Rambler Metals and Mining PLC :Third Quarter Results 2012 & Operational Highlights

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LONDON, ENGLAND and BAIE VERTE, NEWFOUNDLAND AND LABRADOR -- (Marketwire - June 18, 2012) - 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 three months ended 30 April 2012.

OPERATIONAL ACHIEVEMENTS

- Total of 8,013 ounces of gold doré poured and shipped (Q3 2011: Nil) of which 6,082 ounces physically sold along with the sale of 2,112 ounces from Q2/12

- The newly constructed copper concentrating facility was completed and ready for 'live' commissioning following the completion of gold processing

- Development of the high grade copper 1807 zone continued, while development of the Lower Footwall Zone, which will provide the initial 22,000 tonnes to the concentrator for commissioning, has been completed

- Released a favourable Preliminary Economic Assessment that sees the potential for an expansion of the Ming Mine in the Lower Footwall Zone ("LFZ") following additional value optimization studies and later a bankable feasibility study

FINANCIAL HIGHLIGHTS (All expressed in CAD$)

- Revenue: $14.2 million in Q3 realized on the physical sale of 8,194 ounces of gold (includes 2,112 ounces poured during Q2/12), at an average price of $1,672, produced during the commissioning and testing of the 1806 zone ores; all revenues offset against mineral property expenditures

- Net loss of $281,000 after an exchange gain of $476,000 (Q3 2011 net profit of $193,000 including an exchange gain of $836,000)

- Cash flows utilized in operating activities: $752,000 in Q3/12 compared to $530,000 in Q2/12 (Q3 2011: $406,000)

- Cash resources as at April 30, 2012 were $4.8 million, as at June 18, 2012, this had increased to $5.8 million

- Accepted an offer from Tinma International Ltd. ('Tinma') to become a strategic shareholder for a total cash consideration of $4.58 million raised through a private placement at a placing price of $0.44 per ordinary share.

- Acquired a 17% stake and a board position in Maritime Resource Corp purchasing 4,500,000 shares for a total consideration of $1,035,000

POST-PERIOD HIGHLIGHTS

- Commencement of 'live' commissioning of copper concentrator, with first copper production on 14 May 2012 . The concentrator is being commissioned on LFZ ore, to maximize recoveries on a lower grade ore and will then be switched to high grade copper ore from the 1807 zone.

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

"The Company continues to make progress towards commercial copper production, having already trucked its first shipment of concentrate to the port facility, and is delighted to announce strong gold production and revenues. We are equally pleased to have an international partner, Tinma, on board with the project's development. Subsequent to their placing they have continued to increase their ownership of our business.

"As the Company transitions into copper production we will look to increase shareholder value by optimizing the mining and processing circuit to maximize recoveries, decrease costs and increase production."

ABOUT RAMBLER METALS AND MINING

Rambler Metals and Mining plc is a Junior Mining Company that has 100% ownership of the Ming Copper-Gold Mine in Baie Verte, Newfoundland and Labrador, Canada. As a producing gold and copper miner, our objective is to become a mid-tier mining company by continuing the development of the Ming Mine, discovering new deposits and through mergers and acquisitions.

The initial six years of the Ming Mine project is based on the underground mining of massive sulphides with a mineable reserve estimate of 1.498 million ore tonnes grading 1.62% copper, 2.40 g/t gold and 10.90 g/t silver (24,252 tonnes of copper, 115,549 ounces of gold and 525,139 ounces of silver of contained metal). All massive sulphide zones remain open both up and down plunge with the current exploration program focused on extending the known mineralization for inclusion in the resource/reserve estimate.

In addition to the outlined reserve estimate, there is a sizeable footwall deposit beneath the massive sulphide horizon that has been outlined with an indicated resource grade of 18,306k tonnes grading 1.43% copper (261,258 tonnes of contained copper at a 1.00% copper cut-off grade). This zone forms the basis of the preliminary economic assessment, compiled by independent consultants, which envisions the Ming Mine transitioning itself into a bulk tonnage mining operation. For further information on the Ming Mine project, please refer to the Company's NI 43-101 compliant technical reports, available under the Company's profile on SEDAR (www.sedar.com).

Over the coming months and years, as the Company seeks to optimize the Ming Copper-Gold Mine into a cash positive position, it is expected that future expansion into the footwall zone will be formalized with the goal of maximizing returns for shareholders and increasing the life of the mine.

Caution Regarding Forward Looking Statements:

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

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

For the Quarter Ended April 30, 2012

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 18, 2012 and covers the results of operations for the quarter ended April 30, 2012. This discussion should be read in conjunction with the audited Financial Statements for the year ended July 31, 2011 and notes thereto. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union and with IFRS and their interpretations issued by the IASB. The presentation currency is Canadian dollars. These statements together with the following MD&A are intended to provide investors with a reasonable basis for assessing the potential future performance.

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GROUP OVERVIEW

The principal activity of the Group is the development, mining and exploration of the Ming Copper-Gold Mine ('Ming Mine') located on Newfoundland and Labrador's Baie Verte Peninsula. See Appendix 1. On November 28, 2011 the Group brought the mine into production while testing and commissioning with 1806 gold ore. Gold doré bar, averaging 1,336 ounces, was poured on a bi-weekly basis throughout the quarter. Preparation also continued to commission the Group's new copper concentrator in May 2012

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:

Become a profitable copper and gold producer by maximizing the use of the Nugget Pond processing facility.
Increase existing Ming Mine resources and reserves through further exploration.
Selectively pursue growth opportunities within Atlantic Canada including joint ventures, acquisitions, strategic alliances and equity positions.

The Group's directors and management believe that focussing on these priorities will instil a solid foundation for the Company, while providing the best opportunity to build a successful and long term mining company.

HIGHLIGHTS OF THE THIRD QUARTER

This was a significant quarter for the Company as it marked the end of the first complete production period. During the quarter, early gold production continued without interruption at the Company's Nugget Pond gold and base metal milling operation. While production during the quarter came solely from the commissioning and testing of the 1806 zone through the gold hydrometallurgical facility, the new copper concentrator was available and 'live' commissioning started subsequent to period end (see Subsequent Events page 16). While commissioning with the 1806 zone from Rambler's 100% owned Ming Copper-Gold Mine has been successful the Company is continuing with its transition into copper concentrate production. Commercial production for the project is anticipated to be announced during the second half of calendar 2012.

Highlights of the third quarter of the 2012 fiscal year included:

Capital Development and Production

Poured and shipped a total of 8,013 ounces (11,586 ounces year to date) of gold doré for further refining during the quarter. The higher than projected refined ounces is a result of higher head grade and increased throughput capacity. While grade itself was slightly higher than reserve estimates, through continued optimization of the crushing and grind circuit the mill achieved a peak one day throughput of 824 dry mtpd.

The newly constructed copper concentrating facility was ready for 'live' ore commissioning following completion of gold ore processing from the 1806 zone. At quarter end a total of 87,179 dry metric tonnes of the gold rich ore were mined with an additional 2,005 tonnes blasted and awaiting processing.

Development into the high grade copper 1807 zone continued at pace with ore being stock piled when level access is available. Of particular importance is the completed development into the Lower Footwall Zone which will provide the initial 22,000 dry metric tonnes to the concentrator once commissioning begins in calendar 2Q 2012.

Financing, Royalty and Investment

During the quarter repayments of US$4,413,064 (production to date US$5,180,936) were made from the delivery of 2,622 oz (production to date 3,089oz) of gold thereby satisfying requirements in the gold loan agreement to repay a minimum of US$3.6 million in the first 12 months of production and partially meeting the requirements for the second 12 months

Accepted an offer from Tinma International Ltd. ('Tinma'), a wholly-owned subsidiary of a China-based investor, to become a strategic shareholder in Rambler through a non-brokered private placement by entering into a conditional subscription agreement. Subsequently on March 19, 2012 Rambler announced the closing of the private placement resulting in the issuance of 10,403,980 ordinary shares to Tinma at a placing price of CAD $0.44 per ordinary share for total proceeds of $4.58 million. Combined with current holding this placement brought Tinma's total shareholdings in Rambler to 13,388,980 ordinary shares representing approximately 9.9 per cent of the issued share on a post-closing basis. Following the completion of this placement Tinma continued to purchase shares on the open market.

Completed an acquisition of 4,500,000 shares of Maritime Resources Corp (TSX VENTURE:MAE) ('Maritime') through a non-brokered private transaction priced at $0.23 per share for a total consideration of $1,035,000. The acquisition gives Rambler a 17% equity stake and an invite to appoint a representative to join Maritime's Board of Directors. Maritime continues to advance the Green Bay portfolio of properties, specifically the Hammerdown mine, and the Orion and Lochinvar deposits

Announced the purchase of Ming Mine's 2% net smelter royalty held by Philippine Metals Inc., formerly Meridian Mining Corporation, for CAD$600,000. Before the buyout the mine had a 4.5% combined net smelter royalty held by four separate groups

Exploration and evaluation

On March 15, 2012 the Group announced the completion of a preliminary economic assessment ('PEA') to include the Lower Footwall Zone mineralization in its mine plan. This assessment evaluated the potential for an expansion of the Ming Mine to first optimize the current high grade operation and available infrastructure followed by a transition into a 20+ year bulk tonnage operation through a four year ramp-up period. Production throughput will increase from the current 630 mtpd to 1,000 mtpd at Nugget Pond, the 3,500 mtpd at a newly constructed milling facility at the Ming mine site. Future optimization and engineering studies will focus on improving the business case to ensure the project will benefit from additional upside of the existing operation. PEA results currently envisage: a pre-tax net present value of US$251 million; an internal rate of return of 18%, an undiscounted pre-tax cash flow from operations of $861 million and initial capital requirements of US$231 million.

Exploration diamond drilling in the 1806 gold zone, beyond current mining blocks, has reported visible gold and significant assayed intersections. Of particular importance are drill holes MMUG12-34 and MMUG12-51 with uncut gold intersections of 5.10 metres grading 227.65 g/t (21.19 g/t cut) and 4.45 metres grading 49.69 g/t (7.57 g/t cut) respectively.

Staffing

Throughout the quarter the mine operation continued to fill the remaining underground staffing positions as dictated by production and development requirements. At quarter end a total of 126 full time employees were employed at the Ming Mine.

FINANCIAL RESULTS

Revenue
A total of 8,013 ounces of gold were poured and shipped from the Ming Mine during Q3/12 for further refining of which 6,082 ounces were physically sold (settled) under the Group's refining agreement. An additional 2,112 ounces poured and shipped in Q2 were also sold during the current quarter for a total of 8,194 ounces sold at an average price of CAD$1,672 resulting in $14.2 million in revenue during the quarter. The remaining 1,931 ounces poured and shipped during Q3 were settled subsequent to the quarter end at an average price of CAD$1,624 yielding gross revenue of $3.1 million. Revenues realized during the testing and commissioning of the Ming Mine are credited to Mineral Property until commercial production is achieved.

Loss
The net loss for the quarter ended April 30, 2012 was $281,000 after an exchange gain of $476,000 or $0.002 per share compared to a net loss of $1,039,000 for Q2/12, including an exchange loss of $267,000, and a net profit of $193,000 for Q3/11 including an exchange gain of $836,000. The exchange differences arise on the period end translation of the USD Gold Loan. Exchange losses experienced through the first three quarters of fiscal 2012 were $512,000 and related to the weakening of the Canadian Dollar against the US dollar. The Q3/12 operating loss of $772,000 remained in line with the operating loss of $789,000 in Q2/12.

Cash flow and cash resources
Cash flows utilized in operating activities were $752,000 in Q3/12 compared to $530,000 in Q2/12 and $406,000 in Q3/11. The increase in the cash utilization relates to changes in working capital.
Cash resources (including short-term investments) as at April 30, 2012 were $4.8 million and as of June 18, 2012 had increased to $5.8 million. A further $2.5 million is available under the Group's Credit Facility Agreement.

HEALTH AND SAFETY

The Group completed the quarter with no lost time accidents and 1 medical aid injury. No time was lost as all injured employees were handled through Rambler's Return to Work Program.

The Health and Safety of the Group's employees continues to be a high priority with prevention and hazard recognition being key components of the Group's strategy.

OUTLOOK

Management continue to pursue the following objectives:

Move the Ming Mine into commercial production before the end of calendar year 2012.

Continue mining and milling the exposed 1807 workplaces for the generation of copper revenues from the Ming Mine. Place additional development focus into preparing this high grade zone for further exploration both up-dip and down-dip for inclusion in future resource and reserve estimates.

Optimize the mining and processing of ores from the Ming Mine in addition to continuing to evaluate opportunities for a possible future expansion into the Lower Footwall Zone.

Become a strategic long term low-cost producer on the Baie Verte Peninsula, and throughout Atlantic Canada, by selectively pursuing growth opportunities including joint ventures and acquisitions, including the Group's investment in Maritime Resources Corp.

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

CAPITAL PROJECTS UPDATE

During the quarter the Group incurred $10,903,000 on Mineral Property offset by revenue of $14,136,000 from gold production, $1,437,000 on property, plant and equipment and $337,000 on exploration and evaluation of the Ming Mine.

Prior to the mine being considered substantially complete and ready for its intended use, all direct operating costs, including costs associated with stockpile ores, are capitalized within mineral property and offset by revenues generated from ongoing production.
Mineral Property Q3/12 Q2/12 Q3/11
$,000 $,000 $,000
Labour costs 2,297 2,031 1,612
Contractors' and consultancy expenses 78 88 122
General materials and other costs 234 250 216
Surface development 128 171 231
Underground development 2,132 1,666 1,103
Processing and ore transportation 1,983 1,223 -
Sub-total 6,852 5,429 3,284
Finance costs 2,337 1,408 383
Depreciation 1,023 1,056 692
Royalties 668 57 -
Reclamation and closure provision 23 23 561
Total 10,903 7,973 4,920
Revenue recognized from gold production (14,136) (2,479) -
Net (3,233) 5,494 4,920

Total mineral property costs increased in Q3/12 compared to Q2/12 in line with an increase in underground capital development and the first full quarter of commissioning and testing at the Nugget Pond milling operation. Labour and underground development costs increased over the comparable quarters in line with the hiring of additional full time employees, the first full quarter of production and increased development of the Ming Mine's 1807 ore zone. Royalty expenditures increased in Q3/12 directly related to the CAD$600,000 purchase of a 2% net smelter royalty held on the Ming Copper-Gold Mine project. Processing and ore transportation expenditures were higher marking the first full quarter of production and improvement throughputs resulted from additional testing at the milling operation. Finance costs increased in Q3/12 compared to Q2/12 due to the timing of planned production and the market price of gold increasing the interest charge on the Gold Loan liability and an increase in finance and interest charges resulting from the additional CAD$2.5 million drawn under the Group's credit facility on January 30, 2012. Increased costs in Q2/12 compared to Q3/11 relate to the ramp up in development following the decision to bring the Ming Mine back into production in Q1/11.
Mineral Property (by area, before finance cost, depreciation, royalties and reclamation) Q3/12 Q2/12 Q3/11
$,000 $,000 $,000
Surface 1,251 997 705
1806 ore zone 1,113 1,440 642
1807 ore zone 1,206 212 108
Lower Footwall ore zone 441 103 -
Ramp improvements & ongoing maintenance 619 1,288 1,361
Shaft manway rehab 134 8 190
Administrative 447 427 278
Port site 107 40 -
Nugget Pond Mill 1,534 914 -
Total 6,852 5,429 3,284

Surface related costs increased in Q3/12 compared to Q2/12 and Q3/11 mainly due to the first full quarter of trucking 1806 ore to the Nugget Pond Mill. Decreased costs experienced on the 1806 ore zone are in line with completion of production drilling and underground development during the quarter. 1807 ore zone expenditures increased in Q3/12 compared to Q2/12 in preparation of developing the next stopes for production upon the completion of 1806 ores. Lower Footwall ore zone expenditures increased in Q3/12 and Q2/12 related to ongoing development aimed at accessing ores for the commissioning of the Group's copper concentrator. Ramp improvements & ongoing maintenance decreased in Q3/12 in line with the move towards increased development in the 1807 zone and a reduction in required maintenance. Nugget Pond Mill expenditures increased in Q3/12 as a result of the first full quarter of mill operations processing an additional 18,000 tonnes of 1806 ore compared to Q2/12.
Property, plant and equipment Q3/12 Q2/12 Q3/11
$,000 $,000 $,000

Mill purchase and construction 383 1,671 2,996
Plant and equipment 1,053 2,089 3,650
Buildings - 152 552
Other assets 1 80 48

Total 1,437 3,992 7,246

Mill purchase and construction reduced during Q3/12 compared to Q2/12 and Q3/11 reflecting the substantial completion of the copper concentrator. Plant and equipment reduced in Q3/12 compared to Q2/12 as fewer capital lease acquisitions were entered into during the quarter. Additions in Q3/12 mainly relate to the capital lease acquisition of a ship loading conveyor to be used for loading copper concentrates at the Goodyear's Cove site. Spending on buildings reduced in Q3/12 compared to Q2/12 reflecting the substantial completion of the Goodyear's Cove Storage facility during the quarter.
Exploration and evaluation costs (Ming Mine) Q3/12 Q2/12 Q3/11
$,000 $,000 $,000

Labour costs - - 15
Consultancy expenses 337 248 16
Operating costs - - 1
Total 337 248 32

Following the completion of the Ming Mine feasibility study, the Ming Mine project moved from pure Exploration & Evaluation into the Mine Development stage. Exploration expenditures incurred during Q3/12 related to the completion of the Lower Footwall Zone preliminary economic assessment at the Ming Copper-Gold Mine.

FINANCIAL REVIEW
Comparatives
Q3/12
Results
($000's) Commentary Q2/12 B/(W)
* Q3/11 B/(W)
- Revenue in Q3/11 was from toll processing agreements. Revenues realized in Q3/12 during the testing and commissioning of the Ming Mine have been credited against Mineral Property and will continue until commercial production is achieved (see 'Ming Mine Revenue' below). - - 183 -
- Operating Costs in Q3/11 costs were incurred from a toll processing agreement. - - 175 -
761 General and administrative expenses were lower than the previous quarter by $22,000. Legal and professional charges reduced by $59,000 which related to tax consultancy in Q2/12. Investor relations, travel and entertaining costs increased by $51,000 as a result of the continued focus on promoting the Ming Mine production story and attendance at mining relating conferences during the quarter.

In comparison to Q3/11 administrative expenses increased by $143,000 including an additional $71,000 for investor relations, travel and entertaining costs and $56,000 in increased labour costs. 783 3 % 618 (23)%
476 Foreign exchange losses arising on the Gold Loan partially reversed in Q3/12 as a result of the strengthening of the Canadian dollar against the US dollar during the quarter. (267) 278 % 836 (43)%
(3,233) Mineral Properties. The group incurred costs of $10.9 million in the quarter offset by revenue on gold production of $14.1 million (see further below). The cost include labour costs of $2.3 million, contractor and material costs of $0.4 million, underground development costs of $2.1 million depreciation of $1.0 million and finance costs of $2.3 million. Finance costs include actual cash cost of $0.5 million relating to interest on the Group's Credit Facility and equipment capital leases. Q3/12 total mineral properties increased to $10.9 million during the quarter compared to Q2/12 in line with an increase in underground capital development and the first full quarter of commissioning and testing at the Nugget Pond Mill. Net mineral properties expenditures decreased in Q3/12 resulting from an increase in the number of gold ounces sold during the quarter as compared to Q2/12.

Ming Mine Revenue of $14.1 million was realized in Q3/12 on the sale and settlement of 8,194 ounces of gold compared with $2.5 million in Q2/12 on the sale and settlement of 1,459 ounces of gold with the Group's third party refinery. Revenues realized during the testing and commissioning of the Ming Mine have been credited against Mineral Property and will continue until commercial production is achieved. 5,494 159 % 4,920 166 %
1,437 Capital spending on property, plant and equipment decreased during the quarter compared to Q3/12 reflecting the substantial completion of the copper concentrator at the Nugget Pond gold and base metal milling facility, fewer capital lease acquisitions on plant and equipment and substantial completion of the Goodyear's Cove Storage Facility. The decrease from Q3/12 is due to the reasons outlined above and the overall movement from capital development into production. 3,992 64 % 7,246 80 %
337 Capital spending on exploration and evaluation costs increased in Q3/12 compared to Q2/12 representing a full quarter of consultancy expenditure for the ongoing preliminary economic assessment of the Lower Footwall Zone of the Ming Mine. 248 (36)% 32 (953)%
*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 2012
Revenue -* -* 1,219
Net Income/ (loss) (281) (1,039) (845)
Loss per Share (Basic & Diluted) (0.002) (0.008) (0.007)
Fiscal 2011
Revenue 2,089 183 266 985
Net Income/ (loss) 577 193 (555) (268)
Earnings/(loss) per Share (Basic & Diluted) 0.008 0.002 (0.006) (0.003)
Fiscal 2010
Revenue -
Net Income/ (loss) (676)
Loss per Share (Basic & Diluted) (0.008)
*gold sales resulting from the testing and commissioning of the Ming Mine are credited to Mineral Properties until commercial production is achieved

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 a toll processing agreement 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. The profit arising in Q4 2011 arose from the profits realised on the sale of gold from the Group's satellite deposits. Losses increased in Q1/12 and further increased in Q2/12 as a result of an exchange loss of $0.7 million and $0.30 million respectively and reduced sales activity due to the processing of the Group's satellite deposits completed in Q1/12. The reduction in losses in Q3/12 reflects exchange gains on the retranslation of the Gold Loan.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

To date the Group has relied on private placement financings of equity securities, a Gold Loan facility, capital leases and a credit facility (see 'Commitments and Loans' section) to finance its development requirements. Positive cash flows are expected to continue after production at the Ming Mine commences; however, there is no guarantee that expenses will not exceed income particularly during the start-up phase. If this is the case, the liquidity risk could be material, even with current cash resources.

The Group's holding of cash balances is kept under constant review. 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, 2012
$'000 July 31, 2011
$'000
Cash $CDN 4,451 8,661
Cash $US 52 770
Cash GBP 107 47
Short-term Investments $CDN - 25
Short-term Investments GBP 239 667
Total 4,849 10,170

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

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

Net cash utilised in financing activities during the quarter amounted to $0.3 million from receipts from a placement of $4.5 million net of financing fees offset by finance lease repayments of $0.4 million and repayments of the gold loan of $4.4 million.

Cash flows generated from investing activities amounted to $1.9 million for the quarter. Net cash of $6.1 million was generated from the Group's mineral property ($13.2 million proceeds received from the sale of gold less $7.1 million in mine development). $3.0 million was spent on property, plant and equipment and $1.0 million invested in Maritime Resources Corp. 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 $3.26 million.

The Group's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on copper and gold prices, its ability to fund its development and exploration programs, and to manage and generate positive cash flows from current operations. To ensure sufficient working capital management has conditionally secured CAD$4.1 million through a non-brokered private placement (see Subsequent Events, page 16). Through the use of these placement funds, continued production during the commissioning phase and the unused credit facility balance of CAD $2.5 million, management is satisfied that the Group has sufficient working capital for the forthcoming 12 months. However, there are risks associated with the commencement of a new mining and processing operation which may give rise to the possibility that additional working capital may be required to fund delays in commissioning the copper concentrator and continued mine development and the repayment of loans falling due for repayment in March 2013. Should additional working capital be required, the Directors consider that further sources of finance could be secured in the required timescale. On this basis, the Directors have concluded that the Group is a going concern; however, there is no certainty that these funds will be forthcoming. 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.

At June 18, 2012 the Group has $5.8 million in cash and cash equivalents.

Financial Instruments

The Group's financial instruments as at April 30, 2012 comprised of financial assets of cash and cash equivalents and trade and other receivables and financial liabilities 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 12 of the consolidated financial information for the quarter ended April 30, 2012. There were no derivative instruments outstanding at April 30, 2012.

COMMITMENTS AND LOANS

At April 30, 2012, there were no capital commitments made to third parties.

Gold Loan

In March 2010, 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.

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.

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

If within 24 months of the date that gold is first produced (November 28, 2011), 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, and/or;
Within the first 36 months of 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

During the first five months of commissioning, repayments of US$5,180,936 were made from the delivery of 3,089oz of gold thereby satisfying the requirement to repay a minimum of US$3.6 million cash during the first 12 months and partially meeting the requirements for the second 12 months.

Credit Facility

On September 29, 2011 the Group agreed a Credit Facility of up to CAD$10 million with Sprott Resource Lending Partnership ('Sprott') for use as additional funding for the development of the Ming Mine. Subsequent to amending the agreement in December 2011 the facility is available in three instalments; the first instalment of $5 million was drawn on October 29, 2011, the second instalment of $2.5 million was drawn on January 30, 2012 and the final instalment for the balance up to $10 million is available until August 31, 2012 Interest will accrue at a fixed rate of 9.25% per annum. Principal is repayable by March 29, 2013 and secured by a fixed and floating charge over the assets of the Group. In connection with the Credit Facility, a Structuring Fee of CAD$100,000 and a 3% Commitment Fee of CAD$300,000 were paid to Sprott in cash. Pursuant to the terms of the Credit Facility, the Company issued CAD$300,000 of ordinary shares of 1p each in the capital of the Company to Sprott in exchange for the repayment of the previously paid cash Commitment Fee. In addition, a further 4% Drawdown Fee on all amounts drawn under the Credit Facility was satisfied by the issuance of ordinary shares by the Company.

Loan and lease balances

At April 30, 2012, interest bearing loans and borrowings comprised a Gold Loan of $18,733,000, finance lease commitments of $8,213,000, a credit facility of $6,702,000 and a bank loan of $26,000. The Group entered into finance lease commitments of $796,000 to finance the acquisition of a conveyor in the quarter.

SUBSEQUENT EVENTS

On May 14, 2012 the Group officially began its copper production with first concentrates now being trucked and stored at the port's warehouse (see company press release dated 30 May 2012). The first material processed was lower grade commissioning ore, 1.30% copper head grade, from the Lower Footwall Zone ('LFZ). During start-up copper recoveries have been excellent averaging 95% along with to an average throughput of 35 tonnes per hour. Subsequent to start-up on June 4, 1012 the Group began blending higher grade ore from the 1807 zone bringing the run of mine head grade to 1.7 % copper with 0.56 g/t gold. Head grade will continue to increase as more 1807 zone material is blended further displacing LFZ ores. First revenues from copper production are anticipated in June 2012.

On May 18, 2012 Rambler entered into a conditional subscription agreement with Tinma International Ltd. ('Tinma'), a wholly-owned subsidiary of a China-based strategic investor and current holder of 15,618,980 shares representing approximately 11.55% of the issued share capital, to subscribe for 7,118,012 ordinary shares (the 'Subscription Shares') by way of a non-brokered private placement at a subscribed price of $0.58 per ordinary share for gross proceeds of CAD $4.13 million. Closing is conditional upon, among other things, admission of the Subscription Shares to trading on the AIM market of London Stock Exchange plc and acceptance by the TSX Venture Exchange of the listing of the Subscription Shares. Additionally, closing is conditional upon the due convening of a general meeting of shareholders on 28 June 2012 and the passing of shareholder resolutions granting authority to the directors of the Company to allot the Subscription Shares and disapply pre-emption rights in respect of such allotment.

APPENDIX 1 - LOCATION MAP

To view the map associated with this release, please visit the following link:
http://media3.marketwire.com/docs/rmm0618fig1.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,
2012 January 31,
2012 October 31,
2011 April 30,
2011
Gold sales (ounces) 8,194* 1,459* 695 -
Average price CAD (per ounce) 1,672* 1,662* 1,700 -
Revenue - - 1,219 183
Operating Expenses - - (674) (175)
Exploration Expenditure (11) (6) (6) (16)
Administrative expenses (761) (783) (694) (618)
Net loss (281) (1,039) (845) 193
Cash Flow generated by/(used in) operating activities (732) (530) 1,284 (406)
Cash Flow generated from /(used in) investing activities 1,903 (4,983) (7,438) (7,370)
Cash Flow (utilized in)/from financing activities (264) 1,230 4,194 5,388
Net (decrease)/increase in cash 907 (4,283) (1,960) (2,388)
Cash and cash equivalents at end of period 4,849 3,974 8,257 2,477
Total Assets 106,678 106,670 102,449 79,238
Total Liabilities (41,933) (46,010) (40,769) (32,847)
Working Capital (7,482) (4,005) 4,664 219
Weighted average number of shares outstanding 125,217 123,650 123,361 95,515
Loss per share (0.002) (0.008) (0.007) 0.002
*gold sales relating to the testing and commissioning of the Ming Mine are credited to Mineral Properties until commercial production is achieved.

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 copper and gold prices, its ability to fund its development and exploration programs, and to manage and generate positive cash flows from current operations. To ensure sufficient working capital management has conditionally secured CAD$4.1 million through a non-brokered private placement (see Subsequent Events, page 16). Through the use of these placement funds, continued production during the commissioning phase and the unused credit facility balance of CAD $2.5 million management is satisfied that the Group has sufficient working capital for the forthcoming 12 months. However, there are risks associated with the commencement of a new mining and processing operation which may give rise to the possibility that additional working capital may be required to fund delays in commissioning the copper concentrator and continued mine development and the repayment of loans falling due for repayment in March 2013. Should additional working capital be required, the Directors consider that further sources of finance could be secured in the required timescale. On this basis, the Directors have concluded that the Group is a going concern; however, there is no certainty that these funds will be forthcoming. 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.

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 10 of the financial statements for the period ended April 30, 2012.

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 8 to the Unaudited Consolidated Financial Information for the quarter ended April 30, 2012). 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 mineral property costs and the corresponding Gold Loan liability.

Mineral Property and Exploration and Evaluation Costs

The directors have assessed whether there are any indicators of impairment in respect of mineral property and exploration and evaluation costs. In making this assessment they have considered the Group's business plan which includes resource estimates, future processing capacity, the forward market and longer term price outlook for copper and gold. Resource estimates have been based on the most recently filed NI43-101 report and its opportunities economic model which includes resource estimates and 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. 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 quarter 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, 2012:
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 August 1, 2012
IFRS 9 Financial instruments: Classification and Measurement No change to accounting policy, therefore, no impact January 1, 2015 August 1, 2015
IFRS 10 Consolidated Financial Statements No change to accounting policy, therefore, no impact January 1, 2013 January 1, 2013
IFRS 11 Joint Arrangements No change to accounting policy, therefore, no impact January 1, 2013 January 1, 2013
IFRS 12 Disclosure of Interests in Other Entities No change to accounting policy, therefore, no impact January 1, 2013 January 1, 2013
IFRS 13 Fair Value Measurement No change to accounting policy, therefore, no impact January 1, 2013 January 1, 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 July 31, 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 135,242,228 --
Options 4,053,334* $0.46
*if all options have fully vested

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

Forward Looking Information

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the Group's objectives and strategy, future financial or operating performance of the Group 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, 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 are necessarily based on a number of estimates and assumptions that, while considered reasonably by the Company, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group 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; 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 "Risk Factors" in the Report of Directors. 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. Unless stated otherwise, forward-looking statements contained herein are made as of the date of this MD&A. Other than as required by applicable securities law, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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 2012

The accompanying financial information for the quarter ended 30 April 2012 and 30 April 2011 has not been reviewed or audited by the Group's auditor and has an effective date of 18 June 2012.
Rambler Metals and Mining Plc
Unaudited Consolidated income statement
For the Quarter Ended 30 April 2012
(EXPRESSED IN CANADIAN DOLLARS)
Quarter
ended
30 April
2012 Quarter
ended
30 April

2011 Nine months
ended
30 April
2012 Nine months
ended
30 April
2011
$,000 $,000 $,000 $,000
Revenue - 183 1,219 1,434
Cost of sales - (175) (674) (984)
Gross profit - 8 545 450

Administrative expenses (761) (618) (2,238) (1,999)
Exploration expenses (11) (16) (23) (75)
Operating loss (772) (626) (1,716) (1,624)

Bank interest receivable 17 12 70 44
Finance costs (2) (29) (7) (60)
Foreign exchange differences 476 836 (512) 981
Net financing (expense)/income 491 819 (449) 965

(Loss)/profit before tax (281) 193 (2,165) (659)

Income tax credit - - - 29
(Loss)/profit for the period and attributable to owners of the parent (281) 193 (2,165) (630)

Earnings/(loss) per share
Quarter
ended
30 April
2012 Quarter
ended
30 April
2011 Nine
months
ended
30 April
2012 Nine
months
ended
30 April
2011
$ $ $ $

Basic and diluted (loss)/earnings per share (0.002) 0.002 (0.017) (0.007)

Rambler Metals and Mining Plc
Unaudited Consolidated statement of comprehensive income
For the Quarter Ended 30 April 2012
(EXPRESSED IN CANADIAN DOLLARS)
Quarter ended 30 April
2012 Quarter ended 30 April
2011 Nine months ended
30 April
2012 Nine months ended
30 April
2011
$,000 $,000 $,000 $,000

(Loss)/profit for the period (281) 193 (2,165) (630)

Exchange differences on translation of foreign operations (net of tax) (30) 5 (20) (5)
Fair value loss on available for sale investment (247) - (247) -
Other comprehensive (loss)/income for the period (277) 5 (267) (5)

Total comprehensive (loss)/income for the period and attributable to the owners of the parent

(558)
198
(2,432)
(635)

Rambler Metals and Mining Plc
Consolidated balance sheet
As at 30 April 2012
(EXPRESSED IN CANADIAN DOLLARS)
Note Unaudited Audited
30 April 2012 31 July 2011
$,000 $,000
Assets
Intangible assets 3 17,250 16,627
Mineral property 4 45,563 38,468
Property, plant and equipment 5 32,389 25,332
Investment 6 788 -
Total non-current assets 95,990 80,427

Inventory 7 1,034 934
Trade and other receivables 1,546 1,565
Cash and cash equivalents 4,849 10,170
Restricted cash 3,259 3,377
Total current assets 10,688 16,046
Total assets 106,678 96,473

Equity
Issued capital 2,486 2,299
Share premium 70,877 65,934
Merger reserve 214 214
Fair value reserve (247) -
Translation reserve 115 135
Accumulated losses (8,700) (6,604)
Total equity 64,745 61,978

Liabilities
Interest-bearing loans and borrowings 8 22,168 24,606
Provision 9 1,595 1,647
Total non-current liabilities 23,763 26,253

Interest-bearing loans and borrowings 8 11,506 2,282
Trade and other payables 6,664 5,960
Total current liabilities 18,170 8,242
Total liabilities 41,933 34,495
Total equity and liabilities 106,678 96,473

Rambler Metals and Mining Plc
Consolidated Statement of Changes in Equity
Share
capital Share premium Merger reserve Fair value reserve Translation reserve Accumulated
Losses
Total
(EXPRESSED IN CANADIAN DOLLARS) $,000 $,000 $,000 $,000 $,000 $,000 $,000
Audited
Balance at 1 August 2010 1,863 51,532 214 - 25 (6,811) 46,823
Comprehensive loss
Loss for the year - - - - - (53) (53)
Foreign exchange translation differences - - - - 110 - 110
Other comprehensive loss - - - - 110 - 110
Total comprehensive loss for the year - - - - 110 (53) 57
Transactions with owners
Issue of share capital 436 15,252 - - - - 15,688
Share issue expenses - (850) - - - - (850)
Share-based payments - - - - - 260 260
Transactions with owners 436 14,402 - - - 260 15,098

Balance at 31 July 2011 2,299 65,934 214 - 135 (6,604) 61,978
Unaudited
Balance at 1 August 2011 2,299 65,934 214 - 135 (6,604) 61,978
Comprehensive loss
Loss for the period - - - - - (2,165) (2,165)
Foreign exchange translation differences - - - - (20) - (20)
Fair value loss on available for sale investment - - - (247) - - (247)
Other comprehensive loss - - - (247) (20) - (267)
Total comprehensive loss for the period - - - (247) (20) (2,165) (2,432)
Transactions with owners
Issue of share capital 187 5,025 - - - - 5,212
Share issue expenses - (82) - (82)
Share-based payments - - - - - 69 69
Transactions with owners 187 4,943 - - - 69 5,199
Balance at 30 April 2012 2,486 70,877 214 (247) 115 (8,700) 64,745

Rambler Metals and Mining Plc
Unaudited statements of cash flows
For the Quarter Ended 30 April 2012
(EXPRESSED IN CANADIAN DOLLARS)
Quarter ended
30 April
2012 Quarter ended
30 April
2011 Nine months ended
30 April
2012 Nine months ended
30 April
2011
$,000 $,000 $,000 $,000
Cash flows from operating activities
Operating loss (772) (626) (1,716) (1,624)
Depreciation 4 61 107 118
Share based payments 18 43 65 186
Exchange differences - (20) - (135)
Increase in inventory (141) (322) (101) (431)
(Increase)/decrease in receivables (18) 241 921 (708)
Increase in payables 159 246 733 700
Cash generated utilised in operations (750) (377) 9 (1,894)
Interest paid (2) (29) (7) (60)
Income tax received - - - 29
Net cash generated utilised for operating activities (752) (406) 2 (1,925)

Cash flows from investing activities
Interest received 17 12 70 44
Disposal/(acquisition) of bearer deposit note 146 (1,171) 118 (1,764)
Acquisition of listed investment (1,035) - (1,035) -
Acquisition of evaluation and exploration assets (338) (17) (651) (363)
Acquisition of mineral properties - net 6,115 (2,473) 179 (6,200)
Acquisition of property, plant and equipment (2,982) (3,721) (9,179) (9,219)
Net cash generated from/(utilised in) investing activities
1,923
(7,370)
(10,498)
(17,502)

Cash flows from financing activities
Proceeds from issue of share capital 4,578 - 4,578 6
Share issue expenses (82) - (82) -
Proceeds from exercise of share options 30 2 38 10
Proceeds from Loans (note 8) 6 5,571 6,976 14,268
Repayment of gold loan (4,385) - (5,163) -
Capital element of finance lease payments (411) (185) (1,187) (387)
Net cash (utilised in)/from financing activities (264) 5,388 5,160 13,897

Net increase/(decrease) in cash and cash equivalents 907 (2,388) (5,336) (5,530)

Cash and cash equivalents at beginning of period 3,974 4,865 10,170 8,000
Effect of exchange rate fluctuations on cash held (32) - 15 7
Cash and cash equivalents at end of period 4,849 2,477 4,849 2,477

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 copper and gold prices, its ability to fund its development and exploration programs, and to manage and generate positive cash flows from current operations. To ensure sufficient working capital management has conditionally secured CAD$4.1 million through a non-brokered private placement (see note 13). Through the use of these placement funds, continued production during the commissioning phase and the unused credit facility balance of CAD $2.5 million, management is satisfied that the Group has sufficient working capital for the forthcoming 12 months. However, there are risks associated with the commencement of a new mining and processing operation which may give rise to the possibility that additional working capital may be required to fund delays in commissioning the copper concentrator and continued mine development and the repayment of loans falling due for repayment in March 2013. Should additional working capital be required, the Directors consider that further sources of finance could be secured in the required timescale. On this basis, the Directors have concluded that the Group is a going concern; however, there is no certainty that these funds will be forthcoming. 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.

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 2011. The following additional accounting policy has been applied in the current quarter:

Available for Sale Investment

Available for sale investments are initially recognised at fair value with subsequent changes in fair value recognised in Other Comprehensive Income. On derecognition of such investments, any cumulative gain or loss recognised is recycled and recognised in the Income Statement.

3. Intangible assets
Exploration and evaluation
Costs
$,000
Cost
Balance at 1 August 2010 37,051
Acquisitions 478
Transfer to mineral properties (20,902)
Balance at 31 July 2011 16,627

Balance at 1 August 2011 16,627
Acquisitions 623
Balance at 30 April 2012 17,250
Carrying amounts
At 31 July 2011 16,627
At 30 April 2012 17,250

4. Mineral Property
Mineral Property
$,000
Cost
Balance at 1 August 2010 -
Transfer from exploration and evaluation costs 20,902
Acquisitions 17,566
Balance at 31 July 2011 38,468

Balance at 1 August 2011 38,468
Acquisitions 7,095
Balance at 30 April 2012 45,563
Carrying amounts
At 31 July 2011 38,468
At 30 April 2012 45,563

Included in current period acquisitions are $16.615 million in gold sales realized as part of the commissioning of 1806 ores through the Nugget Pond Mill.

5. 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 2010 1,096 5,200 118 6,038 56 540 13,048
Acquisitions 1,845 10,110 74 8,127 34 130 20,320
Disposals - - (39) - - - (39)
Balance at 31 July 2011 2,941 15,310 153 14,165 90 670 33,329

Balance at 1 August 2011 2,941 15,310 153 14,165 90 670 33,329
Additions 663 6,215 85 3,213 3 83 10,262
Disposals - - (39) (189) - (7) (235)
Balance at 30 April 2012 3,604 21,525 199 17,189 93 746 43,356
Depreciation and impairment losses
Balance at 1 August 2010 775 - 51 4,382 44 335 5,587
Depreciation charge 151 - 40 2,070 13 156 2,430
Eliminated on disposals - - (20) - - - (20)
Balance at 31 July 2011 926 - 71 6,452 57 491 7,997
Balance at 1 August 2011 926 - 71 6,452 57 491 7,997
Depreciation charge 246 - 64 2,761 11 103 3,185
On disposals - - (20) (189) - (6) (215)
Balance at 30 April 2012 1,172 - 115 9,024 68 588 10,967

Carrying amounts
At 31 July 2011 2,015 15,310 82 7,713 33 179 25,332
At 30 April 2012 2,432 21,525 84 8,165 25 158 32,389

6. Available for sale investments

$,000
Cost
Balance at 1 August 2011 -
Acquisitions 1,035
Fair Value change (247)
Balance at 30 April 2012 788
Carrying amounts
At 31 July 2011 -
At 30 April 2012 788

On February 15, 2012 the Group completed an acquisition of 4,500,000 shares of Maritime Resources Corp. (TSX VENTURE:MAE) ('Maritime') through a non-brokered private transaction priced at $0.23 per share for a total consideration of $1,035,000. The acquisition gives Rambler a 17% equity stake and an invite to appoint a representative to join Maritime's Board of Directors. The market price at April 30, 2012 was $0.175 per share.

7. Inventories
30 April
2012 31 July
2011
$,000 $,000

Metals in process - 540
Operating supplies 1,034 394
1,034 934

8. 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 12.
30 April
2012 31 July
2011
$,000 $,000
Non-current liabilities
Bank loan 23 26
Finance lease liabilities 6,264 5,326
Gold Loan 15,881 19,254
22,168 24,606

Current liabilities
Current portion of bank loan 3 3
Current portion of finance lease liabilities 1,949 1,630
Current portion of Gold Loan 2,852 649
Credit Facility 6,702 -
11,506 2,282

Finance lease liabilities

Finance lease liabilities are payable as follows:
Minimum lease Payments

Interest

Principal Minimum lease Payments

Interest

Principal
30 April
2012 30 April
2012 30 April
2012 31 July
2011 31 July
2011 31 July
2011
$,000 $,000 $,000 $,000 $,000 $,000
Less than one year 2,243 294 1,949 1,965 335 1,630
Between one and five years 6,931 667 6,264 5,918 592 5,326
9,174 961 8,213 7,883 927 6,956

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

In March 2010, 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.

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 was payable with each payment received under the agreement.

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

If within 24 months of the date that gold is first produced (November 28, 2011), 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 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

During the first five months of commissioning, repayments of US$5,180,936 were made from the delivery of 3,089oz of gold thereby satisfying the requirement to repay a minimum of US$3.6 million cash during the first 12 months and partially meeting the requirements for the second 12 months.

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 $3,446,213 was accrued during the period. $nil (2011: $49,906) was included in exploration and evaluation expenditure and $3,446,213 (2011: $1,451,371) charged to mineral properties.

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

Credit Facility

On September 29, 2011 the Group agreed a Credit Facility of up to CAD$10 million with Sprott Resource Lending Partnership ("Sprott") for use as additional funding for the development of the Ming Mine. Subsequent to amending the agreement in December 2011 the facility is available in three instalments; the first instalment of $5 million was drawn on October 29, 2011, the second instalment of $2.5 million was drawn on January 30, 2012 and the final instalment for the balance up to $10 million is available until August 31, 2012. Interest will accrue at a fixed rate of 9.25% per annum. Principal is repayable by March 29, 2013 and secured by a fixed and floating charge over the assets of the Group. In connection with the Credit Facility, a Structuring Fee of CAD$100,000 and a 3% Commitment Fee of CAD$300,000 were paid to Sprott in cash. Pursuant to the terms of the Credit Facility, the Company issued CAD$300,000 of ordinary shares of 1p each in the capital of the Company to Sprott in exchange for the repayment of the previously paid cash Commitment Fee. In addition, a further 4% Drawdown Fee on all amounts drawn under the Credit Facility was satisfied by the issuance of ordinary shares by the Company.

9. Provisions
30 April
2012 31 July

2011
$,000 $,000
Reclamation and closure provision
At 1 July 2011 1,647 559
(Released)/provided during the period (121) 1,007
Unwinding of discount 69 81
At 30 April 2012 1,595 1,647

The reclamation and closure provision has been made in respect of costs of land restoration and rehabilitation expected to be incurred at the end of the Ming Mine's useful life. The provision has been calculated based on the present value of the expected future cash flows associated with reclamation and closure activities as required by the Government of Newfoundland and Labrador. The provision relates to restoration of all three sites associated with the Ming Mine project: mill, mine and port sites. The liability is secured by Letters of Credit for $3,259,148.

10. Related parties

Transactions with key management personnel

Total key management personnel compensation was as follows:
Quarter ended
30 April
2012 Quarter ended
30 April
2011 Nine months ended
30 April
2012 Nine months ended
30 April
2011
$,000 $,000 $,000 $,000
Short term employee benefits 164 169 496 455
Share based payments 4 28 17 66
168 195 513 521

11. 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
2012 30 April
2012 31 July
2011 31 July
2011
$ No. 000 $ No. 000
Outstanding at the beginning of the period 0.484 4,167 0.467 3,952
Granted during the period 0.502 434 0.506 647
Exercised 0.189 (202) 0.186 (52)
Cancelled during the period 0.473 (514) 0.379 (380)
Outstanding at the end of the period 0.459 3,851 0.484 4,167
Exercisable at the end of the period 0.447 3,396 0.495 3,077

The options outstanding at 30 April 2012 have an exercise price in the range of $0.16 to $1.10 and a weighted average remaining contractual life of 7 years (31 July 2011: 8 years).

The fair value of services received in return for share options granted are measured by reference to the fair

value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model. The contractual life of the option (10 years) is used as an input into this model. Expectations of early exercise are incorporated into the Black-Scholes model.
Fair value of share options and assumptions Quarter
ended
30 April
2012 Quarter
ended
30 April
2011 Nine months
ended
30 April
2012 Nine months
ended
30 April
2011
$,000 $,000 $,000 $,000
Fair value at measurement date of options granted in the period 48 16 127 116
Weighted average fair value per option granted in period 0.323 0.350 0.294 0.287
Share price (weighted average) 0.530 0.610 0.495 0.482
Exercise price (weighted average) 0.530 0.610 0.495 0.482
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model) 69.3 % 70.0 % 69.5 % 74.3 %
Expected option life 5 5 5 5
Expected dividends 0 0 0 0
Risk-free interest rate (based on national government bonds) 1.64 % 2.34 % 1.79 % 2.47 %

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

There are no performance or market conditions associated with the share option grants.
Quarter ended
30 April
2012 Quarter ended
30 April
2011 Nine months
ended
30 April
2012 Nine months
ended
30 April
2011
$,000 $,000 $,000 $,000
Total expense recognised as employee costs 18 43 65 186

12. Financial risk management

The Group's principal financial assets comprise: cash and cash equivalents and trade and other receivables. The Group 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 financial liabilities are measured at amortised cost and their financial assets are classified as loans and receivables and 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 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 2012.

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 8. Repayment is envisaged in payable gold which is denominated in US dollars.

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
2012 31 July
2011
$,000 $,000
10% strengthening of GB pound 26 64
10% weakening of GB pound (23) (57)
10% strengthening of US dollar (1,873) (1,920)
10% weakening of US dollar 1,702 1,746

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 (gold loan) and a Credit Facility arrangement (see note 8). With finite cash resources and no material income, 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 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 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 30 April
2012 31 July
2011
$,000 $,000
Due within one year 11,506 2,282
Due within one to two years 4,320 3,608
Due within two to three years 4,104 4,814
Due within three to four years 2,591 2,272
Due within four to five years 1,224 2,030
Due after five years 9,929 11,882
33,674 26,888

Fixed rate financial liabilities

At the period end the analysis of finance leases, hire purchase contracts and loans which were all due in Canadian Dollars and are at fixed interest rates was as follows:
Fixed rate liabilities 30 April
2012 31 July
2011
$,000 $,000
Due within one year 8,654 1,633
Due within one to two years 2,031 1,465
Due within two to three years 1,993 1,508
Due within three to four years 1,858 1,478
Due within four to five years 395 888
Due after five years 10 13
14,941 6,985

The average fixed interest rate for the finance leases and hire purchase contracts outstanding at 30 April

2012 was 6.46%.

Credit risk

The Group holds the majority of its cash resources in Canadian Dollars given that the majority of the Group's outgoings are denominated in this currency. Given the current climate, the Group has taken a very risk averse approach to management of cash resources and management and Directors monitor events and associated risks on a continuous basis. There is little perceived credit risk in respect of trade and other receivables. The Group and Company's maximum exposure to credit risk at 30 April 2012 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 8. If the interest rate on deposits were to fluctuate by 1% there would be no material effect on the Group's and Company's reported results.

Commodity price risk

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

The Group calculates the effective interest rate on the Gold Loan based on estimates of future cash flows arising from the sale of payable gold. In estimating the cash flows the following table details the Group's sensitivity to a 10% increase and a 25% decrease in the price of gold. These percentages represent management's assessment of the reasonable possible exposure.
Gross assets
30 April
2012 31 July
2011
$,000 $,000
10% increase in the price of gold 623 292
25% decrease in the price of gold (1,683) (783)

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 2012 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 Pounds 239 107 346 1 0.25
US $ - 52 52 - -
Canadian $ - 4,451 4,451 - -
239 4,610 4,849

At 31 July 2011
$,000 $,000 $,000 Months %
GB Pounds 667 47 714 1 0.25
Canadian $ 25 9,431 9,456 1.3 0.95
692 9,478 10,170

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.

13. Subsequent Events

On May 14, 2012 the Group officially began its copper production with first concentrates now being trucked and stored at the port's warehouse (see company press release dated 30 May 2012). The first material processed was lower grade commissioning ore, 1.30% copper head grade, from the Lower Footwall Zone ('LFZ'). During start-up copper recoveries have been excellent averaging 95% along with to an average throughput of 35 tonnes per hour. Subsequent to start-up on June 4, 1012 the Group began blending higher grade ore from the 1807 zone bringing the run of mine head grade to 1.7% copper with 0.56 g/t gold. Head grade will continue to increase as more 1807 zone material is blended further displacing LFZ ores. First revenues from copper production are anticipated in June 2012.

On May 18, 2012 Rambler entered into a conditional subscription agreement with Tinma International Ltd. ('Tinma'), a wholly-owned subsidiary of a China-based strategic investor and current holder of 15,618,980 shares representing approximately 11.55% of the issued share capital, to subscribe for 7,118,012 ordinary shares (the 'Subscription Shares') by way of a non-brokered private placement at a subscribed price of $0.58 per ordinary share for gross proceeds of CAD $4.13 million. Closing is conditional upon, among other things, admission of the Subscription Shares to trading on the AIM market of London Stock Exchange plc and acceptance by the TSX Venture Exchange of the listing of the Subscription Shares. Additionally, closing is conditional upon the due convening of a general meeting of shareholders on 28 June 2012 and the passing of shareholder resolutions granting authority to the directors of the Company to allot the Subscription Shares and disapply pre-emption rights in respect of such allotment.

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.

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