment Committee, which meets as required but at least three times per year, is appointed by the Board of Directors to discharge the Board of Directors' responsibilities relating to compliance and review of applicable environmental, community, health and safety legislation, rules and regulations in the jurisdictions in which the Company operates. The purpose of the Safety, Health and Environmental Committee is to assist the Board of Directors in management of the Company's policies, programmes and systems relating to environmental, community and health and safety issues. They will work with management in reviewing safety, health and environmental performance and metrics and where necessary provide insight into the development of appropriate safety, health and environmental performance and metrics. The Committee will further monitor current and future regulatory issues that pertain to the operations of the Company.

The Safety, Health and Environment Committee (SHEC) comprises of three Non-Executive Board members and one Executive, with Mark Sander being the elected Chair of the Safety, Health and Environment Committee. The other members of the SHEC are Priya Patil, Terrell Ackerman, and Toby Bradbury.

#### **Technical Committee**

The Technical Committee, which meets as required but at least three times per year, is appointed by the Board of Directors as a standing committee to assist the Board of Directors in its oversight of technical and operational matters.

The Technical Committee comprises two Non-Executive Board members and one Executive member, with Terrell Ackerman being the elected Chair of the Technical Committee. The other members of the Technical Committee are Mark Sander and Toby Bradbury.

#### **Non-Executive Directors**

The Board adheres to guidelines relating to the appointment of non-executive directors, to ensure good corporate governance.

The Chair and non-executive directors are appointed for a year at a time and are re-elected annually at the Company's Annual General Meeting.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

#### **How has the Company Governed and Performing in its Dialogue With Shareholders and Other Relevant Stakeholders**

The Board is committed to maintaining good and regular communication with its shareholders and other stakeholders and aims to ensure that all communications concerning the Company's activities are clear, fair, and accurate. The Board welcomes an open dialogue with shareholders. The Investor Relations section of the Company's website also provides all required regulatory information as well as other helpful information for shareholders and other relevant stakeholders, including podcasts and presentations.

Results of shareholder meetings and details of votes cast will be publicly announced through the regulatory system and displayed on the Company's website <http://www.ramblermines.com> with suitable explanations of any actions undertaken as a result of any significant votes against resolutions.

# Report of the Directors

The Directors present their report with the audited financial statements of the Company for the year ended 31 December 2021.

## 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

2021 and 2022 to date have been a period of change for the Rambler board. The changes, as well as director attendance at board and committee meetings in 2021, have been tabulated below.

Rambler's Board currently consists of one executive director and five non-executive directors (including a non-executive chairman). Five directors are male and there is one female director on the Board. The Board will seek opportunities in future to increase the diversity of the Board.

The Directors during the period under review were:

T I Ackerman	B A Mills
T J Bradbury	P Patil
E C Chen	R C Round
B Labatte	M V Sander

## Dividends

No dividends will be distributed for the year ended 31 December 2021.

Directors	Directorship type	Board Meeting	Audit Committee	Compensation Committee	Technical Committee	Safety, Health and Environment Committee
TJ Bradbury	Executive	27	n/a	n/a	2	3
EC Chen <sup>1</sup>	Executive	27	3	n/a	n/a	n/a
TI Ackerman	Non-executive	27	n/a	n/a	2	3
B Labatte <sup>2</sup>	Non-executive	19	n/a	4	n/a	2
BA Mills	Non-executive	25	2	n/a	n/a	n/a
MV Sander	Non-executive	26	n/a	2	2	1
RC Round <sup>3</sup>	Non-executive	26	2	2	n/a	n/a
P Patil <sup>4</sup>	Non-executive	25	2	2	n/a	1

1. Mr Chen resigned as Chief Financial Officer and director on 24 March 2022.

2. Ms Labatte resigned on 1 November 2021.

3. R C Round (appointed 16 February 2021).

4. P Patil (appointed 22 February 2021).

**Significant Share Interests**

At 16 May 2022, the Company was aware of the following significant share interests:

**Significant share interests**

Shareholder	Number of Ordinary Shares	% of Share Capital
CE Mining III Rambler	27,107,090	17.03
K2 and Associates	5,983,752	3.76
Aether Real Assets Co-Investment, LP	5,258,375	3.30

**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 28 to the financial statements.

**Likely Future Developments**

Details of likely future developments are set out in the Strategic Report.

**Subsequent Events**

Details of subsequent events are set out in note 30.

**Statement as to Disclosure of Information to Auditor**

Each of the persons who is a director at the date of approval of this annual report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Auditor**

Kreston Reeves LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

On Behalf of The Board:



**Tim Sanford**

President and Chief Executive Officer

16 May 2022

# Directors' Responsibilities

The directors are responsible for preparing the Annual Report 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 are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom ("UK") and have also chosen to prepare the Company's financial statements under IFRSs as adopted by the UK. Under company law the directors must not approve the accounts 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 and company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

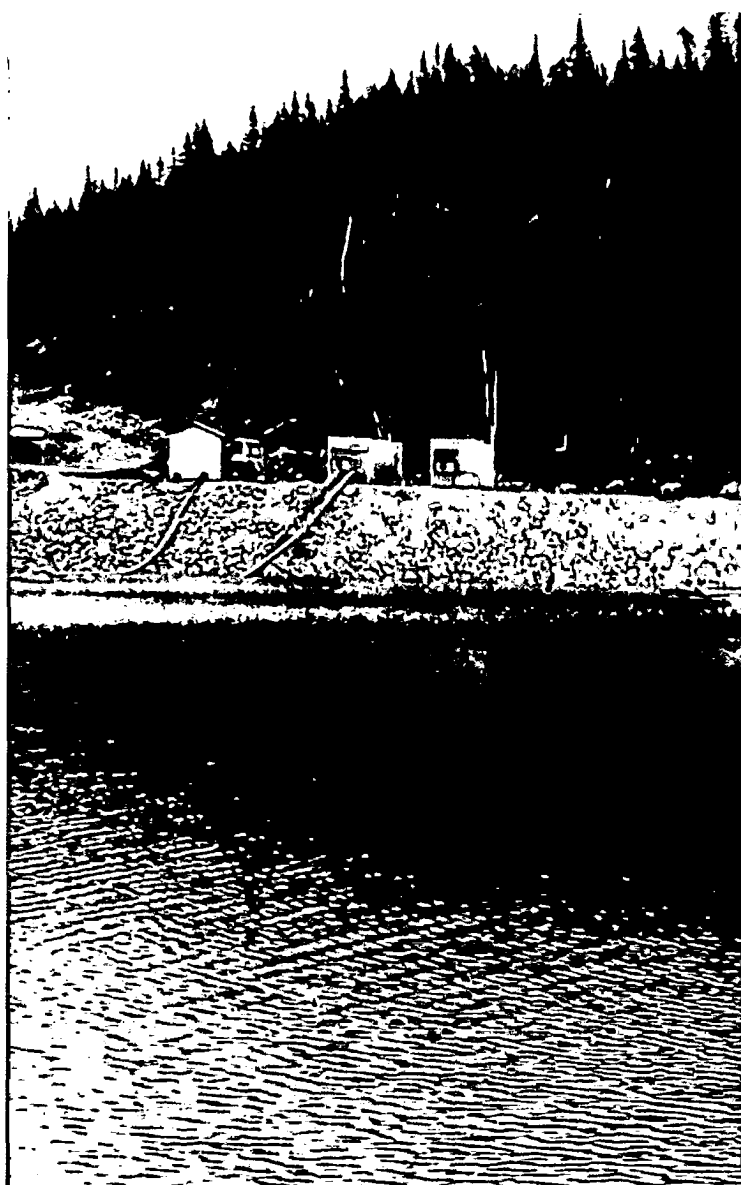
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Responsibility Statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;





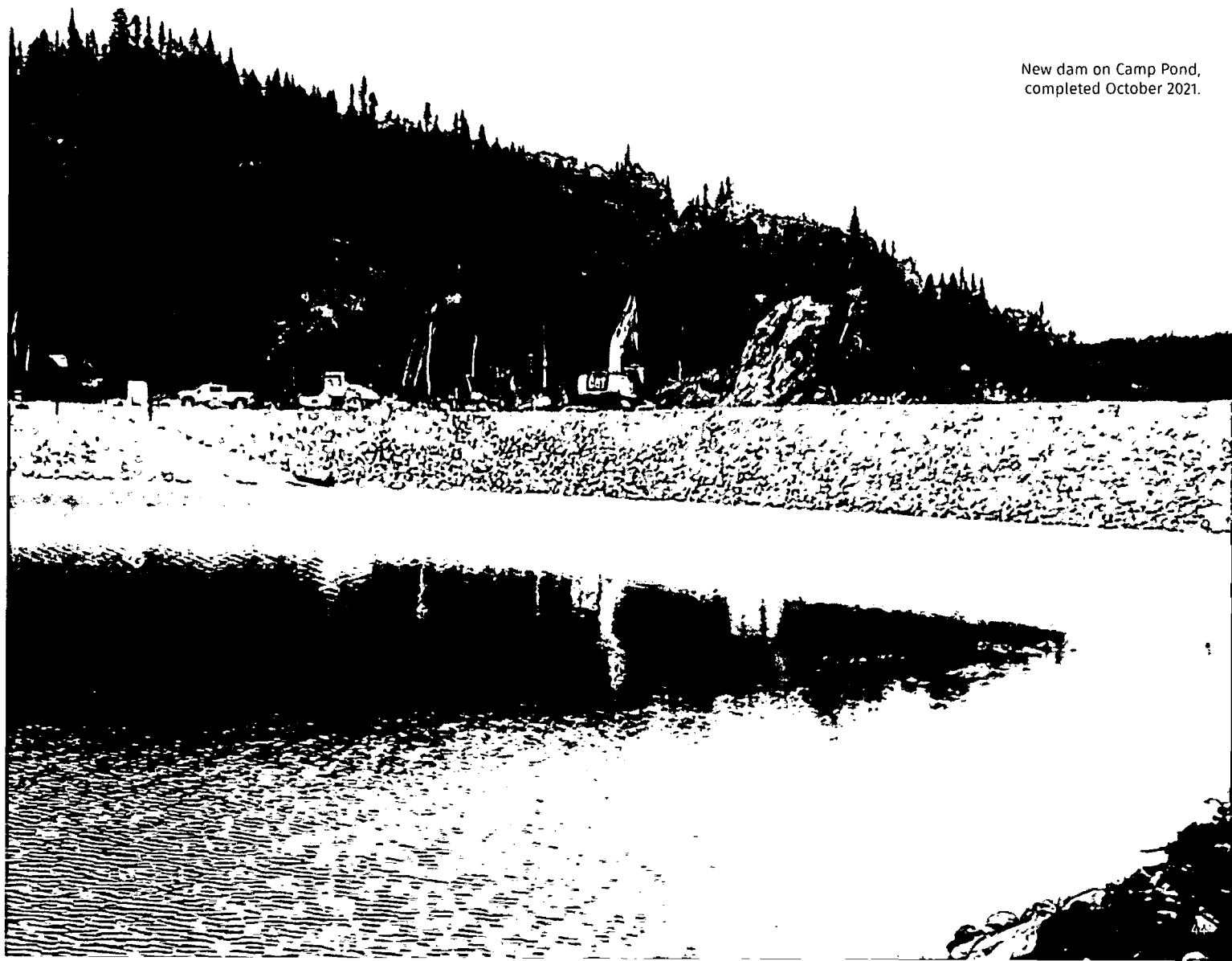
- The strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a *description of the principal risks and uncertainties* that they face; and
- The annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the board of directors on 16 May 2022 and is signed on its behalf by:

**Toby Bradbury**  
President and Chief Executive Officer

16 May 2022

New dam on Camp Pond,  
completed October 2021.



# Independent Auditor's Report

To the shareholders of Rambler Metals and Mining Plc  
for the year ended 31 December 2021

## Opinion

We have audited the financial statements of Rambler Metals and Mining PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the consolidated and company income statement, consolidated and company statement of comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated and company statements of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation of the group financial statements is applicable law and UK adopted international accounting standards.

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 2021 and of the Group's loss for the year then ended;
- Have been properly prepared in accordance with UK adopted international accounting standards; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

## 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 Group 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.

## Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements, which indicates that there is a risk that lower than forecast commodity prices or production issues will result in a threat to the going concern status of the group.

For the Group to expand production levels to the threshold at which funding of operations and growth can come from the operating cash flows of the Ming mine the Group

requires additional financing, as well as commodity prices, primarily copper ore, to consistently remain above breakeven prices. We do note that the Covid-19 pandemic, which began in the previous financial year, has now largely subsided, which has resulted in improved commodity prices over the course of the year and since the year end.

In response to this risk, we:

- Have evaluated the design and implementation of key internal controls over management's assessment of going concern, considering in detail the rationale provided and whether this was consistent with our understanding as well as audit evidence obtained;
- Considered the key financial data of the group and company at year end and assessed financial the financial headroom as well as ability to obtain financing;
- Considered the accuracy of forecasts produced by management by reference to key assumptions made as well as the historical accuracy of forecasts previously prepared by management, taking into account variances that arose;
- Considered the impact of a range of reasonable sensitivities on the forecast headroom;
- Considered the trends of key commodity prices in the financial year and in the period up to the date of the approval of these financial statements.

As stated in note 1, these events or conditions, along with the other matters as set forth in note 2 to the financial statements, indicate that a clear risk to the business exists which leads to our assessment that there is material uncertainty that may cast significant doubt on the group's and the company's ability to continue as a going concern. As such the value of deferred tax assets in relation to utilisable tax losses with a value of \$17.7m at the balance sheet date are also subject to this material uncertainty. However, sufficient audit evidence has been gained from procedures undertaken, including those listed above, that our opinion is not modified in respect of this matter.

## An overview of the scope of our audit

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the parent company, the accounting processes and controls, and the industry in which they operate.

Our scoping considerations for the Group audit were based both on financial information and risk. The below table summarises for the parent company, and its subsidiaries, in terms of the level of assurance gained:

Group component	Level of assurance
Rambler Metals & Mining Plc.	Full statutory audit
Rambler Metals & Mining Canada Ltd.	Full statutory audit
Ontaria Inc.	Limited assurance review
Rambler Mines Ltd.	Limited assurance review

#### Coverage overview

	Group revenue	Group profit/(loss) after tax	Group net assets
Totals at 31 December 2021:	\$28,176,236	\$(13,998,769)	\$76,505,000
Full statutory audit	\$28,176,236 (100%)	\$(12,771,263) (91.2%)	\$73,289,041 (95.8%)
Limited procedures	\$Nil	\$(1,227,506) (8.8%)	\$3,215,959 (4.2%)

#### Our application of materiality

	Group financial statements	Parent company financial statements
<b>Materiality</b>	\$732,000	\$730,000
<b>Basis for determining materiality</b>	1% of net assets	Capped below group materiality
<b>Rationale for benchmark applied</b>	The group's principal activity of that of an exploration and mining operation. To this end the business is highly asset focused. Therefore a benchmark for materiality of the NA's of the group is considered to be appropriate.	The parent company materiality has been capped at below group materiality. This was to address the aggregation risk in the group audit.
<b>Performance materiality</b>	\$549,000	\$547,000
<b>Basis for determining performance materiality</b>	75% of materiality	Capped below group materiality
<b>Rationale for performance materiality applied</b>	On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% of our planning materiality. In assessing the appropriate level, we consider the nature, the number and impact of the audit differences identified in the previous year's audit.	The parent company performance materiality has been capped at below group performance materiality. This was to address the aggregation risk in the group audit.
<b>Triviality threshold</b>	\$36,600	\$35,000
<b>Basis for determining triviality threshold</b>	5% of materiality	Capped below group materiality

We reported all audit differences found in excess of our triviality threshold of \$36,600 to the directors and the management board.

For each Group company within the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across each Group company was between \$40,140 and \$732,000. The scope of our audit was influenced by our application of materiality as we set certain quantitative thresholds for performance materiality and use these thresholds as a consideration tool to help to determine

the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

We determined component materiality for the parent company to be capped below group materiality. Likewise for group subsidiaries registered outside of the UK. For the UK-registered non-trading subsidiary, a cap below group materiality was also applied. Performance materiality was set in the range of 70-80% of component materiality.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Our audit approach is consistent with the previous year.

### 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. This is not a complete list of all risks identified by our audit.

## Revenue Recognition: \$28,176,236

### Significance and nature of key risk

The Group had one main source of revenue during the year, this being the sale of metal concentrate.

We have focused on this income stream due to the potential for material misstatement of revenue whether caused by fraud or error.

Sales are stated at their invoiced amount which is net of treatment and refining charges. Revenue for sale of commodity is recorded when control of the commodity passes to the customer.

Sales of commodities are provisionally priced such that the price is not settled until a predetermined future date and is based on the market price at that time. These sales are marked to market at each reporting date using the forward price for the period equivalent to that outlined in the contract.

### How our audit addressed the key risk

The five-step revenue recognition process employed under IFRS 15 was applied to the group's recognition policy.

Sales of commodity in the period were tested from the trigger point of the sale to the point of recognition in the accounts, corroborating this to contract sales terms.

Direct third-party verification was obtained for the material element of group sales with all discrepancies investigated.

Revenue was also analytically reviewed via comparison to our expectation based on a combination of prior financial data, budgets and our own assessments based on industry knowledge.

Cut-off of revenue has been reviewed by analysing sales recorded during the period before and after the financial year end and determining if the recognition applied in line with IFRS 15.

Gains/losses on the fair value of derivatives has been substantively tested via review of fair value movement on these contracts by reference to market rates.

### Key observations communicated to the Risk and Audit Committee

We have no concerns over the material accuracy of revenue recognised in the financial statements.

## Valuation/impairment of intangible assets: \$3,672,409

### Significance and nature of key risk

These are 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.

### How our audit addressed the key risk

Exploration and evaluation costs were agreed to appropriate documentation to substantiate their stated cost. The determination that projects these costs were related to are not yet 'feasible' were also audited. We specifically considered the full requirements of IFRS 6.

The requirements laid out in IAS 38 were also considered in light of the determination made by management that these are appropriate for capitalisation.

Impairment reviews undertaken were reviewed for reasonableness with our own independent impairment review carried out based on a list of appropriate indicators.

### Key observations communicated to the Risk and Audit Committee

We have no concerns over the material accuracy of intangible asset values recognised in the financial statements.

## Valuation/impairment of mineral property: \$53,740,081

### Significance and nature of key risk

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.

### How our audit addressed the key risk

The impairment review is highly judgemental and required the assessment of assumptions used, including around forecast gold prices which can make the impairment a volatile figure.

We also reviewed the mining licenses and permits to ensure they were all still valid and in full compliance.

As part of this impairment review, we looked at the management forecasts and accuracy of previous forecasts to ensure there was value in the assets and to assess management's ability to make these valuations.

We also considered the qualifications and independence of management's experts used in these valuations.

### Key observations communicated to the Risk and Audit Committee

We have no concerns over the material accuracy of mineral property development value recognised in the financial statements.

## Completeness and valuation of gold streaming: \$8,846,631

### Significance and nature of key risk

The Gold streaming is accounted for under IFRS 9 and is considered a financial liability as the Group purchases the payable gold from the market in order to repay Sandstorm based on actual production in the period. It is stated at fair value through profit and loss.

The Group calculates the movement on the fair value of the Gold streaming liability based on estimates of future cash flows arising from the sale of payable gold.

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 fair value movement. Any changes to these estimates may result in a significantly different fair value movement recognised in the income statement.

### How our audit addressed the key risk

Movement on gold streaming in the period was assessed by reference to the stipulations in the underlying agreement.

We have considered movement on fair value to current and forecasted market rates. Each of the significant assumptions in the forecasts prepared have been considered for reasonableness.

Gold payments in the period have been vouched to our substantive testing of revenue.

Gold ounce production in the period has been vouched with amounts transferable agreed to current contract terms.

### Key observations communicated to the Risk and Audit Committee

We have no concerns over the completeness of the gold streaming liability recognised in the financial statements.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor report thereon. 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 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 our knowledge and understanding of the Group and parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company 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 43), 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 Group's and parent 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 Group or parent company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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.

### Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the group engagement team and component auditors included:

- Detailed discussions were held with management to identify any known or suspected instances of non-compliance with laws and regulations.
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud.
- Challenging assumptions and judgements made by management in its significant accounting estimates, including assessing the capabilities of the property valuers and discussing with the valuers how their valuations were calculated and the data and assumptions they have used to calculate these.
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud.
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities.
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions.
- Use of data analytics - enabling 100% interrogation of the general ledger transactions with a focus on transactions that exhibit unusual characteristics, meriting further investigation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our Report

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 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.

*Kreston Reeves LLP*

**Anne Dwyer BSc (Hons) FCA (Senior Statutory Auditor)**

For and on behalf of

**Kreston Reeves LLP**

Chartered Accountants

Statutory Auditor

London

16 May 2022

# Rambler Metals and Mining Plc Group Financial Statements





# Consolidated Income Statement and Comprehensive Income

For the Year Ended 31 December 2021

(US\$000)	Notes	2021	2020
Revenue	5	28,176	24,346
Production costs		(29,475)	(28,113)
Depreciation and amortisation		(7,646)	(6,240)
<b>Gross loss</b>		<b>(8,945)</b>	<b>(10,007)</b>
Administrative expenses		(5,732)	(4,684)
Share based compensation		(1,029)	(168)
<b>Operating loss</b>	6	<b>(15,706)</b>	<b>(14,859)</b>
Foreign exchange (loss)/gain		(217)	541
(Loss)/gain in fair value of Gold Stream	24	(3,160)	202
Other income	7	4,903	4,415
Other expenses	7	(1,619)	(816)
Net finance costs	9	(5,690)	(1,881)
(Loss)/gain in fair value of forward contract	26	(430)	593
<b>Loss before tax</b>		<b>(21,919)</b>	<b>(11,805)</b>
Income tax credit	10	7,921	10,042
<b>Loss for the period</b>		<b>(13,998)</b>	<b>(1,763)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified into profit or loss</b>			
Exchange differences on translation of foreign operations (net of tax)		(531)	1,020
<b>Items that will not be reclassified to the income statement (net of tax)</b>			
Gain on fair value of equity investment (net of tax)	14	125	71
<b>Other comprehensive income for the period</b>		<b>(406)</b>	<b>1,091</b>
<b>Total comprehensive loss for the period</b>		<b>(14,404)</b>	<b>(672)</b>
Basic and diluted loss per share	21	(0.12)	(0.10)

# Consolidated Statement of Financial Position

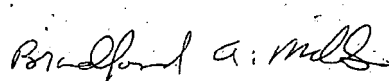
As at 31 December 2021

(US\$000)	Notes	2021	2020
<b>Assets</b>			
Intangible assets	11	3,672	3,408
Mineral property	12	53,740	41,928
Property, plant and equipment	13	23,566	20,693
Deferred tax	10	29,919	22,565
Restricted cash	19	3,568	3,553
Deposits	13	-	700
<b>Total non-current assets</b>		<b>114,465</b>	<b>92,847</b>
Equity investments	14	-	206
Inventory	16	4,356	2,683
Trade and other receivables	17	1,421	839
Derivative financial asset	18	2,473	561
Cash and cash equivalents		1,605	6,242
Assets held for sale	15	-	800
<b>Total current assets</b>		<b>9,855</b>	<b>11,331</b>
<b>Total assets</b>		<b>124,320</b>	<b>104,178</b>
<b>Liabilities</b>			
Loans and borrowings	23	3,296	5,129
Gold Stream	24	749	1,370
Gold liability	27	222	-
Trade and other payables	22	13,217	13,857
Liabilities associated with assets held for sale	15	-	514
Derivative financial liabilities	26	1,163	733
<b>Total current liabilities</b>		<b>18,647</b>	<b>21,603</b>
<b>Net current liabilities</b>		<b>(8,792)</b>	<b>(10,272)</b>
Loans and borrowings	23	17,674	4,645
Gold Stream	24	8,098	5,713
Gold liability	27	124	-
Provision	25	1,767	2,196
Trade and other payables	22	1,505	2,705
<b>Total non-current liabilities</b>		<b>29,168</b>	<b>15,259</b>
<b>Net assets</b>		<b>76,505</b>	<b>67,316</b>
<b>Equity</b>			
Issued capital	20	19,654	18,781
Share premium	20	138,739	115,191
Share warrants reserve	20	1,484	3,185
Share option reserve	20	3,184	2,311
Merger reserve	20	180	180
Translation reserve	20	(16,419)	(15,888)
Other reserves	20	-	172
Retained losses		(70,317)	(56,616)
<b>Total equity</b>		<b>76,505</b>	<b>67,316</b>

The consolidated financial statements were approved and authorised for issue by the Board and signed on their behalf by:



**Toby Bradbury**  
Director and Chief Executive Officer



**Brad Mills**  
Director and Chairman

# Consolidated Statement of Changes in Equity

(US\$000)	Ordinary Share Capital 1 penny	Ordinary Share Capital 0.01 penny	Deferred Share Capital 0.99 penny	Share Premium	Warrants Reserve	Share Option Reserve	Merger Reserve	Translation Reserve	Other Reserve	Retained Losses	Total
<b>Group</b>											
Balance at 1 January 2020	17,872	-	-	99,059	-	2,142	180	(16,908)	101	(54,853)	47,593
<b>Comprehensive income</b>											
Loss for the period	-	-	-	-	-	-	-	-	-	(1,763)	(1,763)
Foreign exchange translation differences	-	-	-	-	-	-	-	1,020	-	-	1,020
Gain on fair value of equity investment (net of tax)	-	-	-	-	-	-	-	-	71	-	71
<b>Total other comprehensive income</b>	-	-	-	-	-	-	-	1,020	71	-	1,091
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	1,020	71	(1,763)	(672)
<b>Transactions with owners</b>											
Share restructure	(17,872)	179	17,694	-	-	-	-	-	-	-	-
Issue of share capital (note 20)	-	909	-	17,269	-	-	-	-	-	-	18,178
Share issue expenses	-	-	-	(1,137)	-	-	-	-	-	-	(1,137)
Issue of warrants	-	-	-	-	3,185	-	-	-	-	-	3,185
Share-based payments	-	-	-	-	-	169	-	-	-	-	169
Transactions with owners	(17,872)	1,088	17,694	16,132	3,185	169	-	-	-	-	20,395
<b>Balance at 31 December 2020</b>	-	1,088	17,694	115,191	3,185	2,311	180	(15,888)	172	(56,616)	67,317

(US\$000)	Ordinary Share Capital 1 penny	Ordinary Share Capital 0.01 penny	Deferred Share Capital 0.99 penny	Share Premium	Warrants Reserve	Share Option Reserve	Merger Reserve	Translation Reserve	Other Reserve	Retained Losses	Total
<b>Group</b>											
Balance at 1 January 2021	-	1,088	17,694	115,191	3,185	2,311	180	(15,888)	172	(56,616)	67,317
<b>Comprehensive income</b>											
Loss for the period	-	-	-	-	-	-	-	-	-	(13,998)	(13,998)
Foreign exchange translation differences	-	-	-	-	-	-	-	(531)	-	-	(531)
Loss on fair value of equity investment (net of tax)	-	-	-	-	-	-	-	-	125	-	125
Transfer to retained losses	-	-	-	-	-	-	-	-	(297)	297	-
<b>Total other comprehensive income</b>	-	-	-	-	-	-	-	(531)	(172)	297	(406)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	(531)	(172)	(13,701)	(14,404)
<b>Transactions with owners</b>											
Share restructure	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital (note 20)	-	737	-	19,700	-	-	-	-	-	-	20,437
Share issue expenses	-	-	-	(862)	-	-	-	-	-	-	(862)
Exercise of warrants	-	135	-	4,710	(2,825)	-	-	-	-	-	2,020
Issue of warrants	-	-	-	-	1,124	-	-	-	-	-	1,124
Share-based payments	-	-	-	-	-	873	-	-	-	-	873
Transactions with owners	-	872	-	23,548	(1,701)	873	-	-	-	-	23,592
<b>Balance at 31 December 2021</b>	-	<b>1,960</b>	<b>17,694</b>	<b>138,739</b>	<b>1,484</b>	<b>3,184</b>	<b>180</b>	<b>(16,419)</b>	-	<b>(70,317)</b>	<b>76,505</b>

# Consolidated Statement of Cash Flows

For the Year Ended 31 December 2021

(US\$000)	Notes	2021	2020
<b>Cash flows from operating activities</b>			
Loss before tax		(21,919)	(11,805)
Depreciation and amortisation		7,723	6,288
(Gain)/loss on disposal of property, plant and equipment	7	(2,704)	210
Loss on sale of equity investment	14	142	-
Gain on derivative financial instruments	5	(10)	(240)
Loss/(gain) on fair value of forward contract	26	430	(593)
(Gain)/loss on fair value of Gold Stream	24	3,160	(202)
Share based payments		1,029	168
Foreign exchange		117	(1,385)
Finance cost	9	5,631	1,823
Reclamation and site closure costs		63	58
Deposit written off	7	732	-
Gain on fair value of long-term payables	7	-	(878)
Gain on fair value of government interest-free loan	7	(119)	(113)
Inventory write-downs	7	-	125
Other provisions		279	-
<b>Cash utilised in operating activities before changes in working capital</b>		<b>(5,446)</b>	<b>(6,544)</b>
Decrease/(increase) in inventory		(1,659)	215
Increase in prepayments		(518)	(217)
Decrease/(increase) in derivative financial instruments		(1,902)	1,333
(Decrease)/increase in trade and other payable		(2,320)	7,139
<b>Net cash (utilised)/generated in operating activities</b>		<b>(11,845)</b>	<b>1,926</b>
<b>Cash flows from investing activities</b>			
Interest received		-	1
Sale of non-core assets		2,270	-
Sale of investments	14	725	-
Addition of evaluation and exploration assets	11	(259)	(2)
Addition of Mineral property - net	12	(15,267)	(4,046)
Addition of property, plant and equipment		(4,197)	(1,157)
Non-current deposits	13	-	(700)
Increase in reclamation deposit and others		(60)	-
<b>Net cash utilised in investing activities</b>		<b>(16,788)</b>	<b>(5,904)</b>
<b>Cash flows from financing activities</b>			
Issue of share capital	20	18,287	8,373
Share issue expenses		(862)	(438)
Warrants exercised		2,020	-
Interest paid		(1,330)	(922)
Loans received		18,393	7,155
Government assistance loan		403	-
Gold Stream payments	24	(1,592)	(830)
Repayment of loans and borrowings		(8,995)	(3,846)
Capital element of finance lease payments		(2,047)	(1,525)
<b>Net cash generated in financing activities</b>		<b>24,277</b>	<b>7,967</b>
Net increase/(decrease) in cash and cash equivalents		(4,356)	3,989
Cash and cash equivalents at beginning of period		6,242	1,936
Effect of exchange rate fluctuations on cash held		(281)	317
<b>Cash and cash equivalents at end of period</b>		<b>1,605</b>	<b>6,242</b>

Rambler employee  
evaluating an underground  
construction project.

# Notes to the Consolidated Financial Statements

## 1. Nature of operation and going concern

Rambler Metals and Mining Plc (the "Company") is a limited company incorporated and domiciled in United Kingdom whose shares are publicly traded. The registered office of the Company is located at 3 Sheen Road, Richmond Upon Thames, Surrey, United Kingdom. The principal activity of the Company and its subsidiaries (collectively "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 Strategic Report. In addition, notes 20 and 28 to the consolidated financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group incurred a net loss before tax of \$21.9 million for the year ended 31 December 2021 (2020: \$11.8 million). As at 31 December 2021, the Group had a working capital deficiency of \$8.8 million (2020: \$10.3 million). The Group's ability to continue operating in the normal course of business is dependent upon establishing sufficient operating cash flows from the Ming Mine, and to the extent required, through access to equity and debt markets and proceeds from the exercise of warrants. These factors together with the continued unpredictability of the impact of Covid-19 indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The Group continually reviews operational results, expenditures and additional financing opportunities in order to ensure adequate liquidity to support its growth strategy while increasing production levels at the Ming Mine. The consolidated financial statements have been prepared on a going concern basis which assumes that the Group will be able to realise its assets and settle its obligations in the normal course of business. Management believes that the Ming Mine will generate sufficient operating cash flows to support the day-to-day activities and future growth requirements of the business. If the production is not ramping up in line with forecasts or

lower than forecast copper grade and commodity prices, the Group would be able to obtain additional funding through either equity or debt financing. For the year ended 31 December 2021, the Group successfully obtained debt financing of \$18.8 million and equity financing of \$18.3 million. Also, the Group completed a gold stream financing of \$11.0 million in March 2022.

These financial statements do not give effect to any adjustments which would be necessary should the Group be unable to continue as a going concern and, therefore, be required to realise its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the financial statements. Such adjustments could be material.

## 2. Significant accounting policies

### (a) Statement of compliance

The consolidated financial statements of the Group 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 UK 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 accounting policies applied are consistent with those adopted and disclosed in the Group financial statements for the year ended 31 December 2021.

An amendment to IFRS 9 and certain other standards, Interest Rate Benchmark Reform and its Effect on Financial Reporting, was issued by the IASB on 27 August 2020 and became effective January 1, 2021. The Group has assessed the impact of the amendment on its adoption effective 1 January 2021 and determined it does not currently have a significant effect on the Company's financial statements.

The new or amended standards that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new or amended standards, if applicable, when they become effective



### **Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice.

### **Reference to the Conceptual Framework – Amendments to IFRS 3**

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

### **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**

In May 2020, the IASB issued Property, Plant and Equipment – Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

### **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The amendments are not expected to have a material impact on the Group.

### **IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

### **Amendments to IAS 12, Income Taxes**

Amendments to IAS 12, Income Taxes, specify how entities should account for deferred income taxes on transactions such as leases and decommissioning obligations. In specified circumstances, entities are exempt from recognizing deferred income taxes when they recognize assets or liabilities for the first time. The amendments

clarify that the exemption does not apply to transactions such as leases and decommissioning obligations and that entities are required to recognize deferred income taxes on such transactions.

The amendment is effective for annual reporting periods beginning on or after 1 January 2023 and the Group is currently evaluating the impacts of adopting these amendments on its financial statements.

#### **(b) Basis of preparation**

The consolidated financial statements are presented in United States dollars ("US dollars" or "\$"), rounded to the nearest thousand dollars, except the notes to the consolidated financial statements or when otherwise indicated. US dollars is used as the presentation currency in line with industry peers.

The 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 31 December 2021, the closing rate of exchange of CAD to US dollar was 0.7888 (2020: 0.7854), and US dollar to GB pound was 1.3477 (2020: 1.3651). The average rate of exchange of CAD to US dollar was 0.7539 (2020: 0.7460), and US dollar to GB pound was 1.3002 (2020: 1.2830).

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**

Subsidiaries are entities controlled by the Group. 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.

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting, or similar, rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee. The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

##### **(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 Group are translated to US dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of the Group 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 statement of comprehensive income upon disposal.

#### **(e) Property, plant and equipment**

##### **(i) Owned assets**

Items of property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and the 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) 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.

##### **(iii) 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 - others	2 to 10 years
■ Plant and equipment - mill plant	23 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.

#### **(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 and amortised over the life of the mine.

Impairment assessment is performed annually. 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) Equity investments**

Equity investments are recognised at fair value with changes in value recorded in other comprehensive income as they are not held for short-term profit-taking trading under the Company's business model. Subsequent to initial recognition these are stated at fair value. Movements in fair values are recognised in other comprehensive income. 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 fair value reserve are transferred to Retained profits.

#### **(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.

#### **(k) Financial instruments**

##### **(i) Initial recognition and subsequent measurement**

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of the financial assets at initial recognition that are debt instruments depends on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at fair value through profit or loss where transaction costs are expensed. All financial assets not classified and measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect

to present subsequent changes in the investment's fair value in other comprehensive income.

The Group's financial assets at amortised cost includes cash and cash equivalents, restricted cash, trade receivables, and other receivables. Derivative financial instruments are measured at fair value through profit or loss, and equity investments quoted in securities are measured at fair value through other comprehensive income.

Financial liabilities are classified, at initial recognition, and subsequently measured at amortised cost or fair value through profit or loss. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

The Group's financial liabilities measured at amortised cost includes trade payables, loan payables and other borrowings. Derivative liabilities consist of Gold Stream (note 24) and copper forward contract (note 26) and are measured at fair value through profit or loss. The Gold Stream is considered a financial liability as the Group purchases the payable gold from the market in order to repay Sandstorm based on actual production in the period (note 24).

#### **(ii) Derecognition**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired. A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

#### **(iii) Impairment**

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognised for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognised in the consolidated income statement for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortised cost decreases, the previously recognised impairment loss is reversed through the consolidated income statement to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognised.

#### **(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 (note 19) 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.

#### **(n) Convertible loans**

Convertible loans are separated into liability and equity components based on the terms of the contract. On issuance of the convertible loans, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the

conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible loan, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**(o) Share Warrants**

The Group accounts for its share warrants as equity at fair value as of the date of issuance on the Group's consolidated balance sheets and no further adjustments to their valuation are made. Management estimates the fair value of the warrants 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.

**(p) Leases**

The Group assesses whether a contract is or contains a lease, at inception of a contract. A right-of-use asset ("ROU asset") and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, are recognised at the commencement of the lease, with the following exceptions: (a) the total lease term is less than or equal to 12 months, or (b) leases of low value. The payments for such leases are recognised in the consolidated income statement on a straight-line basis over the lease term.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated amortisation and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Group considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

ROU assets are included in plant and equipment, and the lease liability is included in loans and borrowing in the consolidated statement of financial position. Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments

(if any) are recognised as an expense in the period in which the triggering event occurs and are included in the consolidated income statement.

**(q) 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.

**(r) Revenue recognition**

The Group is engaged principally in sales of metal concentrate that are stated at their invoiced amount which is net of treatment and refining charges. Revenue for sale of commodity is recorded when control of the commodity passes to the customer. Sales of commodities are provisionally priced such that the price is not settled until a predetermined future date and is based on the market price at that time. These sales are marked to market at each reporting date using the forward price for the period equivalent to that outlined in the contract. Revenue on provisionally priced sales is recognised at the forward market price when control passes to the customer and is classified as revenue from contracts with customers. Subsequent mark-to-market adjustments are recognised in revenue from other sources.

Revenues from the sale of material by-products are recognised within revenue at the point control passes. Where a by-product is not regarded as significant, revenue may be credited against the cost of sales.

**(s) 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.

**(t) 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.

#### (u) 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.

#### (v) 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 – Level 2
- Equity investments – Level 1
- Gold Stream – Level 3
- Copper forward contract – Level 2

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

#### (w) Government grants and subsidies

Government grants and subsidies are recognised when the Group has complied with the conditions attached to the agreement and obtained reasonable assurance that revenue will be received. The grant is recognised as other income in income statement on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the assistance are intended to compensate.

#### (x) Restricted share unit

The Group grants restricted share units (the "RSUs") to officers and employees, which vest in three equal instalments, on grant dates and each of the first and second anniversary dates following the respective grant dates. Unvested RSUs are subject to forfeiture if the holder's employment with the Group terminates unless exception is made by the board of directors. Compensation cost for all RSUs expected to vest is measured at fair value on the date of grant and recognized over the service period. The fair value of restricted share units is determined based on the number of shares granted and the quoted price of the Group's common stock on the date of grant. Such a value is recognised as expense over the service period, net of estimated forfeitures, using the accelerated method.

### 3. Critical judgements and accounting estimates

#### (a) Critical judgements in applying the Group's accounting policies

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 in applying the Group's accounting policies,

##### Going concern

Judgements are necessary in applying the going concern basis in the preparation of the Group's financial statements in respect 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 (see note 1).

##### Deferred tax

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. Following the declaration of commercial production it has been concluded that the Group 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 Group could be required to reduce the deferred tax asset which would result in a reduction in the Group's earnings and net assets.

#### (b) Key sources of estimation uncertainty

##### Mineral Property, Property, Plant and Equipment and Exploration and Evaluation Costs

Management considers these assets for impairment at least annually with reference to the following indicators:

- 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.

The Group uses 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 Group's financial statements, providing some insight also to uncertainties that could impact the Group's financial results.

The Company assessed whether there are any indicators of impairment in respect of mineral property, property, plant and equipment and exploration and evaluation costs totalling \$81.0 million (2020: \$66.0 million). In making this assessment they have considered the Group's business plan which includes resource estimates, future processing capacity, future exchange rates, the forward market and longer-term price outlook for copper and gold and assumptions regarding weighted average cost of capital. The Group continues to invest in exploration which has the potential to extend mine life and increase the rate of production. 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 rate for Property, Plant and Equipment and Depletion rate for Mineral Property

Amortisation expenses are allocated based on the estimated useful life of the asset. Depletion expenses 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. Should the amortization rates and depletion rates differ from the initial estimate, an adjustment would be made in the consolidated income statement on a prospective basis.

##### 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.

##### 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 8 and 20.

**Gold Stream**

The Group calculates the movement on the fair value of the Gold Stream liability based on estimates of future cash flows arising from the sale of payable gold (see note 24). 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 fair value movement. Any changes to these estimates may result in a significantly different fair value movement recognised in the income statement.

**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**

(US\$000)	2021			2020		
	UK	Canada	Consolidated	UK	Canada	Consolidated
Revenue	-	28,176	28,176	-	24,346	24,346
Non-current assets	-	114,465	114,465	-	92,847	92,847

**5. Revenue**

(US\$000)	2021	2020
Revenue from sale of commodities	28,166	24,106
Gain on fair value of provisional priced commodities	10	240
	<b>28,176</b>	<b>24,346</b>

**Information about major customers**

All our revenue is from one customer (2021: one customer).

**6. Operating loss**

The operating loss is after charging:

(US\$000)	2021	2020
Depreciation (see note 13)	4,175	3,321
Amortisation (see note 12)	3,548	2,967
Emoluments of officers, directors and officers (see note 29)	743	699
<b>Auditor's remuneration</b>		
Audit of these financial statements	69	84
<b>Fees payable to the auditor for other services</b>		
Other assurance services	30	25



**7. Other income (expenses)**

<b>(US\$000)</b>	<b>2021</b>	<b>2020</b>
Forgiveness of payables from suppliers	-	761
Gain on fair value of government interest-free loan	119	113
Gain on fair value of long-term payables	-	878
Royalty income	43	24
Gain from sale of non-core assets	2,704	-
Canadian Emergency Wage Subsidy (CEWS) <sup>1</sup>	2,037	2,639
<b>Total other income</b>	<b>4,903</b>	<b>4,415</b>
Penalties	(466)	(481)
Inventory write-downs	-	(125)
Other provision	(279)	-
Write off of non-refundable deposit	(732)	-
Loss on sale of equity investment	(142)	-
Loss on disposal of property, plant and equipment	-	(210)
<b>Total other expenses</b>	<b>(1,619)</b>	<b>(816)</b>

1. During the year the Group received CEWS of \$3,584,000 out of which \$1,547,000 was credited to Mineral Properties and balance \$2,037,000 was recognised as other income.

**8. Personnel expenses****Salary costs**

<b>(US\$000)</b>	<b>Group 2021</b>	<b>Group 2020</b>
Wages and salaries	10,236	10,589
Other short term benefits	507	565
Compulsory social security contributions	2,640	1,651
Share based payments	1,029	168
	<b>14,412</b>	<b>12,973</b>

Salary costs of \$24,000 (2020: \$14,000) were capitalised as part of property, plant and equipment, and \$4,881,000 (2020: \$2,111,000) were capitalised as part of the mineral properties during the year.

**Number of employees**

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

<b>(US\$000)</b>	<b>Group 2021</b>	<b>Group 2020</b>
Directors	8	8
Administration	14	11
Production and development	196	149
	<b>218</b>	<b>167</b>

During the period, the Group granted share options and RSUs to key personnel of the Group. Refer to note 20 for details.

**9. Net finance costs (income)**

<b>(US\$000)</b>	<b>2021</b>	<b>2020</b>
Bank interest receivable	-	(1)
Finance lease interest	196	65
Sandstorm loan interest	-	79
Advance Purchase Facility interest and charges	110	255
Other loan interest	1,654	988
Amortization of deferred borrowing cost	295	32
Loss on early repayment of West Face loan	3,168	-
Interest on payroll source deduction liability	59	187
Off-take provisional payment interest	145	218
Unwinding of discount on reclamation provision	63	58
<b>Net finance costs</b>	<b>5,690</b>	<b>1,881</b>

**10. Income tax**

Recognised in the income statement

<b>(US\$000)</b>	<b>2021</b>	<b>2020</b>
<b>Current tax expense</b>		
Current period	-	-
<b>Deferred tax credit</b>		
Origination and reversal of temporary timing differences	(5,914)	(9,231)
Deferred income tax asset not recognised	(1,030)	361
Mining tax – origination and reversal of temporary differences	(977)	(1,174)
<b>Total income tax credit in income statement</b>	<b>(7,921)</b>	<b>(10,042)</b>

**Reconciliation of effective tax rate**

A reconciliation between the tax credit and the product of the Group's accounting loss multiplied by the Group's statutory income tax rate is as follows:

<b>(US\$000)</b>	<b>2021</b>	<b>2020</b>
Loss before tax	(21,919)	(11,805)
Income tax using the UK corporation tax rate of 19% (2020: 19%)	(4,165)	(2,243)
Effect of tax rates in foreign jurisdictions (rates increased)	(2,324)	(1,132)
Mining tax	(977)	(1,174)
Permanent differences	872	(22)
Timing differences	(297)	(5,834)
Deferred income asset not recognised	(1,030)	363
	<b>(7,921)</b>	<b>(10,042)</b>

**Recognised in other comprehensive income**

(US\$000)	2021	2020
<b>Current tax expense</b>		
Current year	-	-
<b>Deferred tax credit</b>		
Fair value re-measurement of available for sale investments	-	-
Exchange difference on retranslation of UK deferred tax asset	-	-
Total income tax expense/(credit) in statement of other comprehensive income	-	-

**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

(US\$000)	Assets		Liabilities		Net	
	Balance 2021	Balance 2020	Balance 2021	Balance 2020	Balance 2021	Balance 2020
Property, plant and equipment	894	-	-	(81)	894	(81)
Mineral property	7,154	6,031	-	-	7,154	6,031
Intangible assets	92	92	-	-	92	92
Others	49	-	-	(204)	49	(204)
Gold Stream, government assistance and other loans	277	-	-	(1,230)	277	(1,230)
Mining tax	3,656	2,750	-	-	3,656	2,750
Derivative	111	-	-	(182)	111	(182)
Tax value of loss carry-forwards and credits recognised	17,686	15,389	-	-	17,686	15,389
<b>Net tax assets /(liabilities)</b>	<b>29,919</b>	<b>24,262</b>	<b>-</b>	<b>(1,697)</b>	<b>29,919</b>	<b>22,565</b>

**Movement in recognised deferred tax assets and liabilities**

(US\$000)	Balance 1 Jan 2020	Recognised in income	Recognised in other comprehensive income	Exchange difference	Balance 31 Dec 2020
Property, plant and equipment	(3,352)	3,171	-	100	(81)
Mineral property	2,229	3,569	-	233	6,031
Intangible assets	90	-	-	2	92
Others	-	(194)	-	(10)	(204)
Gold Stream, government assistance and other loans	1,527	(2,721)	-	(36)	(1,230)
Mining tax	1,484	1,174	-	92	2,750
Other timing differences	(210)	103	-	(75)	(182)
Tax value of loss carry-forwards and credits – Canada	9,987	4,940	-	462	15,389
	<b>11,755</b>	<b>10,042</b>	<b>-</b>	<b>768</b>	<b>22,565</b>

(US\$000)	Balance 1 Jan 2021	Recognised in income	Recognised in other comprehensive income	Exchange difference	Balance 31 Dec 2021
Property, plant and equipment	(81)	1,065	-	(18)	966
Mineral property	6,031	1,198	-	(135)	7,094
Intangible assets	92	-	-	(2)	90
Others	(204)	278	-	(1)	73
Gold Stream, government assistance and other loans	(1,230)	1,651	-	(8)	413
Mining tax	2,750	977	-	(70)	3,657
Other timing differences	(182)	322	-	(3)	137
Tax value of loss carry-forwards and credits – Canada	15,389	2,430	-	(330)	17,489
	<b>22,565</b>	<b>7,921</b>	<b>-</b>	<b>(567)</b>	<b>29,919</b>

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 \$29.9 million (2020: \$22.6 million).

The Group has recognised a deferred tax asset in respect of mining tax of \$0.9 million (2020: \$1.2 million) during the year bringing the balance to \$3.7 million (2020: recognised deferred tax asset of \$2.8 million). The Group considers that with recent increases in the market outlook for copper prices and ramp up in production from 2022 onward, there is sufficient evidence of future mining profits to justify the recognition of this asset.

## 11. Intangible assets

(US\$000)	Exploration and evaluation costs		
	Ming Mine	Little Deer Project	Total
<b>Cost</b>			
Balance as at 1 January 2020	974	2,365	3,339
Additions	2	-	2
Effect of movements in foreign exchange	20	47	67
<b>Balance as at 31 December 2020</b>	<b>996</b>	<b>2,412</b>	<b>3,408</b>
Balance as at 1 January 2021	996	2,412	3,408
Additions	209	50	259
Effect of movements in foreign exchange	(4)	9	5
<b>Balance as at 31 December 2021</b>	<b>1,201</b>	<b>2,471</b>	<b>3,672</b>
<b>Carrying amounts</b>			
1 January 2020	974	2,365	3,339
<b>31 December 2020</b>	<b>996</b>	<b>2,412</b>	<b>3,408</b>
1 January 2021	996	2,412	3,408
<b>31 December 2021</b>	<b>1,201</b>	<b>2,471</b>	<b>3,672</b>

### Little Deer Project

The Little Deer Project is a high-grade copper exploration property located less than 140 kilometres from the Group's Nugget Pond mill.

### Consideration of impairment for exploration and evaluation costs

Management have assessed whether there are any indicators of impairment in respect of exploration and evaluation costs for the year 2021. Management concluded that no impairment indicators had been noted that would require a formal impairment test.

**12. Mineral property****(US\$000)****Cost**

Balance at 1 January 2020	86,521
Additions	4,046
Transfer from asset under construction	2,164
Reclassified to asset held for sale	(187)
Foreign exchange effect	1,953
Balance at 31 December 2020	94,497

Balance at 1 January 2021	94,497
Additions	15,267
Foreign exchange effect	316
Balance at 31 December 2021	110,080

**Amortisation and impairment**

Balance at 1 January 2020	48,508
Amortisation charge	2,967
Foreign exchange effect	1,094
Balance at 31 December 2020	52,569

Balance at 1 January 2021	52,569
Amortisation charge	3,548
Foreign exchange effect	223
Balance at 31 December 2021	56,340

**Carrying amounts**

At 1 January 2020	38,013
At 31 December 2020	41,928

Balance at 1 January 2021	41,928
Balance at 31 December 2021	53,740

**Consideration of impairment for mineral property costs**

As a result of the loss in the year, the Company concluded that there was an impairment indicator at 31 December 2021. A valuation model was completed using the most current operating plan, taking into account the forward markets or analyst consensus on metal prices and exchange rates, and using an after-tax discount rate of 12%. The Company uses long-term copper price of USD\$4.50 per pound, long-term gold price of \$2,000 per ounce, and long-term exchange rate of CAD 1.2000. The recoverable amount was greater than the carrying value of the fixed assets and consequently no impairment charge was required.

**13. Property, plant and equipment**

	Land and buildings	Assets under construction	Motor vehicles	Plant and equipment	Fixtures, and equipment	Computer equipment	Total
<b>Cost</b>							
Balance at 1 January 2020	4,222	4,853	229	48,475	115	972	58,866
Additions	112	1,388	19	2,214	-	66	3,799
Disposals	(319)	-	(215)	(6,103)	(32)	(173)	(6,842)
Reclassification	-	(3,252)	-	3,252	-	-	-
Transfer to asset held for sale	-	-	-	(612)	-	-	(612)
Transfer to mineral properties	-	(2,164)	-	-	-	-	(2,164)
Foreign exchange effect	96	(87)	6	2,497	2	22	2,536
<b>Balance at 31 December 2020</b>	<b>4,111</b>	<b>738</b>	<b>39</b>	<b>49,723</b>	<b>85</b>	<b>887</b>	<b>55,583</b>
Balance at January 1, 2021	4,111	738	39	49,723	85	887	55,583
Additions	681	1,182	87	5,512	15	90	7,567
Disposals	-	-	-	(261)	-	-	(261)
Write off related to Duck Pond mill	-	(505)	-	-	-	-	(505)
Expensed during the year	-	-	-	253	-	-	253
Reclassification	-	(801)	-	801	-	-	-
Effect of movements in foreign exchange	467	(13)	(3)	(609)	-	4	(154)
<b>Balance at December 31, 2021</b>	<b>5,259</b>	<b>601</b>	<b>123</b>	<b>55,419</b>	<b>100</b>	<b>981</b>	<b>62,483</b>
<b>Depreciation and impairment losses</b>							
Balance at 1 January 2020	3,339	-	229	31,324	101	860	35,853
Depreciation	363	-	7	2,901	4	46	3,321
Disposals	(312)	-	(215)	(5,900)	(32)	(173)	(6,632)
Foreign exchange effect	84	-	4	2,240	2	18	2,348
<b>Balance at 31 December 2020</b>	<b>3,474</b>	<b>-</b>	<b>25</b>	<b>30,565</b>	<b>75</b>	<b>751</b>	<b>34,890</b>
Balance at 1 January 2021	3,474	-	25	30,565	75	751	34,890
Depreciation	543	-	26	3,502	7	97	4,175
Disposals	-	-	-	(263)	-	-	(263)
Foreign exchange effect	7	-	-	105	-	3	115
<b>Balance at 31 December 2021</b>	<b>4,024</b>	<b>-</b>	<b>51</b>	<b>33,909</b>	<b>82</b>	<b>851</b>	<b>38,917</b>
<b>Carrying amounts</b>							
At 1 January 2020	883	4,853	-	17,151	14	112	23,013
<b>At 31 December 2020</b>	<b>637</b>	<b>738</b>	<b>14</b>	<b>19,158</b>	<b>10</b>	<b>136</b>	<b>20,693</b>
At 1 January 2021	637	738	14	19,158	10	136	20,693
<b>At 31 December 2021</b>	<b>1,235</b>	<b>601</b>	<b>72</b>	<b>21,510</b>	<b>18</b>	<b>130</b>	<b>23,566</b>

At 31 December 2021, the net carrying amount of Right-Of-Use (ROU) assets was \$5,255,000 (2020: \$1,966,000). During the year ended 31 December 2021, plant and equipment additions of \$4,740,000 (2020: \$1,942,000) were acquired through lease arrangements. The amount of depreciation of leased plant and machinery was \$1,951,000 (2020: \$978,000).

During the year ended 31 December 2020, the Group entered an agreement to acquire all of the assets of Teck Resources Limited's ("Teck") closed Duck Pond processing plant (the "Plant") including building, plant equipment with certain exceptions, and related spare parts for cash

consideration of \$1,100,000 and to provide dismantling and disposal services to remove the Plant from Teck's property.

A non-refundable deposit of \$700,000 was paid to Teck in 2020 and recognised as deposits in non-current assets of the consolidated statement of financial position. The deposit was forfeited during the year ended 31 December 2021 because the Group decided not to purchase the Plant.

During the year, the Company disposed of assets which were not in use with asset cost \$261,000 (2020: \$6,842,000) and accumulated depreciation \$261,000 (2020: \$6,632,000).

#### 14. Equity investments

(US\$000)	Equity investments
<b>Cost or valuation</b>	
Balance at 1 January 2020	128
Revaluation	71
Effect of movements in foreign exchange	7
<b>Balance at 31 December 2020</b>	<b>206</b>
Balance at 1 January 2021	206
Additions	538
Revaluation	125
Sale of investments	(725)
Gain on sale of investments	(132)
Effect of movements in foreign exchange	(12)
<b>Balance at 31 December 2021</b>	<b>-</b>
<b>Carrying amounts</b>	
At 31 December 2020	206
<b>At 31 December 2021</b>	<b>-</b>

The carrying amount of the equity investments relates to investments in public listed companies in Canada, which were sold in 2021. The valuation is determined using the closing market price of the shares on the respective stock exchange and is considered level 1 in the IFRS13 fair value hierarchy.

#### 15. Assets held for sale

During the year ended 31 December 2020, the Group entered into a letter of intent with Maritime Resources

Corp. to sell its non-core assets including the Nugget Pond gold circuit, Lac Pelletier gold property, and various Canadian mineral exploration properties and royalty interests and received a non-refundable deposit of C\$0.2 million (note 22). In April 2021, the Group completed the sale of non-core assets and received the remaining consideration of \$2.0 million in cash and C\$0.5 million in common shares of Maritime Resources Corp. based on the 30-day volume weighted average price ("VWAP") on closing, representing 3,571,428 shares issued at a price of C\$0.14.

(US\$000)	2021	2020
Mineral properties	-	187
Plant and equipment	-	613
<b>Assets classified as held for sale</b>	<b>-</b>	<b>800</b>
Reclamation liability	-	(514)
<b>Net assets classified as held for sale</b>	<b>-</b>	<b>286</b>

**16. Inventory**

(US\$000)	2021	2020
Metal concentrates and metals in process	1,172	355
Operating supplies, net of provision	3,184	2,328
	<b>4,356</b>	<b>2,683</b>

The cost of inventories recognised as an expense and included in cost of sales amounted to \$37,121,000 (2020: \$34,353,000). Inventory provision of \$Nil is recognised related to slow moving operating supplies inventory for the year ended 31 December 2021 (2020: \$125,000).

**17. Trade and other receivables**

(US\$000)	2021	2020
Other receivables	73	11
Canadian emergency wage subsidy	-	276
Sales taxes recoverable	726	541
Prepayments	622	11
	<b>1,421</b>	<b>839</b>

The Group applies a simplified approach in calculating expected credit losses (ECL) and recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

There are no trade receivables past due or considered impaired (period ended 31 December 2020: \$Nil).

**18. Derivative financial asset**

(US\$000)	2021	2020
Concentrate receivables from off-taker	2,473	2,445

The carrying amount of the derivative financial asset is considered level 2 under the IFRS13 fair value hierarchy. Level 2 fair value is determined using forward prices of copper at \$7,700 per tonne (2020: \$5,820), gold at \$1,815 per ounce (2020: \$1,899) and silver at \$24.21 per ounce (2020: \$26.40). The cost of the concentrate receivables is \$2,473,000 (2020: \$2,445,000).

**19. Restricted cash**

(US\$000)	2021	2020
Bearer deposit notes	3,568	3,553

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 liabilities associated with the Ming Mine. The bearer deposit notes mature on differing dates throughout fiscal 2021 and beyond and have a nominal value of \$3,568,000 (2020: \$3,553,000) giving an effective yield of 0.1% (2020: 0.5%).



## 20. Capital and reserves

### Share capital and share premium – Group

(US\$'000)	Share capital 1 penny	Share capital 0.01 penny	Deferred share capital 0.99 penny	Share premium	Total	Number ('000)
In issue at 1 January 2020	17,872	-	-	99,059	116,931	12,964
Share restructuring	(17,872)	179	17,694	-	-	-
Shares issued during the year	-	909	-	17,269	18,178	68,392
Share issue expenses	-	-	-	(1,137)	(1,137)	-
<b>In issue at 31 December 2020</b>	<b>-</b>	<b>1,088</b>	<b>17,694</b>	<b>115,191</b>	<b>133,972</b>	<b>81,356</b>
In issue at 1 January 2021	-	1,088	17,694	115,191	133,972	81,356
Shares issued during the year	-	737	-	19,700	20,437	53,588
Exercise of warrants	-	135	-	4,710	4,845	9,735
Share issue expenses	-	-	-	(862)	(862)	-
<b>In issue at 31 December 2021</b>	<b>-</b>	<b>1,960</b>	<b>17,694</b>	<b>138,739</b>	<b>158,393</b>	<b>144,680</b>

The Companies Act 2006 prohibits the Company from issuing shares at a price below their nominal value. In May 2021, the Company consolidated its shares whereby every 100 ordinary shares of 0.01 pence each are consolidated into 1 ordinary share of 1 pence 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 Group.

### Warrants reserves

	Number ('000)	\$'000
At 1 January 2020	-	-
Issuance of warrants during the year	11,551	3,185
<b>At 31 December 2020</b>	<b>11,551</b>	<b>3,185</b>
At 1 January 2021	11,551	3,185
Issuance of warrants during the year	4,646	1,124
Exercise of warrants during the year	(9,735)	(2,825)
<b>At 31 December 2021</b>	<b>6,462</b>	<b>1,484</b>

During December 2021, the Group issued 4,645,666 share warrants at an exercise price of £0.28 (\$0.37) in connection with the NewGen Loan. The fair value of the warrants in the amount of \$1.12 million is recognised and included in warrant reserve in equity. The carrying amount of the share warrants is not remeasured in subsequent years.

The fair value of the share purchase warrants was measured using the Black-Scholes model assuming an expected volatility range 122% to 126%, a risk-free interest rate of 0.71% and a contractual life of the warrant of 4 years. The fair value of services received in return for the warrants issued was measured by reference to the fair value of the warrants issued in the absence of information on the fair value of the services provided.

**Share options**

	Weighted average exercise price 2021 \$	Number of options 2021 '000	Weighted average exercise price 2020 \$	Number of options 2020 '000
Outstanding at the beginning of the period	0.61	3045	8.00	164
Granted during the period	0.39	1,800	0.30	2,885
Expired during the period	6.95	(48)	3.70	(4)
<b>Outstanding at the end of the period</b>	<b>0.11</b>	<b>4,797</b>	<b>1.00</b>	<b>3,045</b>
<b>Exercisable at end of period</b>	<b>0.16</b>	<b>2,956</b>	<b>1.10</b>	<b>55</b>

The options outstanding at 31 December 2021 have an exercise price in the range of \$0.27 to \$41.02 (2020: \$0.27 to \$47.11) and a weighted average remaining contractual life of 5 years (2020: 5 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**

	2021	2020
Fair value at measurement date	0.29	\$0.1
Share price (weighted average)	\$0.35	\$0.3
Exercise price (weighted average)	\$0.11	\$0.3
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	149%	295%
Expected option life (years)	10	5
Expected dividends	-	-
Risk-free interest rate (based on national government bonds)	0.71%	0.46%

During the year ended 31 December 2021, the Group issued options totalling 1,800,000 options to Directors, Persons Discharging Managerial Responsibility (PDMRs) and other employees of the Company, exercisable at 29.875 pence. 1/3 of the options vested immediately, 1/3 on each of the first and second anniversaries following the grant date. The other 50% of the options are vested based on the share price of the Company in accordance with the table below:

Options	16.5% vesting	33% vesting	50% vesting
Share price	0.57 pence	0.90 pence	1.24 pence

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.

**Restricted share units (RSUs)**

	Number '000	Fair value \$'000
At 1 January 2021	-	-
RSUs issued during the year	1,181	468
RSUs vested during the year	(394)	(156)
<b>At 31 December 2021</b>	<b>787</b>	<b>312</b>

The fair value of the RSUs granted for the year ended 31 December 2021 is \$0.39 per unit (2020: nil) based on the market value of the underlying shares on grant dates. Stock compensation expense related to the RSUs granted is \$0.16 million for the year ended 31 December 2021 (2020: nil).

**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 Group. 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 Group 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 equity 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.

The Group's capital was as follows:

(\$'000)	2021	2020
Cash and cash equivalents	1,605	6,242
Loans and borrowings	(20,970)	(9,774)
Net debt	(19,365)	(3,532)
Equity	(69,247)	(67,316)
<b>Total capital</b>	<b>(88,612)</b>	<b>(70,848)</b>

**21. Loss per share****Loss attributable to ordinary shareholders**

(\$000)	2021	2020
Loss for the period attributable to ordinary shareholders	(13,998)	(1,763)

**Weighted average number of ordinary shares**

<b>(\$'000)</b>	<b>Equity investments</b>
In issue at 1 January 2020	12,964
Effect of shares issued during period	4,222
<b>Weighted average number of ordinary shares at 31 December 2020</b>	<b>17,187</b>
In issue at 1 January 2021	81,356
Effect of shares issued during period	33,248
<b>Weighted average number of ordinary shares at 31 December 2021</b>	<b>114,605</b>

For the year ended 31 December 2021, because there would be a further reduction in loss per share resulting from the assumption that share options, warrants and convertible loan are exercised or converted, all these instruments are considered anti-dilutive and are ignored in the computation of loss per share. As there were no other instruments that may have a potentially dilutive impact, the basic and diluted loss per share is the same for the year ended 31 December 2021. At 31 December 2021 there were 4,796,150 (2020: 3,044,800) share options in issue of which none (2020: Nil) were considered to be dilutive. At 31 December 2021 there were 6,462,324 warrants outstanding (2020: 11,551,426) of which none were considered to be dilutive (2020: Nil).

**22. Trade and other payables****Trade and other payables less than one year**

<b>(\$'000)</b>	<b>2021</b>	<b>2020</b>
Trade payables	9,050	4,726
Other payables	1,004	5,082
Accrued expenses	3,163	3,892
Non-refundable deposit	-	157
	<b>13,217</b>	<b>13,857</b>

Non-refundable deposit is related to payment received from Maritime Resource Corp. for the purchase of non-core assets from the Group. Refer to note 15 for details.

Trade payables include \$209,000 (2020: \$155,000) consulting and directors fees payable to Plinian Capital Limited as at 31 December 2021. Other payables include payroll taxes and social contribution in relation to Rambler Metals and Mining Canada Limited.

**Trade and other payables more than one year**

<b>(\$'000)</b>	<b>2021</b>	<b>2020</b>
Trade payables	1,505	2,705

Previous year Group entered into agreements with certain suppliers to repay the outstanding balance over 2 to 4 years. Certain suppliers also agreed to relinquish a percentage of the outstanding balance which has been recognised as other income (note 7).

The balance payable as per the long-term payment plan has been valued at fair value by discounting at 12% per annum and recognised as other income which will be amortised over the payment plan term (note 7).

### 23. Loans and borrowings

This note provides information about the contractual terms of the Group's loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 28.

(\$'000)		2021	2020
<b>Non-current liabilities</b>			
Non-current lease liabilities	(a)	2,058	1,282
West Face loan	(b)	-	2,107
Government assistance	(d)	1,481	1,256
NewGen loan	(e)	14,135	-
		<b>17,674</b>	<b>4,645</b>
<b>Current liabilities</b>			
Current lease liabilities	(a)	1,832	1,292
Supplier loan	(f)	-	707
Government assistance	(d)	102	92
Advance Purchase Facility	(c)	990	3,038
NewGen loan	(e)	372	-
		<b>3,296</b>	<b>5,129</b>

#### (a) Lease liabilities

	Minimum lease Payments 2021	Interest 2021	Principal 2021	Minimum lease Payments 2020	Interest 2020	Principal 2020
Less than one year	2,029	197	1,832	1,405	113	1,292
Between one and five years	2,137	79	2,058	1,362	80	1,282
	<b>4,166</b>	<b>276</b>	<b>3,890</b>	<b>2,767</b>	<b>193</b>	<b>2,574</b>

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

#### (b) West Face Loan

In December 2020, Group received a secured loan from West Face Capital Inc. ("West Face") of \$5,000,000 carrying interest rate of 10% per annum. Interest is payable every calendar quarter and loan repayable in December 2023. The Group has granted a prior ranking security interest over all of present and after-acquired assets to West Face.

As part of the loan agreement 8,131,810 warrants were issued to West Face exercisable in 5 years at £0.2 (\$0.264) per warrant. The fair value of warrants of \$2,486,000 is determined through Black Scholes model. The fair value of warrants and the transaction costs of \$439,000 are classified as deferred expenses which will be amortised during the loan term. During the year ended 31 December 2021, the loan was fully repaid along with 5% early repayment charge and all the warrants have been exercised. The cost resulting from early repayment charge and the remaining deferred expenses relating to the loan was fully charged to Income Statement during the year as loss on early repayment of West Face loan.

#### (c) Advance Purchase Facility

In December 2017, the Company entered into an advance purchase facility with Transamine.

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

At 31 December 2021 the balance was \$0.5 million (2020: \$1.2 million). The loan was repayable by eighteen monthly instalments of \$222,000 including interest at 6.75% per annum, but a grace period of 6 months was provided by Transamine from June 2019, so the loan was payable by revised instalments of \$130,000 starting December 2019 but another grace period for 3 months from August 2020 was provided during the year. The loan instalments of \$130,000 are being repaid from November 2020 and the loan will be fully repaid in 2022.

Additionally, Transamine has extended an amount of \$2.0 million in December 2019. This loan shall be repaid from Jan 2021 by monthly instalments of \$222,000 per month plus accrued interest at 7% per annum. At 31 December 2021 the balance was \$0.5 million (2020: \$1.8 million).

The outstanding balance of the Advance Purchase Facility has been reduced to \$362,000 at the date of issuance of these financial statements.

**(d) Government Assistance**

In 2019, Group received \$0.4 million in interest free repayable contributions from a Canadian government agency. Contributions to a total of \$1.6 million are available in support of the Phase II expansion project for the mine. The contributions are repayable over eight years from May 2019. Due to Covid-19 pandemic Canadian government provided the moratorium period from April to December 2020. The fair value of the contributions received, calculated at a market interest rate of 12%, have been classified as a financial liability with the difference between the fair value and the amount received credited against the cost of assets under construction.

In 2021, Group received further \$0.4 million (2020: \$0.4 million) in interest free repayable contributions from a Canadian government agency as part of assistance to Covid-19 outbreak. The contributions are repayable over three years from January 2023. The fair value of the contributions received, calculated at a market interest rate of 12%, have been classified as other income (note 7).

**(e) NewGen Loan**

During the year the Group completed a 3-year senior secured debt financing in the gross amount of US\$16.4 million with NewGen Resource Lending Inc. ("NewGen"). The loan bears interest at the rate of 8.0% plus the greater of: (i) US Dollar 3 month LIBOR; and (ii) 1.75% per annum,

payable monthly. The loan matures in three years and principal repayments will commence the month following the first anniversary of the closing date of the first tranche and be paid monthly thereafter (i.e. fully amortized for the remaining 24 months from the date of first principal payment until the end of the third year).

The loan was subject to 3% arrangement fees of the gross amount which was recognised as deferred cost. As part of the loan agreement, 4,109,818 warrants were issued with exercise price of £0.2661 per share. The warrants expire in four years. The fair value of warrants of \$0.9 million is determined through Black Scholes model. Further, Gold equivalent payment (GEP) in total of 223 ounces will be paid over three years. The fair value of the GEP is \$0.34 million. The fair value of the warrants, the GEP, arrangement fee and other transaction costs in the total of \$2.4 million were recognised as deferred cost. The deferred cost is amortised over the term of loan. The principal balance of the NewGen Loan is \$16.4 million (2020: Nil) and the carrying amount (net of deferred expense) of the loan is \$14.5 million (2020: Nil) as of 31 December 2021.

**(f) Supplier Loan**

The Group received loans two suppliers of the Group with interest of 10% per annum. The loans were fully repaid during the year ended 31 December 2021.

**24. Gold Stream**

(\$'000)	2021	2020
Fair value of Gold Stream liability opening balance	7,083	8,675
Movement in fair value of Gold Stream	3,160	(202)
Outstanding gold payable (prepayment)	196	(560)
Gold payments for the year	(1,592)	(830)
<b>Fair value of Gold Stream liability closing balance</b>	<b>8,847</b>	<b>7,083</b>

In March 2010, the Group entered into an agreement ("Gold Stream") with Sandstorm Gold Royalties ('Sandstorm') to sell a portion of the life-of-mine gold production. Under the terms of the agreement, Sandstorm made staged upfront cash payments for the gold to the Group totalling \$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, at market price, 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. The percentage of payable gold of 25% falls to 12% after 175,000 oz of payable gold has been produced and remains payable for the remainder of the period ending 40 years after the date of the agreement. After the expiry of the 40-year term, the agreement is renewable in 10-year terms at the option of Sandstorm. Rambler purchases the payable gold from the market and repayment is made in kind to Sandstorm.

At 31 December 2021, the Group has produced 55,516 payable ounces of gold of which 17,252 ounces were transferable to Sandstorm, out of which 17,717 ounces were transferred, under the agreement as follows:

Production year	Payable gold ounces produced	Ounces transferable
Pre-production	15,429	4,937
1	4,888	1,280
2	5,945	1,904
3	5,408	1,689
4	6,905	2,069
5	3,040	955
6	3,889	1,342
7	5,049	1,569
8	2,708	808
9	2,154	668
10 (to date)	102	32
<b>Total</b>	<b>55,516</b>	<b>17,252</b>

The Gold Stream is accounted for as a financial liability carried at fair value through profit and loss. The liability represents management's best estimate of the time of delivery of payable gold, the total amount of gold expected to be produced over the remaining life of the mine, the timing of production, the Group's view on forecast gold prices and the rate implicit in the loan at the date of inception. Fair value is based on approximated payable gold transferable to Sandstorm of 7,802 ounces at an average price of \$2,089 per ounce discounted at 12.28% per annum. The increase in the fair value of the gold stream of \$3.2m arose from the assumed increase in the gold price.

The following table summarises the impact on loss before tax for changes in the key estimates on the fair value of Gold Stream liabilities.

(\$'000)	2021	2020
5% increase in the price of gold	(442)	(354)
5% decrease in the price of gold	442	354
1% increase in discount rate	346	361
1% decrease in discount rate	(370)	(325)

On 4 April 2022, the Company repurchased the Gold Stream from Sandstorm and the consideration is \$6,713,500 and 1,150 ounces of gold to be delivered over 18 months.

## 25. Provision

### Reclamation and closure provision

(\$'000)	2021	2020
Opening balance	2,196	2,106
(Deduction)/Addition	(500)	500
Transfer to liabilities associated with asset held for sale	-	(514)
Unwinding of discount	64	58
Effect of movements in foreign exchange	7	46
<b>Ending balance</b>	<b>1,767</b>	<b>2,196</b>

The reclamation and closure provision has been made in respect of costs of land restoration and rehabilitation expected to be incurred at the end of the Ming Mine's expected useful life of 20 years. The provision has been calculated based on the present value of the expected future cash flows discounting at 3.02% associated with reclamation and closure activities as required by the Government of Newfoundland and Labrador. The provision relates to restoration of all three sites associated with the Ming Mine project: mill, mine and port sites. The liability is secured by Letters of Credit for \$3.5 million.

The reclamation provision of \$500,000 was made in 2020 in respect of the clean-up costs expected to be incurred for the Plant. The provision was reversed during the year as the agreement with Teck resources did not materialise.

## 26. Derivative financial liabilities

	(\$000)
Balance at 1 January 2020	1,302
Change in fair value of copper forward contract	(593)
Effect of movements in foreign exchange	24
<b>Balance at 31 December 2020</b>	<b>733</b>
Balance at 1 January 2021	733
Change in fair value of copper forward contract	430
<b>Balance at 31 December 2021</b>	<b>1,163</b>

During the year ended 31 December 2020, the Group entered into a forward contract to sell 3,600 tonnes of copper in 2021 at the price of \$7,700 per tonne. During the year ended 31 December 2019, the Group entered into a forward contract with Transamine to sell 3,600 tonnes of copper in 2020 at the price of \$5,820 per tonne.

The difference between the agreed forward rate and the forward rate on the copper that has not been delivered as at year-end is recognised as fair value gain or loss in the consolidated income statement. 584 tonnes of the forward contract with Transamine was outstanding at 31st December 2021, this was settled by February 2022.

## 27. Gold Liability

(\$'000)	2021	2020
Balance at 1 January	-	-
Initial recognition	345	-
Change in fair value of the GEP	1	-
<b>Balance at 31 December</b>	<b>346</b>	<b>-</b>

Gold equivalent payment (GEP) of 223 ounces to be paid to payable to NewGen as part of 3 year senior debt financing. The fair value of GEP is measured at fair valued through profit and loss.



**28. Financial instruments**

The Group's principal financial assets comprise: cash and cash equivalents, restricted cash, equity 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 and Gold Stream.

All of the Group's and Company's financial liabilities are measured at amortised cost with the exception of Gold Stream and derivative financial liabilities. All the their financial assets are classified as loans and receivables and measured at amortised cost with the exception of equity investments and derivative financial instruments.

The Group held the following categories of financial instruments at 31 December 2021:

(\$'000)	Note	2021	2020
<b>Financial assets</b>			
<b>Assets at fair value through profit and loss:</b>			
Derivative financial instruments – level 2 fair value	18	2,473	561
<b>Fair value through other comprehensive income:</b>			
Investment in quoted equity securities – level 1 fair value	14	-	206
<b>Amortised cost</b>			
Other receivables		73	11
Canadian Emergency Wage Subsidy receivable		-	276
Cash at bank		1,605	6,242
Restricted cash		3,568	3,553
		<b>5,246</b>	<b>10,082</b>
<b>Total financial assets</b>		<b>7,719</b>	<b>10,849</b>
<b>Liabilities at amortised cost or equivalent:</b>			
Trade payables		(9,050)	(4,726)
Long term trade payables		(1,505)	(2,705)
Other payables		(1,004)	(5,082)
Accrued expenses		(3,163)	(3,892)
Loans and borrowings		(20,970)	(9,774)
		<b>(35,692)</b>	<b>(26,179)</b>
<b>Liabilities at fair value through P&amp;L</b>			
Gold Stream	24	(8,847)	(7,083)
Gold liability	27	(346)	-
Derivative financial liabilities	26	(1,163)	(733)
<b>Total financial liabilities</b>		<b>(46,048)</b>	<b>(33,995)</b>

The carrying amounts of financial instrument are representative of the fair value related to each class of financial assets and liabilities in both years.

The Company 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 operating cash flow generated from production. The liabilities of the Company are due within one year. The Company has adequate financial resources to meet the obligations existing at 31 December 2021.

**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 monitors events and associated risks on a continuous basis. There is little perceived credit risk in respect of trade and other receivables (see note 17). The Group maximum exposure to credit risk at 31 December 2021 was represented by the carrying amount of the receivables and cash resources.

**Market risk****Foreign currency risk**

The Group has a small amount of cash and certain liabilities including the Gold Stream and the advance purchase facility 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 Group 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 statement of financial position.

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 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**

(\$'000)	2021	2020
10% strengthening of GB pound	(107)	639
10% weakening of GB pound	98	(581)
10% strengthening of Canadian dollar	1,536	1,259
10% weakening of Canadian dollar	(1,396)	(1,145)

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

(\$'000)	2021	2020
Canadian \$	508	1,005
US \$	1,063	722
Sterling	34	4,515
	1,605	6,242

**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 fair value of the Gold Stream 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**

(\$'000)	2021	2020
10% increase in the price of gold	(885)	(708)
25% decrease in the price of gold	2,212	1,771

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

(\$'000)	2021	2020
5% increase in the price of copper, gold and silver	161	285
5% decrease in the price of copper, gold and silver	(161)	(285)

#### 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 management's opinion there is no material difference between the book value and fair value of any of the Group's financial instruments.

### 29. Related parties

#### Identity of related parties

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

The directors Belinda Labatte, Mark Sander, Brad Mills and Terrell Ackerman are all appointed as investor directors or "shareholder associates" to the Rambler board on behalf of the CE Mining Funds and its concert parties. Under a Relationship Agreement entered into in April 2016 CE Mining Funds and its concert parties have the right to appoint four investor directors so long as their shareholding remains greater than 30%.

Sanjay Swarup was the chief financial officer of the Company till January 2021 and is a major shareholder of SKS Business Services Ltd.

Certain major shareholders and certain officers and directors of Plinian Capital Limited are the same as the Group. Plinian Capital Limited is also the investment advisor of CE Mining Funds.

#### Transactions with officers, directors and related parties

(\$'000)	2021	2020
<b>Salary</b>		
A Booyzen <sup>1</sup>	-	92
T Bradbury	250	146
E C Chen	190	20
<b>Fees</b>		
B A Mills <sup>2</sup>	48	19
B Labatte <sup>2</sup>	37	19
M V Sander <sup>2</sup>	41	19
T I Ackerman <sup>2</sup>	44	19
G Poulter	-	15
R Round <sup>3</sup>	42	-
P Patil <sup>3</sup>	41	-
SKS Business Services Ltd. <sup>4</sup>	-	130
Plinian Capital Limited <sup>5</sup>	50	220
	<b>743</b>	<b>699</b>

1. Andre Booyzen resigned as a director from 31 May 2020.
2. The directors fees for these directors are funded by the Group but are paid through Plinian Capital Limited.
3. This includes director fee of \$14,000 which will be settled through issuance of ordinary shares in 2022.
4. SKS Business Services Ltd. ("SKS")'s principle was the Chief Financial Officer until 2020. SKS provides accounting and finance services to the Group.
5. Plinian Capital Limited provided certain consultancy and advisory services for Ming Mine operation.

Ordinary shares, share options, warrants and RSUs held by officers and directors were as follows:

	2021				2020			
	Ordinary shares	Options	RSUs	Warrants	Ordinary Shares	Options	RSUs	Warrants
B Mills	83,333	-	-	2,500	83,333	-	-	2,500
E Chen <sup>1</sup>	246,649	250,000	135,333	-	649	-	-	-
P Patil	82,246	-	-	-	-	-	-	-
R Round	32,246	-	-	-	-	-	-	-
T Bradbury <sup>2</sup>	589,666	3,284,615	246,000	2,500	50,000	2,884,615	-	2,500
	<b>1,034,140</b>	<b>3,534,615</b>	<b>381,333</b>	<b>5,000</b>	<b>167,315</b>	<b>2,884,615</b>	<b>-</b>	<b>5,000</b>

1. Fully vested on 5 June 2020.
2. 3,285,000 options at an exercise price of \$0.3 expiring 3 years to 10 years after vested. The further details of these share options are provided in note 8 personnel expenses.
3. 250,000 options at an exercise price of \$0.3 expiring no later than 10 years after vested.

(\$'000)	2021	2020
Short term employee benefits	1,205	958
Social security costs	34	41
Share based payments	801	122
	<b>2,040</b>	<b>1,121</b>

### Subsidiaries

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

Name	Class	Holding	Activity	Country of incorporation	Registered address
Rambler Mines Limited	Ordinary	100%	Holding company	England	3 Sheen Road Richmond Upon Thames, Surrey TW9 1AD
Rambler Metals and Mining Canada Limited	Common	100% (indirectly)	Exploration, development and mining	Canada	PO Box 610 Baie Verte, NL A0K 1B0
1948565 Ontario Inc.	Common	100%	Exploration	Canada	PO Box 610 Baie Verte, NL A0K 1B0

CE Mining III Rambler Limited, CE Mining II Rambler Limited and Aether Real Assets Co-Investment I, L.P are the key shareholder of the Group. Details of related party transactions with these entities are included in note 23.

### Ultimate and controlling party

CE Mining III Rambler Limited, CE Mining II Rambler Limited and Aether Real Assets Co-Investment I, L.P are deemed to be acting in concert and their shareholding was 25.1% as of 31 December 2021.

### 30. Subsequent events

On 4 April 2022, the Group entered into a gold purchase and sale agreement with Elemental Royalties Corp. ("Elemental") (TSX-V:ELE, OTCQX:ELEMF) (the "Agreement"), in relation to

production from its Ming Mine to sell 50% of accountable gold to Elemental until 10,000 ounces of gold have been delivered, decreasing to 35% until a further delivery of 5,000 ounces of gold and 25% thereafter for the life of the mine. Elemental will make ongoing payments to Rambler equal to 20% of the market price of gold for each ounce of gold delivered by Rambler. Rambler receives \$11 million as consideration and \$6,713,500 was paid to Sandstorm to repurchase the Gold Stream. Refer to Note 24 for details.

On 3 February 2022, the Group raised gross proceeds of £3,833,644 (approximately US\$5,200,000) by way of a placing of 14,466,580 new ordinary shares at a price of 26.5 pence per share.



# Rambler Metals and Mining Plc Company Financial Statements

# Company Statement of Comprehensive Income

For the Year Ended 31 December 2021

(\$000)	2021	2020
Loss for the period	(843)	(2,774)
<b>Other comprehensive income</b>		
<i>Items that may be reclassified into profit or loss</i>		
Exchange differences on translation into presentation currency	(1,530)	3,140
<b>Other comprehensive profit for the period</b>	<b>(1,530)</b>	<b>3,140</b>
<b>Total comprehensive profit for the period</b>	<b>(2,373)</b>	<b>366</b>

# Company Statement of Financial Position

As at 31 December 2021

(\$000)	Note	2021	2020
<b>Assets</b>			
Investments	C2	1,532	1,547
Property, plant and equipment		1	1
Loans	C2	127,160	101,079
<b>Total non-current assets</b>		<b>128,693</b>	<b>102,627</b>
Trade and other receivables	C4	155	49
Cash and cash equivalents		35	4,521
<b>Total current assets</b>		<b>190</b>	<b>4,570</b>
<b>Total assets</b>		<b>128,883</b>	<b>107,197</b>
<b>Liabilities</b>			
Trade and other payables	C5	1,121	631
<b>Total current liabilities</b>		<b>1,121</b>	<b>631</b>
Net current assets		(931)	3,939
Trade and other payables	C5	26	33
<b>Total non-current liabilities</b>		<b>26</b>	<b>33</b>
<b>Total liabilities</b>		<b>1,147</b>	<b>664</b>
<b>Net assets</b>		<b>127,736</b>	<b>106,533</b>
<b>Equity</b>			
Issued capital	20	1,960	1,088
Deferred share capital		17,694	17,694
Share premium	20	138,739	115,191
Warrants reserve	20	1,484	3,185
Share option reserve	20	1,805	947
Translation reserve		(6,721)	(5,191)
Retained profit		(27,224)	(26,381)
<b>Total equity</b>		<b>127,737</b>	<b>106,533</b>

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 \$2.4 million (2020: profit of \$0.4 million).

The Company financial statements were approved and authorised for issue by the Board on 16 May 2022 and signed on their behalf by:

**Toby Bradbury**  
Director and Chief Executive Officer

**Brad Mills**  
Director and Chairman



# Company Statement of Changes in Equity

(\$000)	Share capital @ 1 penny	Share capital @ 0.01 penny	Deferred Share capital @.99 penny	Share premium	Warrants reserve	Share option reserve	Translation reserve	Accumulated losses	Total
Balance at 1 January 2020	17,872	-	-	99,059	-	854	(8,331)	(23,607)	85,838
<b>Comprehensive income</b>									
Loss for the year	-	-	-	-	-	-	-	(2,774)	(2,774)
Foreign exchange translation differences	-	-	-	-	-	-	3,140	-	3,140
<b>Total other comprehensive income</b>	-	-	-	-	-	-	<b>3,140</b>	<b>(2,774)</b>	<b>366</b>
<b>Total comprehensive loss for the year</b>	-	-	-	-	-	-	<b>3,140</b>	<b>(2,774)</b>	<b>366</b>
Share restructure	(17,872)	179	17,694	-	-	-	-	-	-
Issue of share capital	-	909	-	17,269	-	-	-	-	18,178
Share issue expenses	-	-	-	(1,137)	-	-	-	-	(1,137)
Issue of warrants	-	-	-	-	3,185	-	-	-	3,185
Share based payments	-	-	-	-	-	102	-	-	102
Transactions with owners	(17,872)	1,088	17,694	16,132	3,185	102	-	-	20,328
<b>Balance at 31 December 2020</b>	-	<b>1,088</b>	<b>17,694</b>	<b>115,191</b>	<b>3,185</b>	<b>947</b>	<b>(5,191)</b>	<b>(26,381)</b>	<b>106,533</b>
Balance at 1 January 2021	-	1,088	17,694	115,191	3,185	947	(5,191)	(26,381)	106,533
<b>Comprehensive income</b>									
Loss for the year	-	-	-	-	-	-	-	(843)	(843)
Foreign exchange translation differences	-	-	-	-	-	-	(1,530)	-	(1,530)
<b>Total other comprehensive income</b>	-	-	-	-	-	-	<b>(1,530)</b>	<b>(843)</b>	<b>(2,373)</b>
<b>Total comprehensive loss for the year</b>	-	-	-	-	-	-	<b>(1,530)</b>	<b>(843)</b>	<b>(2,373)</b>
Share restructure	-	-	-	-	-	-	-	-	-
Issue of share capital	-	737	-	19,700	-	-	-	-	20,437
Share issue expenses	-	-	-	(862)	-	-	-	-	(862)
Issue of warrants	-	135	-	4,710	(1,701)	-	-	-	3,144
Share based payments	-	-	-	-	-	858	-	-	858
Transactions with owners	-	872	-	23,548	(1,701)	858	-	-	23,577
<b>Balance at 31 December 2021</b>	-	<b>1,960</b>	<b>17,694</b>	<b>138,789</b>	<b>1,484</b>	<b>1,805</b>	<b>(6,721)</b>	<b>(27,224)</b>	<b>127,737</b>

# Company Statement of Cash Flows

For the Year Ended 31 December 2021

(\$000)	2021	2020
<b>Cash flows from operating activities</b>		
Loss before tax	(843)	(1,377)
Share based payments	858	102
Foreign exchange gains	(1,752)	(384)
Finance cost	55	-
Increase in debtors	(13)	(31)
Increase in creditors	385	180
Other income	-	(11)
Cash utilised in operations	(1,310)	(1,521)
Interest paid	(50)	-
<b>Net cash utilised in operating activities</b>	<b>(1,360)</b>	<b>(1,521)</b>
<b>Cash flows from investing activities</b>		
Advances to subsidiaries	(27,635)	(5,027)
Loans repaid by subsidiaries	1,786	2,816
Purchase of property, plant and equipment	-	(1)
<b>Net cash utilised in investing activities</b>	<b>(25,849)</b>	<b>(2,212)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of share capital (note 20)	22,719	7,935
Loan received	-	-
<b>Net cash generated from financing activities</b>	<b>22,719</b>	<b>7,935</b>
Net increase/(decrease) in cash and cash equivalents	(4,490)	4,202
Cash and cash equivalents at beginning of period	4,521	47
Effect of exchange rate fluctuations on cash held	3	272
<b>Cash and cash equivalents at end of period</b>	<b>34</b>	<b>4,521</b>

# Notes to the Company Financial Statements

## C1. Nature of operation and going concern

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 and loans

(\$000)	Investment in subsidiary	Loans	Total
<b>Cost</b>			
Balance at 1 January 2020	1,499	86,988	88,487
Advances	-	5,027	5,027
Loans converted to equity	-	9,885	9,885
Repayments	-	(2,816)	(2,816)
Effect of movements in foreign exchange	48	1,995	2,043
<b>Balance at 31 December 2020</b>	<b>1,547</b>	<b>101,079</b>	<b>102,626</b>
Balance at 1 January 2021	1,547	101,079	102,626
Advances	-	27,635	27,635
Repayments	-	(1,786)	(1,786)
Effect of movements in foreign exchange	(15)	232	217
<b>Balance at 31 December 2021</b>	<b>1,532</b>	<b>127,160</b>	<b>128,692</b>

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

Name	Class	Holding	Activity	Country of incorporation	Registered address
Rambler Mines Limited	Ordinary	100%	Holding company	England	3 Sheen Road Richmond Upon Thames, Surrey TW9 1AD
Rambler Metals and Mining Canada Limited	Common	100% (indirectly)	Exploration, development and mining	Canada	PO Box 610 Baie Verte, NL A0K 1B0
1948565 Ontario Inc.	Common	100%	Exploration	Canada	PO Box 610 Baie Verte, NL A0K 1B0

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

The loans to the subsidiary undertakings are interest free.

**C3. Deferred tax**

The Company has incurred losses which will be available for offset against future taxable profits. Given the Company does not generate any income to set off against the available losses the Company has completely written off the deferred tax asset of Nil (2020: Nil) in current year. Therefore, deferred tax asset as at 31 December 2021 was Nil (2020: Nil)

**C4. Trade and other receivables**

(\$'000)	2021	2020
Sales taxes recoverable	62	49
Prepayments and other receivable	93	-
	<b>155</b>	<b>49</b>

**C5. Trade and other payables less than one year**

(\$'000)	2021	2020
Trade payables	279	352
Provision	263	-
Accrued expenses	579	279
	<b>1,121</b>	<b>631</b>

**Trade and other payables less than one year**

(\$'000)	2021	2020
Trade payables	26	33
	<b>26</b>	<b>33</b>

**C6. 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 29).

**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 29.

# Additional Information

## Forward looking statements

This ANNUAL REPORT 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 modelled 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 year ended 31 December 2021. 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 ANNUAL REPORT, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Unless stated otherwise, statements containing FLI herein are made as of the date of this STRATEGIC REPORT 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 ANNUAL REPORT 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 ANNUAL REPORT 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 grade shortfalls
Increase underground production from the Ming Mine to around 2,000 tonnes per day	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

### Alternative Performance Measures

The Company has included Alternative 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, earnings before interest, taxes, depreciation, amortisation ('EBITDA') and net debt.

C1 and C3 costs per pound of saleable copper are common performance measures in the mining industry but do not have any standardised 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. There has been a change in calculation of C1 costs as the sandstorm gold transfer and royalties were earlier deducted from by-product credits but now they are excluded from C1 calculation and included directly in C3 calculation. This change has no impact on C3 costs. The following tables provide reconciliation of said costs to the Company's financial statements for the year ended 31 December 2021:

### Cash Operating Cost

(\$'000) except pounds of saleable copper	2021	2020
<b>Production Costs per financial statements</b>	<b>\$29,475</b>	<b>\$28,113</b>
Less: Royalties	(106)	(99)
<b>Cash Production Costs</b>	<b>\$29,369</b>	<b>\$28,014</b>
On-site general administration costs	4,984	3,903
By-product credits	(3,535)	(4,548)
<b>Net direct cash costs (C1)</b>	<b>\$30,818</b>	<b>\$27,369</b>
Pounds of saleable copper	7,228	7,937
<b>C1 cost per pound of saleable copper</b>	<b>\$4.26</b>	<b>\$3.45</b>

### C3 per pound of saleable copper

(\$'000) except pounds of saleable copper	2021	2020
Net direct cash costs (see above)	\$30,818	\$27,369
Depreciation and amortisation	7,723	6,288
Corporate cash expense	1,214	1,190
Cash interest expense	1,252	1,279
Transferable Gold Stream payments	1,038	1,270
Royalties	106	99
<b>Fully allocated costs (C3 cost)</b>	<b>\$42,151</b>	<b>\$37,495</b>
Pounds of saleable copper	7,228	7,937
<b>C3 cost per pound of saleable copper</b>	<b>\$5.83</b>	<b>\$4.72</b>

EBITDA is a widely used metric of corporate profitability. EBITDA is a measure of a company's overall financial performance and is used as an alternative to simple earnings or net income in some circumstances. EBITDA is used to analyse and compare profitability among companies and industries, as it eliminates the effects of financing and capital expenditures.

#### Earnings before interest, tax and depreciation

(\$'000)	2021	2020
Loss after tax per financial statements	(13,998)	(1,763)
Taxation	(7,921)	(10,042)
Net interest	5,690	1,881
Depreciation and amortisation	7,723	6,288
<b>EBITDA</b>	<b>(8,506)</b>	<b>(3,636)</b>

Net debt is a liquidity metric used to determine how well a company can pay all its debts if they were due immediately. Net debt shows how much debt a company has on its balance sheet compared to its liquid assets. Net debt shows how much cash would remain if all debts were paid off and if a company has enough liquidity to meet its debt obligations.

(\$'000)	2021	2020
Cash and cash equivalents	1,605	6,242
Loans and borrowings	(20,970)	(9,774)
<b>Net debt</b>	<b>(19,365)</b>	<b>(3,532)</b>

#### Outstanding Shares and Options

As at the date of this Annual Report the following securities are outstanding:

Security	Shares issued or issuable	Weighted average exercise price
Common Shares@0.01*	144,679,554	-
Deferred Shares@0.99	1,296,411,642	-
Warrants	6,462,324	US\$0.19
Options	4,796,154	US\$0.11
RSUs	787,733	-

\* Common shares @0.01p were consolidated whereby every 100 ordinary shares of 0.01 pence each are consolidated into 1 ordinary share of 1 pence each

# if all options have fully vested





# Appendix 1:

## Mineral Resource Estimate Notes

### Ming Mine Mineral Resource Note 1

- 1) Mineral Resources are not Mineral Reserves and have not demonstrated economic viability. All figures are rounded to reflect the accuracy of the estimate. Cut-off grades of 1.0 % copper for the massive sulphides, 1.25 grammes per tonne gold for any gold zones and 1.0 % copper for the stringer sulphides have been used in the estimate. Resources are inclusive of reserves.
- 2) Cut-offs are based on an NSR model and forecast long term metal prices of USD\$2.99 per pound copper, USD\$1,300 per ounce gold and USD\$17.00 per ounce silver with a long-term USD/CDN FX rate of 1:0.80. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- 3) Inverse Distance Cubed (ID3) was used for grade interpolation of the Lower Footwall Zone. All other zones at the Ming Mine (Ming North, Upper Footwall, Ming North, Ming South, 1807/06) used Ordinary Kriging (OK) for grade interpolation.
- 4) Domain models were generated with Datamine software, oriented along the trend of the mineralization and determined by selecting copper grades equal to or greater than 1.0% Cu with demonstrated continuity along strike and down dip. Grade interpolation was undertaken with Datamine software.
- 5) Assays were analyzed at Ramblers Nugget Pond assay lab or third-party facility. All assays are verified through Ramblers QAQC program, including field and lab duplicates, certified standards, and blanks.
- 6) The Mineral Resource Estimate is based on a database containing 1,388 diamond drill holes from surface and underground totaling 230,736m.
- 7) The Mineral Resources were estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Best Practices Guidelines (2019) prepared by the CIM Standing Committee on MRR Definitions and adopted by the CIM Council. The effective date for the Mineral Resource Estimate is 31 March 2022.

### Ming Mine Mineral Reserve Note 2

- 1) The updated mineral reserve is effective as of 31 March 2022. This is a depleted estimate and not a fully updated mineral reserve based on the new mineral resource date 31 March 2022. The intention is that a fully updated mineral reserve and life of mine production plan will be released before the end of 2022.
- 2) All figures are rounded to reflect the accuracy of the estimate; numbers may not total due to this rounding. This reserve statement reflects changes to reserves based on depletion due to mining since 2018. The NSR for the reserve material was calculated using an all-in cost of USD\$72 per tonne of ore milled.
- 3) Long term metal prices of USD\$2.99 per pound copper, USD\$1300 per ounce gold and USD\$17.00 per ounce silver with a long-term USD/CDN FX rate of 1:0.80.
- 4) The effective date for the Mineral Reserve Estimate is 31 March 2022.
- 5) Mineral Resources and Reserves for the Ming Mine were estimated under the supervision of Mark Ross, P. Geo., who is a qualified person as defined by NI43-101.

**Little Deer Mineral Resource Note 3**

- 1) Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- 2) The Inferred Mineral Resource in this estimate has a lower level of confidence that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
- 3) The Mineral Resources in this news release were estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
- 4) Inverse Distance Squared was used for Cu and Co grade interpolation with Inverse Distance Cubed for Au and Ag.
- 5) Cu was the only metal used in the derivation of the Mineral Resource Estimation tonnage and classification. Au, Ag, and Co were not used in the Mineral Resource Estimation as the distribution of assay values was deemed to be too sparse, although sufficient for non cut-off dependent reporting.
- 6) Grade capping by domain for Cu on 1.5m composites was as follows: LD200=12%, LD210=6%, LD220=6%, WB100=12% and WB110=3%.
- 7) A variable bulk density based on numerous field measurements was used for tonnage calculations.
- 8) Domain models were generated with Leapfrog<sup>TM</sup> software, oriented along the trend of the mineralization and determined by selecting copper grades equal to or greater than 1.0% Cu with demonstrated continuity along strike and down dip. Grade interpolation was undertaken with Gemcom<sup>TM</sup> software.
- 9) A copper price of US\$3.60/lb (May 31, 2021 Consensus Economics long term price) and a USD:CDN exchange rate of 0.76 was utilized to derive the 1% Cu cut-off grade. Mining costs were C\$50/t, process costs were C\$22/t and G&A was C\$18/t. Concentrate freight and smelter treatment charges were C\$10/t mined. Concentrate mass pull was 7%, process recovery was 97%, smelter payable was 96% and Cu refining was US\$0.08/lb.
- 10) All assays were analyzed at Eastern Analytical Limited of Springdale Nfld. A QAQC program of field and lab duplicates, certified standards and blanks was in place.
- 11) The Mineral Resource Estimate is based on a database containing 622 diamond drill holes from surface and underground totalling 132,972 m