Rambler Metals and Mining PLC: Interim Results Quarter Ended April 30, 2011

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LONDON, UNITED KINGDOM and BAIE VERTE, NEWFOUNDLAND AND LABRADOR -- (Marketwire - June 20, 2011) - Rambler Metals and Mining PLC (TSX VENTURE: RAB) (AIM: RMM) ("Rambler" or the "Company") today is pleased to report its financial results and operational highlights for the quarter year ended 30 April 2011. The Company is focused on bringing the Ming Copper-Gold Mine ("Ming Mine") located in Newfoundland and Labrador's Baie Verte Peninsula, Canada, into full production.

Operational Highlights

- Successfully raised CAD$15 million after expenses through the placing of 27,777,778 ordinary shares on May 3, 2011. The proceeds will be used to provide the working capital required ahead of full production at the Ming Mine.

- Final permits received from the Government of Newfoundland and Labrador for the Ming Mine, allowing for the final payment of US$6 million to Rambler under the terms of the Gold Loan agreement with Sandstorm Gold Ltd.

- Processing of the Nugget Pond Crown Pillar commenced in mid May 2011 at an average throughput rate of 430 tonnes per day and concluded on June 13, producing approximately 880 gold ounces at estimated cash cost of $493 per ounce. Final reconciliation of totalled recovered ounces will be known following the completion of further refining and the treatment of material recovered during system cleanout.

- Following completion of the Crown Pillar ore haulage and processing of the Tilt Cove-East Mine Deposit commenced on June 13, 2011.

- Updated NI43-101 resource estimates for the Lower and Upper footwall Zones at the Ming Mine with an increase of 1.63 million tonnes representing an additional 27,375 tonnes of contained copper, 403 ounces of gold and 53,827 ounces of silver resulting in a 21% increase.

- All construction continued on schedule including the concentrator expansion and mine site. The new office/dry facility was completed in preparation for an increase in the underground workforce. Construction of concentrate storage facility in Goodyear's Cove scheduled to begin late June.

- Exploration continued during the quarter, including a notable discovery of high grade visible gold on the 1700 level at the Ming Mine.

Financial Highlights (All expressed in CAD$)

- During the quarter, the Group generated gross profit of $8,000 some of which was attributable to the completion of a third party test program at the Nugget Pond Mill compared with a gross profit of $68,000 in Q2/11.

- The Net Profit for the quarter ended April 30, 2011 was $193,000 including an exchange gain of $836,000 or $0.002 per share compared to a net loss of $555,000 for Q2/11 and a net loss of $630,000 for Q3/10.

- Cash flows utilized for operating activities were $406,000 in Q3/11 compared to $979,000 in Q2/11 and $307,000 in Q2/10. The decrease in the cash utilized is due to changes in working capital.

- Cash resources (including short-term investments) as at April 30, 2011 were $2.4 million and as of June 20, 2011 had increased to $12.3 million.

George Ogilvie, President and CEO, Rambler Metals & Mining commented;

"The Group's performance over the past quarter has been extremely positive with new revenue being generated from the Company's own mineral property, the Nugget Pond Crown Pillar. Furthermore, our continued exploration at the Ming Mine has resulted in the discovery of visible gold underlining our belief that the Ming Mine will continue to provide high grade discoveries with continued exploration.

The coming months will be a pivotal turning point for the company as our flagship project will be in production during the second half of 2011."

About Rambler

Rambler Metals and Mining is Junior Mining Company that has 100% ownership of the Ming Copper-Gold Mine in Baie Verte, Newfoundland and Labrador, Canada. Our objective is to become a mid-tier mining company by bringing the Ming Mine into production, discovering new deposits and through M&A's. Following the acquisition of the Ming Mine, Rambler, listed on the London AIM in 2005 and Toronto TSX-V in 2007.

The Ming property had been a former underground copper and gold producing mine that ceased production when the deposit reached a then third party property boundary. This neighbouring property was subsequently consolidated before being brought into Rambler's portfolio. Rambler now owns a 100% interest in the property.

The area where the mine is located is a former mining centre and subsequently good infrastructure exists including roads, fresh water, hydro, access to a working port while the town of Baie Verte, population 1,300 is located 17km away.

Over the last several years Rambler has been exploring on the property leading to the publication of three NI43-101 resource statements, a newly published reserve statement, the discovery of new mineralized lenses and the extension of pre-existing lenses. Today all mineralization remains open in multiple directions while, importantly, the deposit has not been cut-off at depth. The underground workings have been dewatered and services including air, water and electrical re-installed.

Following the successful publication of a positive Feasibility Study Rambler has now entered the construction phase of the project and expects to bring the Ming Mine back into production in the second half of 2011.

Management's Discussion & Analysis ('MD&A')

For the Quarter Ended April 30, 2011

This MD&A, including appendices, is intended to help the reader understand Rambler Metals and Mining plc ('the parent company') and its subsidiaries (the 'Group' or 'Rambler'), our operations and our present business environment. It has been prepared as of June 20, 2011 and covers the results of operations for the quarter ended April 30, 2011. This discussion should be read in conjunction with the audited Financial Statements for the year ended 31 July 2010 and notes thereto.These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations adopted by the International Accounting Standards Board ("IASB"), as adopted by the European Union and with IFRS and their interpretations adopted by the IASB.The presentation currency is Canadian dollars. This is a change from previous MD&As which were presented in United Kingdom pounds sterling (GB pounds). Amounts previously reported in GB pounds have been translated at the closing exchange rate for balance sheet items and the average rate for income statement and cash flow items.These statements together with the following MD&A are intended to provide investors with a reasonable basis for assessing the potential future performance.

Rambler Metals and Mining plc
Salatin House
19 Cedar Road
Sutton
Surrey
SM2 5DA.

GROUP OVERVIEW

The principal activity of the Group is the development and exploration of the Ming Copper-Gold Mine ('Ming

Mine') located on Newfoundland and Labrador's Baie Verte Peninsula.

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

The Group has established the following three strategic goals:

1. Become a profitable copper and gold producer.
2. Increase existing Ming Mine resources and reserves through further exploration.
3. Selectively pursue growth opportunities within Atlantic Canada including joint ventures and acquisitions.

The Group's directors and management believe that focussing on these priorities will provide the Group with the best opportunity to build a successful and long term mining operation.

HIGHLIGHTS OF THE THIRD QUARTER

- On May 3, 2011 the Group raised finance of $15 million after expenses from the placing of 27,777,778 ordinary shares at 36 pence each (approximately CDN$0.57) to support bringing the Ming Mine into production.

- On April 18, 2011 the Group received production approval from the Department of Natural Resources to begin the open pit development of its Nugget Pond Crown Pillar satellite deposit. With the final approval the Group signed contracts for the drilling, blasting and haulage of the waste and ore materials. Processing commenced in mid May 2011 at an average throughput rate of 430 tonnes per day and concluded on June 13 producing approximately 880 gold dore ounces at an estimated total cash cost of $493 per ounce. Final reconciliation of totalled recovered ounces will be known following the completion of further refining and the treatment of material recovered during system cleanout.

- Following completion of the Crown Pillar ore haulage and processing of the Tilt Cove-East Mine Deposit commenced on June 13 2011.

- On March 8, 2011 the Group received the final permits from the Government of Newfoundland and Labrador for the Ming Mine. Subsequently, on March 14, 2011 the final US$6 million payment under the terms of the Gold Loan agreement was received from Sandstorm Gold Ltd ('Sandstorm').

- Updated the Group's NI43-101 Resource Estimate for the Lower and Upper Footwall Zones at the Ming Mine which included an increase of 1.63 million tonnes in the Lower Footwall Zone representing an additional 27,375 tonnes of contained copper, 403 ounces of gold and 53,827 ounces of silver representing an overall indicated resource increase of 21%.

- Nugget Pond Mill concentrator expansion, site construction and the new office and dry facility continued on schedule. The new office/dry facility is now complete and will now support an increase in the underground work force. Construction of the concentrate storage facility is scheduled to begin in Goodyear's Cove in late June.

- The majority of underground equipment has arrived on site with additional deliveries scheduled throughout the coming months ahead of the start up of production.

- Exploration of the Ming Mine continued as new drifts provided access to previously underexplored areas. The discovery of high grade visible gold on the 1700 level during the quarter was of particular significance and exploration will continue alongside pre-production development.

- At quarter end a total of 108 employees were employed on the Ming Mine project including a Chief Mining Engineer and Human Resources Manager who were successfully recruited during the quarter. Additional employment is anticipated as the Group moves closer to bringing the mine back into production in the second half of calendar 2011.

FINANCIAL RESULTS

- During the quarter the Group generated gross profit of $8,000 some of which was attributable to the completion of a third party test program at the Nugget Pond Mill compared with a gross profit of $68,000 in Q2/11. The net profit for the quarter ended April 30, 2011 was $193,000 including an exchange gain of $836,000 or $0.002 per share which compares to a net loss of $555,000 for Q2/11 and a net loss of $630,000 for Q3/10.

- Cash flows utilized for operating activities were $406,000 in Q3/11 compared to $979,000 in Q2/11 and $307,000 in Q2/10. The decrease in the cash utilized is due to changes in working capital.

- Cash resources (including short-term investments) as at April 30, 2011 were $2.4 million and as of June 20, 2011 had increased to $12.3 million.

HEALTH AND SAFETY

- The Group completed the quarter without any lost time accidents or medical aid injuries.

- The Health and Safety of the Group's employees continues to be a high priority.

- There were no environmental incidents.

OUTLOOK

The Group continues to look at the following short term objectives:

- Complete construction and development at both the Nugget Pond Mill, Ming Mine and Port sites in order to become a revenue generating operation during the calendar 2H 2011.

- Actively recruit additional underground personnel and process operators for the Ming Mine.

- Continue pre-production development in the Ming Mine to expose the 1806 and 1807 ore zones to permit both up-dip and down-dip exploration of these zones.

- Develop a sound business plan for development of the Footwall Zones.

- Commence the processing of the Tilt Cove East Mine Deposit.

See 'Forward Looking Information' for a description of the factors that may cause actual results to differ from forecast.

CAPITAL PROJECTS UPDATE

Effective September 1, 2010, following acceptance of the Ming Mine feasibility study by Sandstorm, the Ming Mine project moved from pure Exploration & Evaluation into the Mine Development stage. Subsequently, all expenditures incurred in bringing the Ming Mine through the construction and development stage are now being capitalised to Mineral Properties.

During the quarter the Group incurred $4,920,000 on Mineral Property, $7,246,000 on property, plant and equipment and $32,000 on exploration and evaluation of the Ming Mine.

Mineral Property (capital development of Ming Mine by category) Q3/11 Q2/11 Q3/10
$,000 $,000 $,000
Labour costs 1,612 923
Contractors' and consultancy expenses 122 1,085 -
General materials and other costs 216 289 -
Surface development 231 117 -
Underground development 1,103 1,141 -
Sub-total 3,284 3,555 -
Finance costs 383 220 -
Depreciation 692 386 -
Reclamation and closure provision 561 51 -
Total 4,920 4,212 -

Mineral property costs increased in Q3/11 compared to Q2/11 in line with the aim of bringing the mine into production during the second half of 2011. Q3 expenditure included a full quarter with an increased workforce, increased reclamation and closure costs following the receipt of the construction permits, increased finance costs following the receipt of the final instalment of the Gold Loan and increased depreciation costs offset by a reduction in contractors and consultancy expenses due to the completion of the shaft manway rehab in Q2.

Mineral Property (capital development of Ming Mine by area, before finance cost, depreciation and

reclamation)) Q3/11 Q2/11 Q3/10
$,000 $,000 $,000
Surface 705 265
1806 ore zone 642 8 -
1807 ore zone 108 827 -
Ramp improvements 1,361 667 -
Shaft manway rehab 190 1,400
Administrative 278 388 -
Total 3,284 3,555 -

Surface related costs increases in Q3/11 compared to Q2/11 mainly due to construction timing of the new office/dry facility. Increased costs were also experienced on the 1806 ore zone and ramp improvements in Q3/11 compared to Q2/11. Underground operations increased the focus on ramp improvements which subsequently allowed further development of the 1806 ore zone. 1807 ore zone expenditures decreased in Q3/11 compared to Q2/11 as a consequence of the increased focus previously noted. The Shaft manway rehabilitation was completed during Q3/11

Property, plant and equipment	Q3/11	Q2/11	Q3/10
	$,000	$,000	$,000
Mill purchase and construction	2,996	4,536	482
Plant and equipment	3,650	3,790	11
Buildings	552	674	71
Other assets	48	17	23
Total	7,246	9,017	587

Property, plant and equipment reduced during Q3/11 compared to Q2/11 due to more significant contractor's expenditures being incurred on the Mill Construction in Q2 for steel fabrication and installation and concrete preparation.

Exploration and evaluation costs (Ming Mine)	Q3/11	Q2/11	Q3/10
	$,000	$,000	$,000
Labour costs	15	1	352
Consultancy expenses	16	14	514
Operating costs	1	1	194
Finance costs	-	-	231
Depreciation	-	-	437
Total	32	16	1,728

Effective September 1, 2010, following acceptance of the Ming Mine feasibility study by Sandstorm, the Ming Mine project moved from pure Exploration & Evaluation into the Mine Development stage. Exploration expenditures incurred during these two quarters related to updating and validation of the Footwall Zone resources.

FINANCIAL REVIEW

Comparatives
Q3/11 Results ($000's) Commentary Q2/11 B/ (W)* Q3/10 B/ (W)
183 Revenue was generated through further toll milling contracts at the Nugget Pond Mill during Q3 and subsequently concluded in early May 2011. 266 (31)% - N/a
175 Operating Costs relate to labour, material, consultancy and power costs for operating the mill for processing the ore under the toll processing agreements. 198 12 % - N/a
618 General and administrative expenses were lower than the previous quarter by $80,000. Employment costs reduced by $16,000 as a result of the retirement of the UK based company secretary, legal and professional fees reduced by $32,000 due to reduced registrar charges , travel and investor relation costs reduced by $36,000 and general office expenses increased by $4,000.

In comparison to Q3/10 administrative expenses increased by $5,000. Employment costs increased by $4,000, general office expenses by $21,000 offset by a decrease in legal and professional fees of $20,000 due to reduced AGM costs. 698 11 % 613 (0 %)
836 Foreign exchange gains arising on the Gold Loan increased in Q2/11 as a result of the continued

strengthening of the Canadian dollar against the US dollar during the quarter. 81 932 % - N/a
16 Exploration costs decreased compared to the previous quarters as a result of reduced activity relating to the various opportunities in the Ming Mine area. 31 48 % 19 16 %
4,920 Mineral Properties. The group incurred costs of $4.9 million in the quarter including labour costs of $1.6 million, contractor and material costs of $0.3 million, underground development costs of $1.1 million depreciation of $0.7 million, finance costs of $0.4 million and reclamation and closure costs of $0.6 million. 4,212 17 % - N/a
7,246 Capital spending on property, plant and equipment decreased during the quarter compared to the previous quarter reflecting the continued spending on equipment for the refurbishment of the mill, acquisition of underground mining equipment and office/dry building and other purchases related to the preparation of the Ming Mine for production. Underground mining equipment additions include $3.3 million financed through capital lease financing.

The increase from Q3/10 is due to the reasons outlined above. 9,017 (20)% 587 1,134 %
32 Capital spending on exploration and evaluation costs remained at a low level during the quarter following the commencement of mine development on September 1, 2010. 16 (100)% 1,728 (98)%

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

SUMMARY OF QUARTERLY RESULTS

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

Quarterly Results
(All amounts in 000s of Canadian Dollars, except Loss per share figures) 4th
Quarter 3rd
Quarter 2nd
Quarter 1st
Quarter
Fiscal 2011
Revenue 183 266 985
Net Income/ (loss) 193 (555) (268)
Earnings/(loss) per Share (Basic & Diluted) 0.002 (0.006) (0.003)
Fiscal 2010
Revenue - - - -
Net Income/ (loss) (676) (644) (591) (515)
Loss per Share (Basic & Diluted) (0.008) (0.008) (0.007) (0.006)
Fiscal 2009
Revenue -
Net Income/ (loss) (470)
Loss per Share (Basic & Diluted) (0.008)

Losses for the third and fourth quarters of 2009 started to fall as a result of a cost reduction programme. Losses for the first quarter of 2010 increased slightly mainly as a result of the weakening of the GB Pound against the Canadian Dollar. Losses for the second quarter of 2010 further increased as a result of increased legal and professional charges in connection with financing options and the AGM. The continued weakening of the GB Pound against the Canadian Dollar resulted in a further increase in losses in the third quarter of 2010. Losses in the fourth quarter of 2010 increased as a result of an unrealised exchange loss offset by reductions in legal and professional charges and staff costs. Losses in the first quarter of 2011 reduced as a result of revenue from toll processing and rose again in the second quarter of 2011 following the completion of toll processing in November 2010. The profit arising in Q3 2011 included an exchange gain of $0.8 million arising on the retranslation of the Gold Loan following the weakening of the US Dollar against the Canadian Dollar during the quarter.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

The Group's holding of cash balances is kept under constant review and surplus funds are held on deposit. Given the current climate, the Group has taken a very risk averse approach to management of cash resources and Management and Directors monitor events and associated risks on a continuous basis. Cash and short-term investment resources, (cash, cash equivalents and short-term investments) were as follows:

Resource April 30, 2011
$'000 July 31, 2010
$'000
Cash $CDN 1,519 1,098

Cash $US 789 -
Cash GBP 51 67
Short-term Investments $CDN - 6,351
Short-term Investments GBP 118 484
Total 2,477 8,000

Interest of 1.10% was received on Canadian dollar deposits during the quarter.

Net proceeds from financing activities during the quarter amounted to $5.4 million from the final draw down received from the Gold loan of $5.6 million net of financing fees offset by finance lease repayments of $0.2 million.

Cash flows used in investing activities amounted to $7.4 million for the quarter. Investments included $1.1 million in a bearer deposit note, $2.5 million in mine development, $2.8 million on the Nugget Pond Mill and $0.9 million on property, plant and equipment. The group is required to hold a Letter of Credit in favour of the Government of Newfoundland and Labrador in respect of the reclamation and closure liability at the existing Nugget Pond Mill and Ming Mine. At quarter end the Group holds bearer deposit notes totalling $3.13 million.

On May 3, 2011 the Company raised finance of $15 million after expenses from the placing of 27,777,778 ordinary shares at 36 pence each. Management continues to closely monitor key milestones associated with bringing the mine into production in the second half of calendar 2011 and is satisfied the Group has sufficient working capital for the forthcoming 12 months. On this basis, the Directors have concluded that the Group is a going concern, however, slippage against key milestones may necessitate other sources of finance to be considered to satisfy short term working capital requirements as marketing commences. There is no certainty that these funds will be forthcoming.

At 20 June 2011 the Group has $12.3 million in cash and cash equivalents with a proportion invested in short dated term deposits and bankers acceptances.

Financial Instruments

The Group's financial instruments as at April 30, 2011 comprised of financial assets of cash and cash equivalents and trade and other receivables and financial liabilities comprised of trade payables; other payables; accrued expenses and interest bearing loans and borrowings.

All of the Group's financial liabilities are measured at amortised cost.

The board of directors determines, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign currency risk, liquidity risk, credit risk, interest rate risk and commodity price risk each of which is discussed in note 11 of the consolidated financial information for the nine months ended April 30, 2011. There were no derivative instruments outstanding at April 30, 2011.

COMMITMENTS AND LOANS

At April 30, 2011, capital commitments made to third parties included:

Capital Commitments $000
Property, Plant and Equipment 3,144
TOTAL 3,144

These commitments together with the ongoing evaluation and development of the mine will be partially financed from existing cash reserves provided under the terms of the Gold Loan agreement with Sandstorm and funds of $15 million (after expenses) received from a private placement on May 3, 2011.

Purchase orders included mill equipment, groundwork, foundations and concrete, as well as steel fabrication and erection.

At April 30, 2011, interest bearing loans and borrowings comprised a gold loan of $19,087,000, finance lease commitments of $6,852,000 and a bank loan of $30,000.

The Group received the final advance of US$ 6 million from the Gold Loan during the quarter.

The Group entered into new finance leases of $3.3 million during the quarter to finance underground mining equipment.

RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Total key management personnel compensations were as follows:
3 months to 30 April 2011 3 months to 30 April 2010 9 months to 30 April 2011 9 months to 30 April 2010
$,000 $,000 $,000 $,000
Salaries 169 95 455 290
Share based payments 26 5 66 29
195 100 521 319

Directors' fees of $63,323 remained outstanding at April 30, 2011 (July 31, 2010: $38,738).

SUBSEQUENT EVENTS

On May 3, 2011, the Company placed 27,777,778 Ordinary shares at 36 pence each raising CAD$15 million after expenses.

On June 1, 2011 the Group signed an Exploration and Development Alliance with Maritime Resources Corp. and Commander Resources Corp. which will see the sharing of technical expertise for the exploration and development of two main properties in the Green Bay area of Newfoundland and Labrador. As part of the Alliance the Group plans to complete an economic assessment on the reopening of the former producing Hammerdown Mine which originally processed its ore at Rambler's Nugget Pond Mill. In addition the Alliance plans to evaluate the economic viability of the Orion Deposit as a potential feed source of the Nugget Pond Mill.

To view APPENDIX 1 – LOCATION MAP, please visit the following link:
http://media3.marketwire.com/docs/rab0620appendix1.pdf.

APPENDIX 2 - SELECTED FINANCIAL INFORMATION & REVIEW OF OVERALL PERFORMANCE

Financial Highlights
(All amounts in 000s of Canadian Dollars, except shares and per share figures) Three months ended,
April 30, 2011 January 31, 2011 October 31, 2010 April 30, 2010
Revenue 183 266 985 -
Operating Expenses (175) (198) (611) -
Exploration Expenditure (16) (31) (28) (50)
Administrative expenses (618) (698) (619) (558)
Net Income (loss) 193 (555) (268) (591)
Per share (basic and diluted) 0.002 (0.006) (0.000) (0.007)
Cash Flow used in operating activities (406) (979) (483) (676)
Cash Flow used in investing activities (7,370) (8,248) (1,941) (716)
Cash Flow from (used in) financing activities 5,388 6,585 1,924 (103)
Net increase (decrease) in cash (2,388) (2,642) (382) (1,495)
Cash and cash equivalents at end of period 2,477 4,865 7,494 5,036
Total Assets 79,238 68,909 58,219 45,487
Total Liabilities (32,847) (22,758) (11,555) (1,431)
Working Capital 219 3,324 7,115 4,596
Weighted average number of shares outstanding 95,515 95,515 95,485 95,485
Earnings/(loss) per share 0.002 (0.006) (0.003) (0.007)

APPENDIX 3 - CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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 estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

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.

Going Concern

The Group's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on the copper and gold prices, its ability to fund its development and exploration programs, and to manage and generate positive cash flows from operations in the future. These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

In common with many exploration companies, the Group raises finance for its exploration and appraisal activities in discrete tranches. On May 3, 2011 the Company raised finance of $15 million after expenses from the placing of 27,777,778 ordinary shares at 36 pence each. Management continues to closely monitor key milestones associated with bringing the mine into production in the second half of calendar 2011 and is satisfied the Group has sufficient working capital for the forthcoming 12 months. On this basis, the Directors have concluded that the Group is a going concern, however, slippage against key milestones may necessitate other sources of finance to be considered to satisfy short term working capital requirements as marketing commences. There is no certainty that these funds will be forthcoming.

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 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 note 5 of the financial statements for the year ended July 31, 2010.

Gold Loan

The Group calculates the effective interest rate on the Gold Loan based on estimates of future cash flows arising from the sale of payable gold (see note 7 to the Unaudited Consolidated Financial Information for the nine months ended April 30, 2011).The cash flows will be dependent on the production of gold and its selling price at the time of delivery which have been estimated in line with the mine plan, future prices of gold and reserve estimates. Management's estimates of these factors are subject to risk and uncertainties affecting the amount of the interest charge. Any changes to these estimates may result in a significantly different interest charge which would affect the carrying value of the exploration and evaluation costs and the corresponding Gold Loan liability.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

Mineral Property and Exploration and Evaluation Costs

The directors have assessed whether there are any indicators of impairment in respect of mineral property and exploration and evaluation costs. In making this assessment they have considered the Group's business plan which includes resource estimates, future processing capacity, the forward market and longer term price outlook for copper and gold. Resource estimates have been based on the most recently filed NI43-101 report. 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. Any changes to these estimates may result in the recognition of an impairment charge with a corresponding reduction in the carrying value of such assets. After consideration of the above factors, the directors do not consider that there are any indicators that mineral property and exploration and evaluation costs are impaired at the year end.

Closure Costs

The Group has an obligation to reclaim its properties after the minerals have been mined from the site, and has estimated the costs necessary to comply with existing reclamation standards. These estimates are recorded as a liability at their fair values in the periods in which they occur. If the estimate of reclamation costs proves to be inaccurate, the 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.

CHANGES IN ACCOUNTING POLICIES

In the current quarter, new and revised standards which have been adopted have not affected the disclosures presented in these financial statements.

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

International Financial Reporting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended July 31, 2011:
IFRS /Amendment Title Nature of change to accounting policy Application date of standard Application date for Group
Various Annual Improvements to IFRSs No change to accounting policy, therefore, no impact Various 1 August 2011
IAS 24 revised Related Party Disclosures No change to accounting policy, therefore, no impact 1 January 2011 1 August 2011
IFRS 9 Financial instruments: Classification and Measurement No change to accounting policy, therefore, no impact 1 January 2013 1 August 2013

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

Details of the main accounting policies of the Group are included in note 2 of the financial statements for the year ended 31 July 2010. Additional accounting policies have been applied in the current quarter are explained note 2 of the Unaudited Consolidated Financial Information for the nine months ended April 30, 2011.

APPENDIX 4 – OTHER MATTERS

Outstanding Share & Option Data

As at the date of this MD&A the following securities are outstanding:
Security Shares issued or Issuable Weighted Average Exercise Price
Common Shares 123,314,778 -
Options 4,131,000* $ 0.48
*if all options have fully vested

Effective 1 January 2011, in conjunction with the retirement of Mr. Leslie Little, Mr. Peter Mercer assumed the role of Corporate Secretary along with his other duties as VP Corporate Development. For future assistance please contact Mr. Mercer directly at +1-709-800-1929 or pmercer@ramblermines.com.

Forward Looking Information

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Group, its subsidiaries 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, environmental risks, title disputes or claims and limitations of insurance coverage. Often, but not always, forward-looking statements 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 or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the parent company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; fluctuations in the relative value of United States dollars, Canadian dollars and British Pounds; changes in planned parameters as plans continue to be refined; future prices of metals and 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 "Risk Factors" in this MD&A. Although the Group has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and the Group 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. Accordingly, readers should not place undue reliance on forward-looking statements.

Further information

Additional information relating to the Group is on SEDAR at www.sedar.com and on the Group's web site at www.ramblermines.com.
Unaudited Consolidated Financial Information

For the Quarter Ended 30 April 2011

The accompanying financial information for the quarter ended 30 April 2011 and 30 April 2010 has not been reviewed or audited by the Group's auditor and has an effective date of 20 June 2011.
Rambler Metals and Mining Plc

Unaudited Consolidated income statement

For the Quarter Ended 30 April 2011
(EXPRESSED IN CANADIAN DOLLARS)
Quarter ended 30 April 2011 Quarter ended 30 April 2010 Nine months ended 30 April 2011 Nine months ended 30 April 2010

$,000 $,000 $,000 $,000
Revenue 183 - 1,434 -
Cost of sales (175) - (984) -
Gross profit 8 - 450 -

Administrative expenses (618) (613) (1,999) (1,661)
Exploration expenses (16) (19) (75) (77)
Operating loss (626) (632) (1,624) (1,738)

Bank interest receivable 12 4 44 8
Finance costs (29) (18) (60) (52)
Foreign exchange differences 836 - 981 -
Net financing income/(expense) 819 (14) 965 (44)

Profit/(loss) before tax 193 (646) (659) (1,782)

Income tax credit - 2 29 32
Profit/(loss) for the period and attributable to owners of the parent 193 (644) (630) (1,750)

Earnings/(loss) per share

Quarter ended 30 April 2011 Quarter ended 30 April 2010 Nine months ended 30 April 2011 Nine months ended 30 April 2010
$ $ $ $

Basic and diluted earnings/(loss)per share 0.002 (0.008) (0.007) (0.021)

Rambler Metals and Mining Plc

Unaudited Consolidated statement of comprehensive income

For the Quarter Ended 30 April 2011
(EXPRESSED IN CANADIAN DOLLARS)

Quarter ended 30 April 2011 Quarter ended 30 April 2010 Nine months ended 30 April 2011 Nine months ended 30 April 2010
$,000 $,000 $,000 $,000

Profit/(loss) for the period 193 (644) (630) (1,750)

Exchange differences on translation of foreign operations (net of tax) 5 277 (5) 240
Other comprehensive income/(loss) for the period 5 277 (5) 240

Total comprehensive income/(loss) for the period and attributable to the owners of the parent
198
(367)
(635)
(1,510)

Rambler Metals and Mining Plc

Consolidated balance sheet

As at 30 April 2011
(EXPRESSED IN CANADIAN DOLLARS)

Note Unaudited Audited
30 April 2011 31 July 2010
$,000 $,000
Assets
Property, plant and equipment 3 22,901 7,461
Mineral Properties 4 32,648 -
Intangible assets 5 16,659 37,051
Total non-current assets 72,208 44,512

Inventory 6 431 -
Trade and other receivables 993 285
Cash and cash equivalents 2,477 8,000
Restricted cash 3,129 1,365
Total current assets 7,030 9,650
Total assets 79,238 54,162

Equity
Issued capital 1,864 1,863
Share premium 51,537 51,532
Merger reserve 214 214
Translation reserve 20 25
Accumulated losses (7,244) (6,811)
Total equity 46,391 46,823

Liabilities
Interest-bearing loans and borrowings 7 24,613 5,591
Provision 8 1,423 559
Total non-current liabilities 26,036 6,150

Interest-bearing loans and borrowings 7 1,356 388
Trade and other payables 5,455 800
Total current liabilities 6,811 1,188
Total liabilities 32,847 7,338
Total equity and liabilities 79,238 54,162

Rambler Metals and Mining Plc

Consolidated Statement of Changes in Equity

Share

capital
Share premium
Merger reserve
Translation reserve
Accumulated
Losses

Total
(EXPRESSED IN CANADIAN DOLLARS) $,000 $,000 $,000 $,000 $,000 $,000
Group
Audited
Balance at 1 August 2009 1,255 39,296 214 50 (4,638) 36,177
Comprehensive loss
Loss for the year - - - - (2,426) (2,426)
Foreign exchange translation differences - - - (25) - (25)
Other comprehensive loss - - - (25) - (25)
Total comprehensive loss for the year - - - (25) (2,426) (2,451)
Transactions with owners
Issue of share capital 608 13,128 - - - 13,736
Share issue expenses - (892) - - - (892)
Share-based payments - - - - 253 253
Transactions with owners 608 12,236 - - 253 13,097
Balance at 31 July 2010 1,863 51,532 214 25 (6,811) 46,823
Unaudited
Balance at 1 August 2010 1,863 51,532 214 25 (6,811) 46,823
Comprehensive loss
Loss for the period - - - (630) (630)
Foreign exchange translation differences - - - - - -
Other comprehensive loss - - - (5) - (5)
Total comprehensive income for the period - - - (5) (630) (635)
Transactions with owners
Issue of share capital 1 5 - - - 6
Share-based payments - - - - 197 197
Transactions with owners 1 5 - - 197 203
Balance at 30 April 2011 1,864 51,537 214 20 (7,244) 46,391

Rambler Metals and Mining Plc

Unaudited statements of cash flows

For the Quarter Ended 30 April 2011
(EXPRESSED IN CANADIAN DOLLARS)

Quarter ended
30 April 2011 Quarter ended
30 April 2010 Nine months ended
30 April 2011 Nine months ended
30 April 2010
$,000 $,000 $,000 $,000
Cash flows from operating activities
Operating loss (626) (632) (1,624) (1,738)
Depreciation 61 35 118 112
Share based payments 43 80 186 158
Exchange differences (20) 2 (135) 2
Increase in inventory (322) - (431) -
Decrease/(increase) in receivables 241 (85) (708) (140)
Increase/(decrease) in payables 246 311 700 196
Cash utilised in operations (377) (289) (1,894) (1,410)
Interest paid (29) (18) (60) (52)
Income tax received - - 29 30
Net cash utilised for operating activities (406) (307) (1,925) (1,432)

Cash flows from investing activities
Interest received 12 4 44 8
Acquisition of bearer deposit note (1,171) - (1,764) -
Acquisition of evaluation and exploration assets (17) (1,280) (363) (2,492)

Acquisition of mineral properties (2,473) - (6,200) -
Acquisition of property, plant and equipment (3,721) (451) (9,219) (498)
Prepayment for acquisition of property, plant and equipment
-
-
-
(3,500)
Net cash utilised in investing activities (7,370) (1,727) (17,502) (6,482)

Cash flows from financing activities
Proceeds from issue of share capital - 4,469 6 13,980
Payment of share issue expenses - (244) - (888)
Proceeds from issue of share options 2 2 10 5
Proceeds from Gold Loan (note 6) 5,571 5,081 14,268 5,081
Capital element of finance lease payments (185) (84) (387) (162)
Net cash from financing activities 5,388 9,224 13,897 18,016

Net (decrease)/increase in cash and cash equivalents (2,388) 7,190 (5,530) 10,102
Cash and cash equivalents at beginning of period 4,865 5,036 8,000 2,089
Effect of exchange rate fluctuations on cash held - (274) 7 (239)
Cash and cash equivalents at end of period 2,477 11,952 2,477 11,952

Rambler Metals and Mining Plc

Unaudited Notes to the financial statements

1. Nature of operations and going concern

The principal activity of the Group is the development and exploration programme of the Ming Copper-Gold Mine in Baie Verte, Newfoundland and Labrador, Canada.

The Group's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on the copper and gold prices, its ability to fund its development and exploration programs, and to manage and generate positive cash flows from operations in the future. These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

In common with many exploration companies, the Group raises finance for its exploration and appraisal activities in discrete tranches. On May 3, 2011 the Company raised finance of $15 million after expenses from the placing of 27,777,778 ordinary shares at 36 pence each. Management continues to closely monitor key milestones associated with bringing the mine into production in the second half of calendar 2011 and is satisfied the Group has sufficient working capital for the forthcoming 12 months. On this basis, the Directors have concluded that the Group is a going concern, however, slippage against key milestones may necessitate other sources of finance to be considered to satisfy short term working capital requirements as marketing commences. There is no certainty that these funds will be forthcoming.

2. Accounting policies

Details of the main accounting policies of the Group are included in note 2 of the financial statements for the year ended 31 July 2010.The following additional accounting policies have been applied in the current nine months:

Revenue recognition

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

The group recognises revenue when the amount of the revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met as described below:

Toll processing

The Group processes ore at its milling facility. Sales of this service are recognised as the ore is processed. The customer is invoiced based on tonnes processed each month at the price specified in the toll processing agreement.

Mineral properties

Upon transfer of 'Exploration and evaluation costs' into 'Mineral Properties', all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised within 'Mineral Properties'. Development expenditure is net of proceeds from all but the incidental sale of ore extracted during the development phase.

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.

3. Property, plant and equipment

Land and buildings
Assets under construction
Motor vehicles
Plant and equipment Fixtures, fittings and equipment
Computer equipment

Total
$,000 $,000 $,000 $,000 $,000 $,000 $,000
Cost
Balance at 1 August 2009 1,025 8 118 6,019 54 496 7,720
Acquisitions 71 5,191 - 19 2 46 5,329
Effect of movements in foreign exchange
-
-
-
-
-
(1)
(1)
Balance at 31 July 2010 1,096 5,199 118 6,038 56 541 13,048

Balance at 1 August 2010 1,096 5,199 118 6,038 56 541 13,048
Acquisitions 1,228 7,971 43 7,606 26 65 16,939
Disposals - - (39) - - - (39)
Balance at 30 April 2011 2,324 13,170 122 13,644 82 606 29,948
Depreciation and impairment losses
Balance at 1 August 2009 524 - 18 2,926 31 191 3,690
Depreciation charge for the period
251
-
33
1,456
13
145
1,898
Effect of movements in foreign exchange
-
-
-
-
-
(1)
(1)

Balance at 31 July 2010 775 - 51 4,382 44 335 5,587

Balance at 1 August 2010 775 - 51 4,382 44 335 5,587
Depreciation charge for the period
90
-
29
1,239
8
114
1,480
On disposals - - (20) - - - (20)
Balance at 30 April 2011 865 - 60 5,621 52 449 7,047

Carrying amounts
At 1 August 2009 501 8 100 3,093 23 305 4,030
At 31 July 2010 321 5,199 67 1,656 12 206 7,461

At 1 August 2010 321 5,199 67 1,656 12 206 7,461
At 30 April 2011 1,459 13,170 62 8,023 30 157 22,901

4. Mineral Properties

Mineral Property
$,000
Cost

Balance at 1 August 2010 -
Transfer from exploration and evaluation costs 20,902
Acquisitions 11,746
Balance at 30 April 2011 32,648
Carrying amounts
At 1 August 2010 -
At 30 April 2011 32,648

Effective 1 September 2010 following acceptance of the Ming Mine feasibility study by Sandstorm Gold Ltd. ('Sandstorm') (see note 7), the Ming Mine project moved from pure Exploration & Evaluation into the Mine Development stage. As a consequence, evaluation and exploration costs of $20.9 million relating to the Massive Sulfide Ore Zones of the Ming Mine were transferred to Mineral Properties.

5. Intangible assets

Exploration and evaluation
Costs
$,000
Cost

Balance at 1 August 2009 31,476
Acquisitions 5,575
Balance at 31 July 2010 37,051

Balance at 1 August 2010 37,051
Acquisitions 510
Transfer to mineral properties (20,902)
Balance at 30 April2011 16,659
Carrying amounts
At 1 August 2009 31,476
At 31 July 2010 37,051

At 1 August 2010 37,051
At 30 April 2011 16,659

6. Inventories
30 April 2011 31 July 2010
$,000 $,000

Stockpiled ore 117 -
Operating supplies 314 -
431 -

7. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 11.
30 April 2011 31 July 2010
$,000 $,000
Non-current liabilities
Bank loan 27 29
Finance lease liabilities 5,499 412
Gold Loan 19,087 5,150
24,613 5,591

Current liabilities
Current portion of bank loan 3 3
Current portion of finance lease liabilities 1,353 385
1,356 388

Finance lease liabilities

Finance lease liabilities are payable as follows:
Minimum lease Payments

Interest

Principal Minimum lease Payments

Interest

Principal
30 April 2011 30 April 2011 30 April 2011 31 July 2010 31 July 2010 31 July 2010
$,000 $,000 $,000 $,000 $,000 $,000
Less than one year 1,504 151 1,353 426 41 385
Between one and five years 6,388 889 5,499 427 16 412
7,892 1,040 6,852 853 57 797

Under the terms of the equipment lease agreements, no contingent rents are payable.

The bank loan is secured by way of a fixed charge over a property and is repayable in monthly instalments of $384 over 12 years.

Gold Loan

During the previous year, the Group entered into an agreement ("Gold Loan") with Sandstorm to sell a portion of the life-of-mine gold production from its Ming Mine.

Under the terms of the agreement Sandstorm made staged upfront cash payments for the gold to the Group totalling US$20 million including the final payment of US$6 million received during the quarter.

For this, the Group has agreed to sell 32% of the payable gold in the first year of production. In each production year following the first year of production, until 175,000oz of payable gold has been produced, the Group has agreed to sell a percentage equal to 25% x (85% divided by the actual percentage of metallurgical recovery of gold realized in the immediately preceding production year) provided that, if the payable gold production in any production year after the third production year is less than 15,000 ounces, then in each such production year, Sandstorm payable gold shall not be less than 25% of the payable gold. In each production year following the first year of production, after 175,000oz of payable gold has been produced, the Group has agreed to sell a percentage equal to 12% x (85% divided by the actual percentage of metallurgical recovery of gold realized in the immediately preceding production year) provided that, if the payable gold production in any production year after the third production year is less than 15,000 ounces, then in each such production year, Sandstorm payable gold shall not be less than 12% of the payable gold for the remainder of the period ending 40 years after the date of the agreement. After the expiry of the 40 year term, the agreement is renewable in 10 year terms at the option of Sandstorm.

A 4.5% cash commission is payable with each payment received under the agreement.

There are certain circumstances in which the Gold Loan may be repaid earlier than by the delivery of payable gold as follows:

If within 18 months of 4 March 2010 (the date of the agreement) the Ming Mine has not started producing gold any amounts advanced will become repayable on demand together with interest at a rate of 8% per annum.
If within 24 months of the date that gold is first produced, the Ming Mine has not produced and sold a minimum of 24,000oz of payable gold then a portion of the US$20 million will be repayable based on the shortfall of payable gold.
Within the first 36 months of Commercial production of gold any shortfall in the value of payable gold below the following amounts will be required to be paid in cash:

within the first 12 months – US$3.6 million
within the second 12 months – US $3.6 million
within the third 12 months – US$3.1 million

The Gold Loan is accounted for as a financial liability carried at amortised cost. In determining the effective interest rate implicit in the cash flows arising from the loan the cash flows are forecast at each quarter end based on management's best estimates of the time of delivery of payable gold, the total amount of gold expected to be produced over the mine life and the timing of that production.

Total interest of $772,900 was accrued during the nine months. $49,906 was included in exploration and evaluation expenditure and $722,994 charged to mineral properties.

8. Provisions
30 April 2011 31 July 2010
$,000 $,000
Reclamation and closure provision
At 1 August 2010 559 -
Provision during the period 836 559
Unwinding of discount 28 -
At 30 April 2011 1,423 559

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 Nugget Pond Mill and Ming Mine's useful life. The provision has been calculated based on the present value of the expected future cash flows associated with reclamation and closure activities as required by the Government of Newfoundland and Labrador. The provision relates to restoration of the mill and mine sites. The liability is secured by Letters of Credit totalling $3.13 million.

9. Related parties

Transactions with key management personnel
Total key management personnel compensations were as follows:
3 months to
30 April 2011 3 months to
30 April 2010 9 months to
30 April 2011 9 months to
30 April 2010
$,000 $,000 $,000 $,000
Salaries 169 95 455 290
Share based payments 26 5 66 29
195 100 521 319

Directors' fees of $63,323 remained outstanding at April 30, 2011 (July 31, 2010: $38,738).

10. Share-based payments

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

Weighted average exercise price

Number
of options Weighted average exercise price

Number
of options
30 April
2011 30 April
2011 31 July
2010 31 July
2010
$ No. 000 $ No. 000
Outstanding at the beginning of the period 0.467 3,952 0.416 3,313
Granted during the period 0.494 572 0.500 704
Exercised 0.190 (30) - -
Cancelled during the period 0.190 (330) 0.890 (65)
Outstanding and exercisable at the end of the period 0.481 4,164 0.467 3,952

The options outstanding at 30 April 2011 have an exercise price in the range of $0.19 to $1.10 and a weighted average remaining contractual life of 8 years (31 July 2010: 9 years).

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model. The contractual life of the option (10 years) is used as an input into this model. Expectations of early exercise are incorporated into the Black-Scholes model.
Fair value of share options and assumptions 3 months to
30 April 2011 3 months to
30 April 2010 9 months to
30 April 2011 9 months to
30 April 2010
$,000 $,000 $,000 $,000
Fair value at measurement date of options granted in the period 16 96 116 96
Weighted average fair value per option granted in period 0.350 0.318 0.287 0.318
Share price (weighted average) 0.610 0.530 0.482 0.530
Exercise price (weighted average) 0.610 0.530 0.482 0.530
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model) 70.0 % 75 % 74.3 % 75 %
Expected option life 5 5 5 5
Expected dividends 0 0 0 0
Risk-free interest rate (based on national government bonds) 2.34 % 2.50 % 2.47 % 2.50 %

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There is no performance or market conditions associated with the share option grants.
3 months to
30 April 2011 3 months to
30 April 2010 9 months to
30 April 2011 9 months to
30 April 2010
$,000 $,000 $,000 $,000
Total expense recognised as employee costs 43 80 186 158

11. Financial risk management

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

All of the Group's and Company's financial liabilities are measured at amortised cost and their financial assets are classified as loans and receivables.

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, interest rate risk, credit risk and liquidity risk each of which is discussed below. There were no derivative instruments outstanding at 30 April 2011.

Foreign currency risk

The Group's cash resources are held in GB pounds and Canadian Dollars and the Gold Loan is repayable in US dollars. The Group has a downside exposure to any strengthening of the GB pound as this would increase expenses in Canadian dollar terms. This risk is mitigated by reviewing the holding of cash balances in GB pounds. Any weakening of the GB pound would however result in the reduction of the expenses in Canadian dollar terms and preserve the Group's cash resources. In addition, any such movements would affect the Consolidated Balance Sheet when the net assets of the Parent Company are translated into Canadian dollars. The Group has a downside exposure to any strengthening of the US dollar as this would increase the amount repayable on the Gold Loan in Canadian dollar terms. This risk, however, is relevant only should the Gold Loan be repaid in cash under terms set out in note 6. Repayment is envisaged in payable gold which is denominated in US dollars. Once the Ming Mine is in production, this will mitigate this foreign currency risk.

The Group does not hedge its exposure of foreign investments held in foreign currencies. There is no significant impact on profit or loss from foreign currency movements associated with the Parent company's assets and liabilities as the foreign currency gains or losses are recorded in the translation reserve.

Exchange rate fluctuations may adversely affect the Group's financial position and results. The following table details the Group's sensitivity to a 10% strengthening and weakening in the GB pound against the Canadian/US Dollar. 10% represents management's assessment of the reasonable possible exposure.

	Equity	
	30 April 2011	31 July 2010
	$,000	$,000
10% strengthening of GB pound	3	53
10% weakening of GB pound	(3)	(47)
10% strengthening of US dollar	(2,121)	(515)
10% weakening of US dollar	1,735	468

Liquidity risk

Prior to Q3 2010 the Group had relied on shareholder funding to finance its operations. During Q3, 2010 the Group entered into a financing arrangement in US dollars (see note 7). With finite cash resources and no material income, the liquidity risk is significant. This risk is managed by controls over expenditure. Success will depend largely upon the outcome of ongoing and future exploration and development programmes. Given the nature of the Group's current activities the entity will remain dependent on a mixture of debt and equity funding in the short to medium term until such time as the Group becomes self-financing from the commercial production of mineral resources.

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

Financial liabilities

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

Fixed rate liabilities	30 April 2011	31 July 2010
	$,000	$,000
Due within one year	1,356	388
Due within one to two years	1,431	374
Due within two to three years	1,445	22
Due within three to four years	1,462	24
Due within four to five years	1,174	5
Due after five years	14	16
	6,882	829

The average fixed interest rate for the finance leases and hire purchase contracts outstanding at 30 April 2011 was 5.84%.

Credit risk

With effect from July 2007, the Group has held the majority of its cash resources in Canadian Dollars given that the majority of the Group's outgoings are denominated in this currency. As at 30 April 2011, 5% of the Group's cash resources were invested in a short dated term deposits and bankers acceptances. The Group takes a very risk averse approach to management of cash resources and management and Directors monitor events and associated risks on a continuous basis. There is little perceived credit risk in respect of other receivables. The Group's maximum exposure to credit risk at 30 April 2011 was represented by receivables and cash resources.

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 6.

If the interest rate on deposits were to fluctuate by 1% there would be no material effect on the Group's reported result.

Commodity price risk

Commodity price risk is the risk that the Group's future earnings will be adversely impacted by changes in the market prices of commodities. The Group is exposed to commodity price risk as its future revenues will be derived based on contracts with customers at prices that will be determined by reference to market prices of copper and gold at the delivery date.

The Group calculates the effective interest rate on the Gold Loan based on estimates of future cash flows arising from the sale of payable gold. In estimating the cash flows the following table details the Group's sensitivity to a 10% increase and a 25% decrease in the price of gold. These percentages represent management's assessment of the reasonable possible exposure.
Gross assets
30 April 2011 31 July 2010
$,000 $,000
10% increase in the price of gold (170) (37)
25% decrease in the price of gold 462 106

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.

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

At 30 April 2011 Fixed rate assets Floating rate
Assets

Total Average period for which rates are fixed Average interest rates for fixed rate assets
$,000 $,000 $,000 Months %
GB Pound 118 51 169 1 0.25
US $ - 789 789 - -
Canadian $ - 1,519 1,519 - -
118 2,359 2,477
At 31 July 2010
$,000 $,000 $,000 Months %
GB Pound 484 67 551 1 0.25
Canadian $ 6,351 1,098 7,449 2 0.35
6,835 1,165 8,000

Fair values

In the directors' opinion there is no material difference between the book value and fair value of any of the group's financial instruments.

12. Subsequent Events

On May 3, 2011, the Company placed 27,777,778 Ordinary shares at 36 pence each raising CAD$15 million after expenses.

On June 1, 2011 the Group signed an Exploration and Development Alliance with Maritime Resources Corp. and Commander Resources Corp. which will see the sharing of technical expertise for the exploration and development of two main properties in the Green Bay area of Newfoundland and Labrador. As part of the Alliance the Group plans to complete an economic assessment on the reopening of the former producing Hammerdown Mine which originally processed its ore at Rambler's Nugget Pond Mill. In addition the Alliance plans to evaluate the economic viability of the Orion Deposit as a potential feed source of the Nugget Pond Mill.

Neither TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact Information

Rambler Metals and Mining Canada Limited
George Ogilvie, P.Eng.
President and CEO
709-8001929
709-800-1921 (FAX)

Rambler Metals & Mining Plc.
Corporate Office
+44 (0) 20 8652-2700
+44 (0) 20 8652-2719 (FAX)
www.ramblermines.com

Seymour Pierce Limited
Nandita Sahgal/ Jeremy Stephenson
+44 (0) 20-7107-8000

Pelham Bell Pottinger
Charles Vivian
+44 (0) 20 7861 3126

Pelham Bell Pottinger
Philippe Polman
+44 (0) 20 7861 3861

Ocean Equities Limited
Guy Wilkes
+44 (0) 20-7786-4370