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RAMBLER
METALS & MINING PLC

REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2013

Rambler Metals and Mining Plc

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RAMBLER METALS AND MINING PLC

COMPANY INFORMATION

FOR THE YEAR ENDED JULY 31, 2013

Directors:	T S Chan E C Chen D H W Dobson L D Goodman B Hinchcliffe S Neamonitis G Ogilvie J S Thomson
Secretary:	P Mercer
Registered office:	Salatin House 19 Cedar Road Sutton Surrey SM2 5DA
Registered number:	5101822 (England and Wales)
Auditor:	BDO LLP 55 Baker Street London W1U 7EU

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED JULY 31, 2013

We are pleased to report the results for the year ended July 31, 2013.

The principal activity of Rambler Metals and Mining plc ('the parent Company' or 'the Company') and its subsidiaries (the 'Group' , or 'Rambler') is the development, mining and exploration of the Ming Copper-Gold Mine ("Ming Mine") in Newfoundland and Labrador and the exploration and development of other properties located in Atlantic Canada.

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

The presentational currency of the Group's financial statements is Canadian dollars ($).

OPERATIONAL HIGHLIGHTS

The Group reached considerable milestones and other key achievements during the fiscal year. Highlights include:

- Declared commercial production on November 1, 2012 resulting in profits before tax of $3.7 million for the last three quarters of the year.
- Generated cash of $12.6 million from operations since declaring commercial production.
- Continued its exploration activity at the Ming Mine and acquired exploration and development rights to other local copper/gold properties.

FINANCIAL HIGHLIGHTS

The consolidated profit after taxation of the Group in respect of the year ended July 31, 2013 amounted to $9,053,000 (earnings per share of $0.063) versus a loss of $3,367,000 for the year ended July 31, 2012 (a loss per share of $0.026).

Following the declaration of commercial production on November 1, 2012 the Group generated revenue of $34.7 million mainly from the sale of copper concentrate. Prior to commercial production the Group generated revenue from saleable material produced during commissioning of $9.5 million and offset this revenue against the Mineral Property asset.

The gross assets of the Group amounted to $116.9 million as at the end of the year. This included Mineral Properties of $49.3 million and Intangible assets of $17.4 million which consisted of accumulated deferred exploration and evaluation expenditures on the Lower Footwall Zone at the Ming Mine.

Reaching commercial production is a significant milestone for any exploration or development project. My thanks to our employees, officers and directors for the progress made during the year and I look forward to continued success in fiscal 2014.

DHW Dobson
Chairman
October 28, 2013

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 October 28, 2013 and covers the results of operations for the quarter and year ended July 31, 2013. This discussion should be read in conjunction with the audited Financial Statements for the year ended July 31, 2013 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. These statements together with the following MD&A are intended to provide investors with a reasonable basis for assessing the potential future performance. See Forward Looking Statement disclosure in Appendix 5.

GROUP OVERVIEW

The strategic vision of the Group is to become Atlantic Canada's leading mine operator and resource developer. Its principal activity is the development, mining and exploration of the Ming Copper-Gold Mine ('Ming Mine') in Newfoundland and Labrador (see map referenced in Appendix 1) and the exploration and development of other properties located in Atlantic Canada. The Company declared commercial production on November 1, 2012 and the Group subsequently reported revenue of $34.7 million from the sale of 14,634 dry metric tonnes ('dmt') of copper concentrate containing 3,947 tonnes of accountable copper metal, 2,664 and 10,895 ounces of accountable gold and silver respectively and further revenue from the sale of gold doré bars containing 270 ounces of gold, generating an overall profit before tax of $2,985,000.

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 four strategic goals:

1. Continue as a profitable copper and gold producer by continuing to produce a high grade concentrate at the Nugget Pond concentrating facility then improving revenue through the integration of the gold hydromet plant into the production stream.
2. Increase available resources and reserves through further exploration both within the Ming mine and current land holdings.
3. Continue to investigate, through various optimization studies, development of the Lower Footwall Zone creating organic growth.
4. 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 Rambler and its shareholders, while providing the best opportunity to build a successful and long term mining company.

HIGHLIGHTS OF THE YEAR ENDED JULY 31, 2013

This was a significant year following the declaration of commercial production on November 1, 2012.

Highlights of the 2013 fiscal year included:

Production

- ➔ For the first 9 months in commercial production the Group produced 13,802 tonnes of copper concentrate containing 3,953 tonnes of copper metal, 3,137 ounces of gold and 23,958 ounces of silver. The average feed grade during the period was 3.60% Cu, 1.31 g/t Au and 8.95 g/t Ag followed by a mill recovery of 91%, 62% and 71% for copper, gold and silver respectively.

- ➔ During the fourth quarter produced a total of 5,244 dmt (Q3'13 – 4,575 dmt) of copper concentrate for a total of 18,299 dmt for fiscal year ended July 31, 2013 and 20,524 dmt since the start of copper production in May 2012. Concentrate produced during the fourth quarter averaged 30% copper with 8 g/t gold and 59 g/t silver (Q3'13: 28% copper with 7 g/t gold and 51 g/t silver) with milling recoveries for copper and gold averaging 94% and 65% respectively (Q3'13: 91% and 62% respectively).

- ➔ During the fourth quarter daily tonnage through the mill increased from 571 dmt during May, improved to 585 dmt in June and 610 dmt in July. The continued increase in throughput was evident in the increased concentrate produced during the fourth quarter, despite a 12 day maintenance period in the copper concentrator between June and July allowing the gold hydromet to be operated.

- ➔ Delivered three shipments of concentrate during the year totalling approximately 17,956 wet metric tonnes ('wmt') via the Group's port facility at Goodyear's Cove, Newfoundland and Labrador.

Capital Development

- ➔ Development into the high grade 1807 copper zone continued during the year with ore being stockpiled as development progressed. With the majority of tonnes for the 2013 fiscal year coming from this zone, ore access on multiple levels was the main focus for underground development crews.

- ➔ A significant development milestone was reached during the year, being the breakthrough of the independent 1807 ramp system. Ore from all developed levels of this high copper grade zone can now be accessed with larger 42 tonne haul trucks. Additional drill sites are also now available for continued exploration and extension drilling of the known mineralized areas.

HIGHLIGHTS OF THE YEAR ENDED JULY 31, 2013 (Continued)

Financing, Royalty and Investment

- During the year repayments of US$1,454,129 (project to date US$9,309,570) were made from the delivery of 949 ounces of gold thereby satisfying requirements in the gold loan agreement to repay a minimum of US$3.6 million in each of the first two 12 month periods of production and partially meeting the requirements for the third 12 months.

- Agreed terms for the extension of its $10 million secured credit facility to March 31, 2014. Under the amendment agreement the Group paid Sprott Resource Lending Partnership ('Sprott'), in shares, a 4% extension fee. Interest will continue to accrue at 9.25% and any drawdown on the facility will be subject to the 4% drawdown fee as per the original agreement. Of the initial $10 million credit facility made available, only $7.5 million was drawn with $500,000 repaid in November 2012. $3.0 million was made available under the amended credit facility and was available until September 30, 2013. On April 30, 2013 and May 31, 2013 payments of $500,000 and $600,000 respectively reduced the outstanding balance at year end to $5,900,000. As of the date of this release the outstanding balance on the facility is $4,750,000.

- Exercised an option for the acquisition of 588,230 shares of Maritime Resources Corp (TSXV: MAE) ('Maritime') priced at $0.25 per share for a total consideration of $147,000 bringing Rambler's equity stake to 18%. Maritime continues to advance the Green Bay portfolio of properties, specifically the Hammerdown mine. Maritime filed a Technical Report to accompany its NI43-101 compliant resource estimate released on May 28, 2013 which showed 79,000 ounces in the measured category, 349,600 ounces in the indicated category (428,600 ounces of gold combined) and 661,100 ounces in the Inferred category, at a 3g/t cut-off grade. The reported grades for each of the measured, indicated and inferred resource categories were 12.12 g/t, 8.27 g/t and 6.92 g/t gold respectively.

- Announced the purchase of a 1% net smelter royalty ('NSR') held over the Ming Mine for a total consideration of $500,000. The mine was initially encumbered by a combined 4.5% NSR held by four separate groups. Of the four net smelter royalties, two included a buyout clause allowing the Company to purchase 3% of the total NSR for a combined payment of $1,100,000. This is the second royalty Rambler purchased since starting commissioning leaving a combined net smelter royalty of 1.5% on the Ming Mine.

HIGHLIGHTS OF THE YEAR ENDED JULY 31, 2013 (Continued)

Exploration and evaluation

- Capital development continued with the 1807 zone ramp being driven down gradient to the 481 and 485 levels. In the first half of fiscal 2014 the Company intends to complete a program of in-fill drilling moving inferred 1807 zone material into the measure and indicated categories with the medium term intention of testing for new mineralization down and up-plunge. All zones within the mine, including the 1807 Zone, remain open both up and down plunge.
- The Group finalized a purchase and sale agreement with a local exploration company for the exclusive rights to explore and develop the Krissy Buckle gold/copper property located within 40 kilometres of the Group's Nugget Pond precious and base metal processing facility. The Group has exclusive rights to explore and develop the property while providing the vendors with a 2% net smelter royalty ('NSR') on any ore extracted. 1% of the NSR can be bought out at any point in the future for a fee of $1,000,000. In addition to the NSR, advance royalty payments totalling $90,000 will be paid to the vendors over the first 4 years.
- The Company received funding from the Research Development Corporation, Newfoundland and Labrador ('RDC') to complete in depth research on two separate projects associated with the advancement of Ming Mine. The first is a gold liberation of historic tailings study for which RDC will contribute $178,439, total project investment $239,169. The second project involves an examination of various pre-concentration methods with the goal of further improving the economic viability of the Lower Footwall Zone. RDC is supporting this research by contributing $250,000 through its R&D Proof of Concept program to a total project cost of $372,668.

Staffing

- Announced the appointment of Mr. Robert McGuire, P.Eng., as the Group's new General Manager at the Ming Copper-Gold Mine. Mr. McGuire has over 35 years' experience in underground mining with a diverse background in supervisory and managerial positions. Mr. Tim Sanford, P.Eng., the Group's previous General Manager was promoted to Vice President Technical Services, a new executive position that will oversee the preparation of Rambler's expansion plans of the Ming Mine and external growth opportunities.
- At the end of the year a total of 139 full time employees were employed at the Ming Mine compared to 130 full time employees at July 31, 2012.
- The Group continues to evaluate current employment levels and look for opportunities to streamline its operations with the goal of improving overall efficiency.

FINANCIAL RESULTS

➔ Revenue

- ➔ A total of 14,746 dmt of concentrate was provisionally invoiced during the year at an average price of $3.38 per pound copper, $1,530 per ounce gold and $27 per ounce silver, generating $35.6 million in combined revenue before final assay and weights were agreed on the three delivered shipments. An additional $479,000 in revenue was realized on the sale of 324 ounces of gold produced mainly from the testing of floatation tails from the copper concentrator being reprocessed through the Group's gold processing facility.

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

- ➔ During the year the Group agreed final weights and assays on three concentrate shipments with its off-take partner resulting in a $941,776 reduction in revenue (112 dmt) bringing net revenue for the period to $34.7 million. Throughout the year the Group fixed a portion of its copper, gold and silver production with its off-take partner to mitigate the risk of any significant commodity price movements resulting in a net realized loss on derivative financial assets of $73,703 being the difference in the commodity prices at time of provisional invoicing, and actual commodity prices realized on the fixed portion of the shipment. A further unrealized loss of $250,755 resulted at year end being the difference in the commodity prices at time of provisional invoicing and anticipated commodity prices upon final settlement following the future shipment of concentrates in the Group's warehouse at year end.

- ➔ Revenue of $9.5 million realized in Q1/13 during the testing and commissioning of the Ming Mine along with operating expenditures were offset against the mineral property asset.

➔ Profit

The net profit before tax for the year was $2,985,000 compared with a loss of $3,367,000 for the year ended July 31, 2012. The net profit for the quarter ended July 31, 2013 was $7,620,000 ($1,579,000 before tax) or $0.053 per share which compares to $193,000 for Q3/13 and a loss of $1,202,000 for Q4/12.

FINANCIAL RESULTS (continued)

➔ **Production costs**

Average production costs (before depreciation and amortisation) incurred since the declaration of commercial production were $145 per tonne of ore milled and $2.03 per equivalent pound of copper.

➔ **Cash flow and cash resources**

Cash flows generated from operating activities were $11,468,000 compared with cash utilized of $1,209,000 in the previous fiscal year. Cash flows generated from operating activities were $5,892,000 in Q4/13 compared to cash utilized of $380,000 in Q3/13 and cash utilized of $1,211,000 in Q4/12. The increase in the cash generated relates to the operating profit and changes in working capital.

Cash resources as at July 31, 2013 were $5.6 million and as of October 28, 2013 had increased to $6.5 million.

OPERATIONAL SUMMARY

For the first 9 months in commercial production the Company produced 13,802 tonnes of copper concentrate containing 3,953 tonnes of copper metal, 3,137 ounces of gold and 23,958 ounces of silver. The average feed grade during the period was 3.60% Cu, 1.31 g/t Au and 8.95 g/t Ag followed by a mill recovery of 91%, 62% and 71% for copper, gold and silver respectively.

PRODUCTION

	Total	Q4/13	Q3/13	Q2/13
Dry Tonnes Milled	137,397	47,027**	43,907*	46,463
Copper Recovery		94%	91%	89%
Gold Recovery		65%	62%	58%
Silver Recovery		73%	71%	68%
Copper Head Grade (%)		4.05	3.59	3.14
Gold Head Grade (g/t)		1.52	1.29	1.13
Silver Head Grade (g/t)		10.95	8.68	7.19

CONCENTRATE (Produced and Stored in Warehouse)

	Total	Q4/13	Q3/13	Q2/13
Copper (%)		30.0	27.9	27.6
Gold (g/t)		7.7	6.7	6.7
Silver (g/t)		58.6	51.4	51.0
Dry Tonnes produced	13,802	5,244	4,575	3,983
Copper Metal (tonnes)	3,953	1,574	1,278	1,101
Gold (ounces)	3,137	1,297	987	853
Silver (ounces)	23,958	9,873	7,557	6,528

Note: (1) Tables show first three quarters in commercial production
(2) * Continual freezing of the course ore bin in February
(3) ** 12 day period where gold hydromet was operated instead of copper circuit allowing annual maintenance in the copper concentrator. The hydromet milled 7,247 dry tonnes giving a combined total tonnage for Q4 of 54,274

HEALTH AND SAFETY

- The Group completed the year with no lost time accidents and 7 medical aid injuries. The lost time accident frequency rate and medical aid frequency rate for the period and fiscal year to date was 0 and 4.3 respectively.

- 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:

- Continue to utilize cash flow from operations to pay down credit facility debt by the end of March 2014 maximizing shareholder value by reducing the Group's expensive finance costs
- Continue mining and milling the exposed 1807 workplaces for the generation of copper concentrate revenue 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.
- Open up mining horizons in the Ming South up and down plunge ore bodies.
- Optimize the mining and processing of ores from the Ming Mine that would allow an expansion to 1,000 mtpd; which in turn could allow the gold hydromet to be operated independently and/or simultaneously with the copper concentrator.
- Continuing to evaluate Optimization Opportunities for a possible future expansion into the Lower Footwall Zone.
- Become a strategic long term low-cost producer in Atlantic Canada, by selectively pursuing growth opportunities with joint ventures and acquisitions, including the Group's investment in "The Little Deer Project" and Maritime Resources Corp.
- Increase exposure and liquidity both on London's AIM and on Toronto's Venture Exchange through marketing and investor relations campaigns.

See 'Forward Looking Information' in Appendix 5 for a description of the factors that may cause actual results to differ from forecast.

CAPITAL PROJECTS REVIEW

During the year the Group incurred expenditures of $15,142,000 on Mineral Property which were offset by pre-commercial production revenue of $9,478,000 from gold and copper concentrate sales, $2,620,000 on property, plant and equipment and $190,000 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, were capitalized within mineral property and offset by revenues generated from on-going production.

	Total	Q4/13	Q3/13	Q2/13	Q1/13
	$,000	**$,000**	**$,000**	**$,000**	**$,000**
Mineral Property	5,664	1,267	1,766	2,147	484
Property, plant and equipment	2,620	826	389	586	819
Exploration and evaluation costs	190	131	1	-	58
TOTAL CAPITAL	8,474	2,224	2,156	2,733	1,361

Following the start of commercial production at the beginning of Q2/13 the majority of expenditure on the mineral property relates to capital development in the 1807 zone including the independent 1807 ramp system which will provide access to 1807 stoping and access to lower levels of the Ming Mine ore body.

Property, plant and equipment includes $1.9 million on underground mobile equipment and $0.6 million on storage and office buildings during the year.

Exploration and evaluation costs relate to exploration drilling on the 1806 and 1807 ore zones and the on-going Lower Footwall zone projects as outlined above in the Highlights of the Year Ended July 31, 2013 section.

FINANCIAL REVIEW

Fiscal 2013 ($000's)	Commentary	Comparatives Fiscal 2012 ($000's)	Comparatives B/ (W)*
34,669	**Revenue** of $34.7 million was generated through the sale of 14,634 dmt of copper concentrate containing 3,947 tonnes of accountable copper metal and 2,664 ounces of accountable gold. This compared with revenue of $1.2 million in the prior year from gold sales from the Group's Tilt Cove East Mine and the further refining of slag materials from the Nugget Pond Crown Pillar satellite deposits.	1,219	*2,744%*
27,644	**Production costs** relate to the processing and mining costs associated with Group's Ming Mine and include processing costs of $5.4 million, mining costs $15.5 million and depreciation and amortisation of $6.7 million. Operating costs associated with mining and processing of Ming Mine ores were capitalized to Mineral Property prior to commercial production being achieved. In 2012, operating costs of $674,000 relate to the processing, mining, royalty and general administrative costs associated with the completion of the Group's Tilt Cove satellite deposit.	674	*(4,001)%*
3,557	**General and administrative expenses** were higher than the previous year by $535,000. Employment costs increased $256,000 as a result of key management promotions and compensation changes and the recruitment of additional administrative staff, legal and professional costs increased $79,000 which includes the costs of a strategic review carried out during the year , travel and investor relation costs increased $113,000 and security and general office expenses increased $112,000 due to the addition of security personnel at the mine site and the move to the new office and dry facility.	3,022	*(18)%*
(323)	**Loss on derivative financial instruments.** Throughout the year the Group fixed a portion of its copper, gold and silver production with its off-take partner to mitigate the risk of any significant commodity price movements resulting in a net realized loss on derivative financial assets of $73,703 being the difference in the commodity prices at time of provisional invoicing, and actual commodity prices realized on the fixed portion of the shipment. A further unrealized loss of $250,755 resulted at year end being the difference in the commodity prices at time of provisional invoicing and anticipated commodity prices upon final settlement following the future shipment of concentrates in the Group's warehouse at year end.	-	-
(513)	**Foreign exchange losses** arising on the Gold Loan reduced in the year as a result of the strengthening of the Canadian dollar against the US dollar during the year.	(959)	*47%*
6,068	**Income tax credit.** Following the declaration of commercial production during the year it has been concluded that the Group has sufficient evidence of future taxable profits to justify the recognition of a deferred tax credit of $6.1 million.	-	-

FINANCIAL REVIEW (continued)

Fiscal 2013 Results ($000's)	Commentary	Comparatives Fiscal 2012 ($000's)	Comparatives *B/ (W)**
5,664	**Mineral Properties** The group incurred costs of $15.1 million in the year offset by revenue on gold production of $9.5 million (see further below). The costs include labour of $4.6 million, contractor and material costs of $0.3 million, underground development costs of $4.5 million, depreciation of $1 million and finance costs of $1.1 million. Finance costs include $0.6 million in effective interest charges arising on the gold loan due to higher than estimated gold prices and actual gold ounces delivered during the year as well as changes to future gold pricing and volume estimates. Finance costs include actual cash cost of $0.6 million relating to interest on the Group's Credit Facility and equipment capital leases. **Ming Mine Revenue** of $9.5 million was realized in Q1/13 on the sale of 14,918 ounces of gold and 1,271 tonnes of copper concentrate. Processing and ore transportation costs of $5.5 million and concentrated transportation & other allowances of $241,000 were incurred to generate this revenue. Revenue realized during testing and commissioning was credited against Mineral Properties prior the declaration of commercial production.	9,596	*41%*
2,620	**Capital spending on property, plant and equipment** decreased significantly during the year following the move to commercial production with $1.9 million spent on underground mobile equipment and $0.4 million on a storage facility.	10,451	*75%*
190	**Capital spending on exploration and evaluation** relate to exploration drilling on the 1806 and 1807 ore zones and the on-going Optimization Studies on the Group's Lower Footwall Zone ore body.	633	*70%*

***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 2013				
Revenue	13,175	10,087	11,407	-*
Net Income/ (loss)	7,620	193	1,958	(718)
Earnings/(loss) per Share (Basic & Diluted)	0.053	0.001	0.014	(0.005)
Fiscal 2012				
Revenue	-*	-*	-*	1,219
Net Income/ (loss)	(1,202)	(281)	(1,039)	(845)
Earnings/(loss) per Share (Basic & Diluted)	(0.009)	(0.002)	(0.008)	(0.007)

**gold and copper sales resulting from the testing and commissioning of the Ming Mine were credited to Mineral Properties until commercial production was achieved*

Losses increased in first quarter of 2012 and further increased in the second quarter of 2012 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 the first quarter of 2012. The fluctuation in losses in the third and fourth quarters of 2012 and the first quarter of 2013 reflects exchange gains and losses on the retranslation of the Gold Loan. The profit in the second quarter of 2013 reflects the successful move into commercial production on November 1, 2012. The reduced profit in the third quarter of 2013 was due to a decline in copper and gold prices and invoicing of less copper concentrate when compared to the second quarter of 2013 and the subsequent increase in profits in fourth quarter of 2013 was due to an increase in production and the recognition of a deferred tax credit of $6,040,000.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

Since announcing commercial production, the Group has generated cash flows to finance its operational and development requirements and repay loans. Prior to Q2/13 the Group 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. The Group generated operating cash flows of $12.6 million since declaring commercial production on November 1, 2012 with $5.9 million generated in Q4/13 and positive cash flows are expected to continue. However, there is no guarantee that expenses will not exceed income again during this mining 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 takes 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	July 31, 2013 $'000	July 31, 2012 $'000
Cash $CDN	2,212	7,394
Cash US$	3,293	-
Cash GBP	61	77
Short-term Investments GBP	-	355
Total	5,566	7,826

Sales of copper concentrate are 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.

Cash flows utilised in investing activities amounted to $8.6 million for the year. Net cash of $6.7 million was spent on the Group's Mineral Property ($9.5 million proceeds received from the sale of gold and copper concentrate less $16.2 million in mine development). $1.6 million was spent on property, plant and equipment, $0.2 million on Exploration and Evaluation of the Lower Footwall Zone and $0.1 million invested in Maritime Resources Corp.

Cash flows utilized in financing activities during the year amounted to $5.1 million and included repayment of $1.6 million of the Group's credit facility and repayments of the gold loan of $1.4 million and finance lease repayments of $2.1 million.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION (continued)

The Group is required to hold Letters of Credit in favour of the Government of Newfoundland and Labrador in respect of the reclamation and closure liability at the existing Nugget Pond Mill and Ming Mine. At year end the Group holds bearer deposit notes totalling $3.26 million.

Since the commencement of commercial production the Group has generated operating cash flows of $12.6 million and reduced the working capital deficit from $8.8 million at November 1, 2012 to $2.7 million at July 31, 2013. The Group expects to remain cash flow positive based on current projections and production forecasts generating a working capital surplus during the next 12 months including the repayment of the Sprott credit facility by the due date of March 31, 2014. The current economic conditions do, however, create uncertainty particularly over:

(a) the price of copper, gold and silver;
(b) the exchange rate between Canadian and US dollars and thus the consequence for the cash generated from US dollar revenues;
(c) the production targets being met; and
(d) the terms of the Gold Loan being complied with.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should continue to be cash flow positive and meet its repayment obligations under both the credit facility and Gold loan.

Based on the above management concludes the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

At October 28, 2013 the Group has $6.5 million in cash and cash equivalents.

Financial Instruments

The Group's financial instruments as at July 31, 2013 comprised of financial assets, comprising available for sale investments, 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 23 of the financial statements for the year ended July 31, 2013.

COMMITMENTS AND LOANS

At July 31, 2013, 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, 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:

(i) If within 24 months of the date that gold is first produced (28 November 2011), the Ming Mine has not produced and sold a minimum of 24,000oz (6,000 ounces of Sandstorm payable gold) of payable gold (18,555 oz produced to July 31, 2013; 5,723 ounces of Sandstorm payable gold) then a portion of the US$20 million will be repayable based on the shortfall of payable gold, and/or;

(ii) 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

Subsequent to the year end the Group has satisfied the requirement to deliver 6,000 ounces of Sandstorm payable gold.

During the first twenty months of production, repayments of US$9,309,570 were made from the delivery of 5,723 ounces of gold thereby satisfying the requirement to repay a minimum of US$3.6 million cash during the first and second 12 month periods and partially meeting the requirements for the third 12 months.

Credit Facility

On September 29, 2011 the Group agreed a Credit Facility of up to $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 was available until August 31, 2012. The Company did not draw on this $2.5 million final available instalment. Interest will accrue at a fixed rate of 9.25% per annum. In connection with the Credit Facility, a Structuring Fee of $100,000 and a 3% Commitment Fee of $300,000 were paid to Sprott in cash. Pursuant to the terms of the Credit Facility, the Company issued $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. On November 30, 2012 the Group repaid $500,000. On March 26, 2013 this agreement was amended such that the principal is repayable by March 31, 2014 and secured by a fixed and floating charge over the assets of the Group. Upon amending the credit facility an amendment fee of $400,000 was paid to Sprott in ordinary shares of 1p each. On April 30, 2013 and subsequently on May 31, 2013 the Group made repayments of $500,000 and $600,000 respectively reducing the outstanding balance to $5,900,000 at July 31, 2013.

Loan and lease balances

At July 31, 2013, interest bearing loans and borrowings comprised a Gold Loan of $18,791,000, finance lease commitments of $7,040,000, a Credit Facility of $5,900,000 and a bank loan of $22,000. The Group entered into finance lease commitments of $1,432,000 to finance the acquisition of a mine truck, scoop trams and a loader in the year.

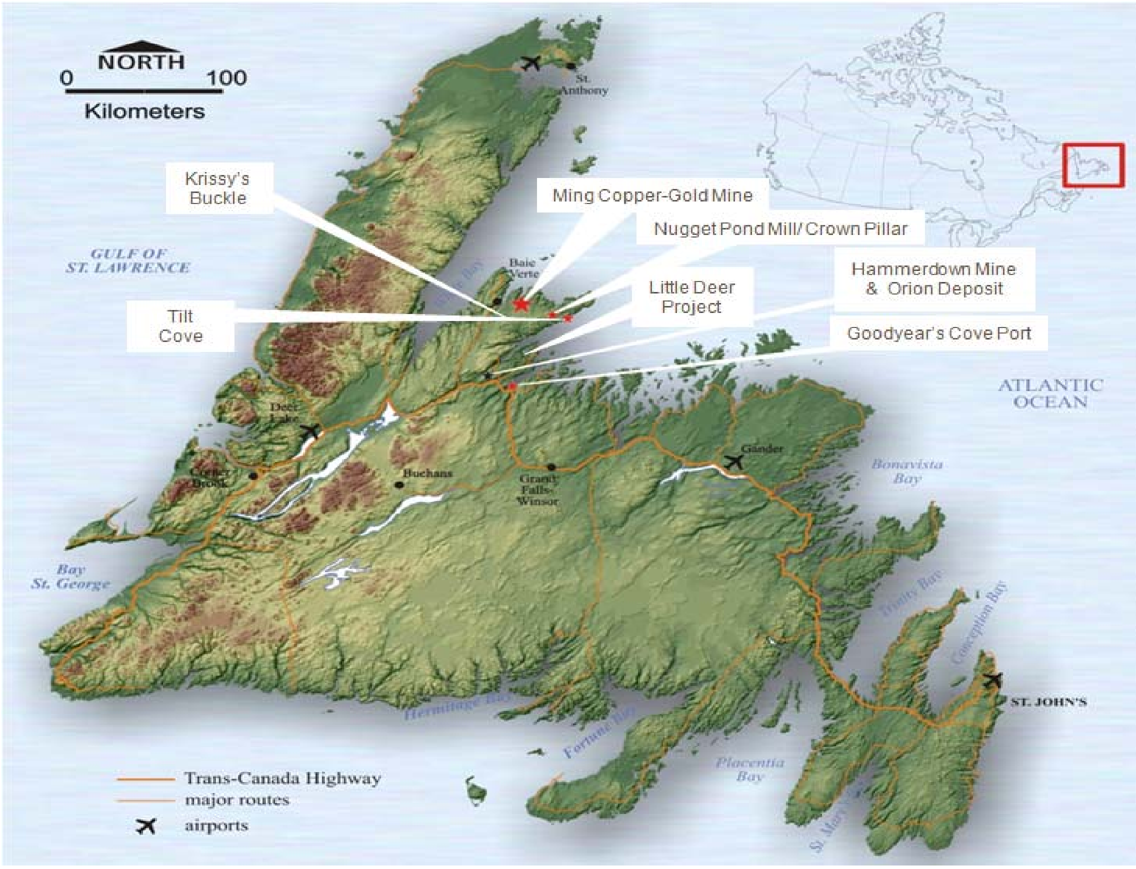
SUBSEQUENT EVENTS

On August 30, 2013 the Company announced an additional payment of $500,000 to Sprott reducing the outstanding balance to $5.4 million.

On September 17, 2013 the Group announced that a conditional offer had been accepted by Cornerstone Capital Resources Inc. for the Group to acquire their 50% interest in The Little Deer Copper Deposit and Whalesback Mine in Newfoundland for $550,000 consisting of $200,000 in cash and $350,000 in shares. The 50% interest is subject to a Joint Venture agreement with Thundermin Resources Inc. On October 15, 2013 the Group announced that the conditions of the offer had been satisfied.

On September 30, 2013 the Company made an additional payment of $650,000 to Sprott reducing the outstanding balance to $4.75 million.

APPENDIX 1 – LOCATION MAP



APPENDIX 2 - SELECTED FINANCIAL INFORMATION & REVIEW OF OVERALL PERFORMANCE

Financial Highlights *(All amounts in 000s of Canadian Dollars, unless otherwise stated)*	**Year ended July 31,**		
	2013	**2012**	**2011**
Gold sales – gold doré (Ounces)	324[1]	15,613[2]	1,399
Average price (per ounce)	1,491[1]	1,654[2]	1,492
Concentrate sales pre commercial production (dmt)	14,634[1]	1,271[2]	-
Concentrate sales post commercial production (dmt)	4,331[2]	-	-
Average provisional price ($ per tonne Cu, Ag & Au concentrate)	2,382[1]	-	-
Revenue	34,669	1,219	3,523
Production Expenses	(27,644)	(674)	(1,754)
Exploration Expenditure	(26)	(24)	(79)
Administrative expenses	(3,557)	(3,022)	(2,750)
Net Income (loss)	9,053	(3,367)	(53)
Cash Flow generated from (used in) operating activities	11,468	(1,209)	(1,352)
Cash Flow used in investing activities	(8,595)	(7,075)	(25,092)
Cash Flow (used in) from financing activities	(5,154)	5,903	28,623
Net (decrease) increase in cash	(2,281)	(2,381)	2,179
Cash and cash equivalents at end of period	5,566	7,826	10,170
Total Assets	116,859	110,718	96,473
Total Liabilities	(39,167)	(43,317)	(34,495)
Working Capital	(2,753)	(7,625)	7,804
Weighted average number of shares outstanding (000s)	142,690	128,477	102,282
Earnings (loss) per share ($)	0.063	(0.026)	(0.001)

[1] *represents post commercial production, November 1, 2012 to July 31, 2013.*

[2] *gold and copper concentrate sales relating to the testing and commissioning of the Ming Mine are credited to Mineral Properties until commercial production is achieved.*

APPENDIX 3 - FINANCIAL REVIEW FOR THE QUARTER ENDED JULY 31, 2013

Q4/13 Results ($000's)	Commentary	Comparatives			
		Q3/13	*B/ (W)**	Q4/12	B/ (W)
13,175	**Revenue** in Q4/13 was generated through the sale of 5,573 dmt of copper concentrate containing 1,610 tonnes of accountable copper metal and 1,130 ounces of accountable gold compared with $10.1 million from the sale of 4,274 dmt of copper concentrate in Q3/13. The increase in revenue can be attributed to increased concentrate production offset by declining commodity prices during Q4/13. Revenue realized in Q4/12 during the testing and commissioning of the Ming Mine was credited against the Mineral Property asset.	10,087	*31%*	-	*N/A*
7,173	**Production costs** relate to the processing and mining costs associated with Group's Ming Mine production and include processing and mining costs of $1.8 million (Q3/13: $1.7 million) and $5.4 million (Q3/13: $4.7 million) respectively and in line with the increased production noted above. Operating costs associated with mining and processing of Ming Mine ores were capitalized to Mineral Property prior to commercial production being achieved.	6,435	*(11)%*	-	*N/A*
843	**General and administrative expenses** were lower than the previous quarter by $155,000. Promotional and travel costs reduced by $79,000 and legal and professional costs by $59,000. In comparison to Q4/12 administrative expenses increased by $58,000. Staff costs increased by $62,000, security and general office expenses by $30,000 offset by a reduction of $25,000 in promotional and travel costs and $14,000 in legal and professional costs.	998	*16%*	785	*(7)%*
(47)	**Loss on derivative financial instruments.** During Q4/13 the net unrealized fair value gain adjustment recognized was $145,000 being the difference in the commodity prices at time of provisional invoicing and anticipated commodity prices upon final settlement offset by a realized loss of $192,000 on the final settlement of the Group's third concentrate shipment. In Q3/13 as commodity prices began to fall the Group fixed a portion of its copper, gold and silver concentrate to reduce further losses ahead of final settlement on its second concentrate shipment. A loss of $385,000 was realized being the difference in commodity prices at the time of provisional invoicing and actual commodity prices realized on the fixed portion of the shipment. A further unrealized loss of $473,000 was booked during the third quarter being the difference in commodity prices at the time of provisional invoicing concentrates in shipment three (shipment subsequently on 28 May 2013) and the anticipated future commodity price at time of final settlement.	(858)	*95%*	-	*N/A*
(295)	**Foreign exchange differences** arising on the Gold Loan resulted in a loss in Q4/13 as a result of the weakening of the Canadian dollar against the US dollar during the quarter.	(243)	*(21)%*	(447)	*34%*
1,266	**Mineral Properties** The group incurred costs of $1.3 million in the quarter. The cost includes labour costs of $0.7 million and underground development costs of $0.6 million. Mineral properties expenditure reduced in Q4/13 in line with the completion of the 1807 independent ramp breakthrough in Q3/13.	1,768	*28%*	2,501	*49%*
828	**Capital spending on property, plant and equipment** increased during the quarter compared to Q3/13 reflecting the acquisition of two additional underground scooptrams The increase from Q4/12 is due to the reasons outlined above and the overall movement from capital development into production.	389	*(112)%*	189	*(338)%*

APPENDIX 3 - FINANCIAL REVIEW FOR THE QUARTER ENDED JULY 31, 2013 (continued)

Q4/13 Results ($000's)	Commentary	Comparatives			
		Q3/13	*B/ (W)**	Q4/12	B/ (W)
131	**Capital spending on exploration and evaluation costs** in Q4/13 relates to exploration drilling on the Group's 1807 and 1806 ore bodies as well as on-going Optimization Studies on the Group's Lower Footwall Zone ore body	-	*N/A*	10	*(1,210)%*

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

APPENDIX 4 - 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
Since the commencement of commercial production the Group has generated operating cash flows of $12.6 million and reduced the working capital deficit from $8.8 million at November 1, 2012 to $2.7 million at July 31, 2013. The Group expects to remain cash flow positive based on current projections and production forecasts generating a working capital surplus during the next 12 months including the repayment of the Sprott credit facility by the due date of March 31, 2014. The current economic conditions do, however, create uncertainty particularly over:

(a) the price of copper, gold and silver;
(b) the exchange rate between Canadian and US dollars and thus the consequence for the cash generated from US dollar revenues;
(c) the production targets being met; and
(d) the terms of the Gold Loan being complied with.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should continue to be cash flow positive and meet its repayment obligations under both the credit facility and Gold loan.

Based on the above management concludes the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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, 2013.

APPENDIX 4 - CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

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 21 of the financial statements for the year ended July 31, 2013). The cash flows will be dependent on the production of gold and its selling price at the time of delivery which have been estimated in line with the mine plan, future prices of gold and resource and reserve estimates. Management's estimates of these factors are subject to risk and uncertainties affecting the amount of the interest charge. Any changes to these estimates may result in a significantly different interest charge which would affect the income statement and the corresponding Gold Loan liability.

Mineral Property and Exploration and Evaluation Costs

The directors have assessed whether there are any indicators of impairment in respect of mineral property and exploration and evaluation costs. In making this assessment they have considered the 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 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.

Revenue

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

Available for sale investment

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

APPENDIX 4 - CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

Commercial production

The Group monitored the on-going testing and commissioning of its copper concentrate milling facility to assess when commercial production had been achieved. Commercial Production is the assessment that the mill is capable of operating in the manner intended and was defined by management at the onset of development to be 60 days of continuous production from both the mill and mine, being 85% of target rates envisaged in the Group's Feasibility Study. Prior to commercial production being declared, costs and revenues are offset to the Mineral Properties asset and post commercial production will be charged to the Group's income statement. Commercial production was achieved at November 1, 2012.

Deferred tax

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

APPENDIX 4 - CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

In the current year, new and revised standards which have been adopted have not affected the disclosures presented in these financial statements with the exception of the disclosure of the breakdown of other comprehensive income between items that may be reclassified into profit or loss or not in accordance with IAS 1 – Presentation of 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, 2013:

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, 2013
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	August 1, 2013
IFRS 11	Joint Arrangements	No change to accounting policy, therefore, no impact	January 1, 2013	August 1, 2013
IFRS 12	Disclosure of Interests in Other Entities	No change to accounting policy, therefore, no impact	January 1, 2013	August 1, 2013
IFRS 13	Fair Value Measurement	No change to accounting policy, therefore, no impact	January 1, 2013	August 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, 2013.

APPENDIX 5 – 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	143,280,614	--
Options	4,087,334*	$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" ("FLI") 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, statements containing FLI can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur be achieved or continue to be achieved. Statements containing FLI 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 FLI. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; availability and cost of credit; fluctuations in Canadian dollar interest rates; fluctuations in the relative value of United States dollars, Canadian dollars and British Pounds; changes in planned parameters as plans continue to be refined; fluctuations in the market and forward prices of copper, gold, silver or certain other commodities; possible variations of ore grade or recovery rates; failure of equipment; accidents and other risks of the mining exploration industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risks and Uncertainties" in the Report of Directors for the year ended July 31, 2013. Although the Group has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the FLI contained in this MD&A, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Unless stated otherwise, statements containing FLI herein are made as of the date of this MD&A.

APPENDIX 5 – OTHER MATTERS (continued)

Forward Looking Information(continued)

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

FLI statements	Assumptions	Risk Factors
Continued positive cash flow	Actual expenditures from operations will not exceed revenues.	Expenditures exceeding revenues resulting from fluctuations in the market and forward prices of copper, gold, silver or certain other commodities, or increased costs of production
Repayment of credit facility by March 31, 2014	Generation of sufficient cash flow from the sale of concentrate	Significant reductions in price of copper and/or gold. Production shortfalls. Increased costs of production
Continued mining and milling the exposed 1807 workplaces and further up-dip and down-dip exploration of 1807 zone	Achieving the planned capital and operating development and production targets; and, timely completion of drill bays to allow commencement of exploration drilling	Development delays reducing access to production ore
Optimisation of the mining and processing of ores from the Ming Mine to allow expansion to 1,000 mtpd	Successful completion of a detailed engineering review of existing infrastructure and availability of finance from cash flow from operations or external	Economic viability
Open up mining horizons in the Ming South up and down plunge ore bodies.	Achieving the planned capital and operating development and production targets	Development delays reducing access to production ore
Become a strategic long term low cost producer by selective pursuit of growth opportunities	Identification and acquisition of suitable mineral properties, investment opportunities and suitable partners for joint ventures.	Availability of suitable mineral properties at an appropriate price and adequate available finance. Availability of suitable acquisition and joint venture opportunities on acceptable terms
Increasing stock market exposure and liquidity	Market reacts positively to Group's results and promotional activity	Failure to reach market expectations. Deterioration in market conditions generally or in the mining sector

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.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED JULY 31, 2013

The Directors present their report with the audited financial statements of the Group for the year ended July 31, 2013.

PRINCIPAL ACTIVITY

The principal activity of the Group is the development, mining and exploration of the Ming Copper-Gold Mine located in Newfoundland and Labrador and the exploration and development of other properties located in Atlantic Canada. The principal activity of the parent company is that of a holding company.

REVIEW OF BUSINESS

A review of the Group's business and prospects is set out in the Management's Discussion and Analysis.

FUTURE DEVELOPMENTS

The Group is looking forward to:

1. Continuing as a profitable copper and gold producer by continued optimization of concentrate production at the Nugget Pond concentrating facility, improving revenue through the integration of the gold hydromet plant into the production stream and focusing on the Group's operations with the goal of reducing its overall operating costs.
2. Increasing available resources and reserves through further exploration both within the Ming mine and current land holdings.
3. Continuing to investigate, through on-going optimization studies, development of the Lower Footwall Zone creating organic growth.
4. Selectively pursuing growth opportunities within Atlantic Canada including joint ventures, acquisitions, strategic alliances and equity positions.

DIVIDENDS

No dividends will be distributed for the year ended July 31, 2013.

DIRECTORS

The Directors during the period under review were:

T S Chan
E C Chen (appointed September 24, 2012)
D H W Dobson
L D Goodman
B Hinchcliffe
S Neamonitis
G Ogilvie
J M Roberts (resigned February 20, 2013)
J S Thomson

POLICY ON PAYMENT OF CREDITORS

It is the Group's and Company's policy to settle all amounts due to creditors in accordance with agreed terms of supply and market practice in the relevant country.

The Group's average creditor payment period at July 31, 2013 was 53 days (2012: 74 days). The Company's average creditor payment period at July 31, 2013 was 51 days (2012: 62 days).

REPORT OF THE DIRECTORS FOR THE YEAR ENDED JULY 31, 2013 (CONTINUED)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable donations of $12,800 (2012: $2,950) to various charities in the Baie Verte area, Newfoundland and Labrador.

SUBSTANTIAL SHARE INTERESTS

At October 28, 2013 the parent Company was aware of the following substantial share interests:

	Number of Ordinary Shares	% of Share Capital
Henderson Global Investors	24,427,575	17.05%
Tinma International Ltd.	22,736,992	15.87%
Legal and General Investment Management	17,575,000	12.27%
Majedie Asset Management	9,043,597	6.31%
Whitmill Trust (Zila Corporation)	8,838,000	6.17%
Hargreaves Lansdown	4,564,543	3.19%

FINANCIAL INSTRUMENTS

The Board of Directors determines, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign exchange risk, liquidity risk, credit risk, interest rate risk and commodity price risk, each of which is discussed in note 23 to the financial statements.

SUBSEQUENT EVENTS

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

RISKS AND UNCERTAINTIES

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

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

Mining risks
Mining operations are inherently risky. These operations are subject to all hazards and risks encountered in the exploration for, and development and production of underground ore, including formation pressures, seismic activity, rock bursts, fires, power outages, cave-ins, flooding, explosions and other conditions involved in the drilling and removal of material. Any of these events could result in serious damage to the mine and other infrastructure, damage to life or property, environmental damage and possible legal liability.

RISKS AND UNCERTAINTIES (CONTINUED)

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

Copper and Gold Price Volatility
The Group's revenues are expected to be derived from the extraction and sale of copper and gold concentrate. The prices of copper and gold have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Group's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased global production due to new extraction developments and improved extraction and production methods. In recent years the price of copper has been affected by changes in the worldwide balance of copper supply and demand, largely resulting from economic growth and political conditions in China and other major developing economies. While this demand has resulted in higher prices for copper in recent years, if Chinese economic growth slows, it could result in lower demand for copper. The effect of these factors on the price of copper and gold cannot be accurately predicted. Any material decrease in the prevailing price of copper in particular for any significant period of time would have an adverse and material impact on the Group's economic evaluations and on the Group's results of operations and financial condition.

Additional Requirement for Capital
The Group may need to raise additional capital in due course to fund anticipated future development and on-going operations. Future development of the Ming Mine, future acquisitions, base metal prices, environmental rehabilitation or restitution, revenues, taxes, capital expenditures and operating expenses and geological and processing successes are all factors which will have an impact on the amount of additional capital required. Any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Group. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, forfeit its interests in some or all of its properties, incur financial penalties and reduce or terminate its operations.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

AUDITOR

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

ON BEHALF OF THE BOARD:

P Mercer
Company Secretary
October 28, 2013

DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

Website publication

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

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JULY 31, 2013

In formulating the Group's corporate governance procedures the Board of Directors takes due regard of the principles of good governance set out in the UK Corporate Governance Code issued by the Financial Reporting Council in September 2012 (as appended to the Listing Rules of the Financial Services Authority) and the size and development of the Group. The Group also has regard to the Quoted Companies Alliance (QCA) Guidelines on Corporate Governance for AIM Companies.

The Board of Rambler Metals and Mining PLC is made up of one executive Director and seven non-executive Directors. D H W Dobson is the senior non-executive director and G Ogilvie is the Group's President and Chief Executive. It is the Board's policy to maintain independence by having at least half of the Board comprising non-executive directors. The structure of the Board ensures that no one individual or group dominates the decision making process.

The Board ordinarily meets no less than quarterly providing effective leadership and overall control of the Group's affairs through the schedule of matters reserved for its decision. This includes the approval of budgets and business plans, items of major capital expenditure, risk management policies and the approval of the financial statements. Formal agendas, papers and reports are sent to the directors in a timely manner, prior to Board meetings. The Board delegates certain of its responsibilities to Board committees which have clearly defined terms of reference. Between the Board meetings, the executive Director, the Chief Financial Officer and some of the non-executive directors meet on a regular basis to review and discuss progress.

All Directors have access to the advice and services of the company secretary, who is responsible for ensuring that all Board procedures are followed. Any Director may take independent professional advice at the Group's expense in the furtherance of his duties.

The Audit Committee, which meets not less than quarterly and considers the Group's financial reporting (including accounting policies) and internal financial controls, is chaired by J S Thomson, the other members being L Goodman and E C Chen. The committee receives reports from management and from the Group's auditor. The Group has in place a series of procedures and controls designed to identify and prevent the risk of loss. These procedures are formally documented and are reported on regularly. The Audit Committee has reviewed the systems in place and considers these to be appropriate.

The Remuneration Committee, which meets at least once a year and is responsible for making decisions on directors' remuneration packages, is chaired by L Goodman. T S Chan and J S Thomson are the other committee members.

Remuneration of executive Directors is established by reference to the remuneration of executives of equivalent status both in terms of time commitment, level of responsibility of the position and by reference to their job qualifications and skills. The Remuneration Committee will also have regard to the terms which may be required to attract an executive of equivalent experience to join the Board from another company. Such packages may include performance related bonuses and the grant of share options.

The Board attaches importance to maintaining good relationships with all its shareholders and ensures that all price sensitive information is released to all shareholders at the same time in accordance with AIM and Toronto Stock Exchange-Venture market rules. The Group's principal communication is through the Annual General Meeting and through the annual report and accounts, quarterly and interim statements.

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

We have audited the financial statements of Rambler Metals and Mining PLC for the year ended 31 July 2013 which comprise the consolidated income statement, the consolidated and parent company statements of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of changes in equity, the consolidated and parent company statements of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2013 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 2 to the group financial statements the group, in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements comply with IFRSs as issued by the IASB.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

BDO LLP

Jason Homewood (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
October 28, 2013

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

RAMBLER METALS AND MINING PLC

CONSOLIDATED INCOME STATEMENT

For the Year Ended July 31, 2013
(EXPRESSED IN CANADIAN DOLLARS)

	Note	2013 $'000	2012 $'000
Revenue	3	34,669	1,219
Production costs		(20,936)	(674)
Depreciation and amortisation		(6,708)	-
Gross profit		7,025	545
Administrative expenses		(3,557)	(3,022)
Exploration expenses		(26)	(24)
Operating profit/(loss)	4	3,442	(2,501)
Exchange loss		(513)	(959)
Bank interest receivable		84	102
Loss on derivative financial instruments	6	(323)	-
Finance costs	7	295	(9)
Net financing income/(expense)		(457)	(866)
Profit/(loss) before tax		2,985	(3,367)
Income tax credit	8	6,068	-
Profit/(loss) for the year attributable to owners of the parent		9,053	(3,367)

Earnings/(loss) per share

	Note	2013 $	2012 $
Basic earnings/(loss) per share	19	0.063	(0.026)
Diluted earnings/(loss) per share	19	0.063	(0.026)

Rambler Metals and Mining Plc

Consolidated Statement of Comprehensive Income

For the Year Ended July 31, 2013
(EXPRESSED IN CANADIAN DOLLARS)

	2013 $'000	2012 $'000
Profit/(loss) for the year	9,053	(3,367)
Other comprehensive income		
Items that may be reclassified into profit or loss		
Exchange differences on translation of foreign operations (net of tax)	(3)	8
Gain/(loss) on available for sale investment (net of tax)	721	(422)
Other comprehensive income/(loss) for the year	718	(414)
Total comprehensive income/(loss) for the year and attributable to the owners of the parent	9,771	(3,781)

RAMBLER METALS AND MINING PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at July 31, 2013
(EXPRESSED IN CANADIAN DOLLARS)

	Note	2013 $'000	2012 $'000
Assets			
Intangible assets	*9*	17,450	17,260
Mineral properties	*10*	49,395	48,064
Property, plant and equipment	*11*	28,460	31,494
Available for sale investments	*12*	1,703	712
Deferred tax	*8*	5,916	-
Total non-current assets		102,924	97,530
Inventory	*13*	3,373	1,100
Trade and other receivables	*14*	1,096	718
Derivative financial asset	*15*	639	281
Cash and cash equivalents	*16*	5,566	7,826
Restricted cash	*17*	3,261	3,263
Total current assets		13,935	13,188
Total assets		116,859	110,718
Equity			
Issued capital	*18*	2,613	2,599
Share premium		75,164	74,756
Merger reserve		214	214
Translation reserve		140	143
Fair value reserve		299	(422)
Accumulated losses		(738)	(9,888)
Total equity		77,692	67,402
Liabilities			
Interest-bearing loans and borrowings	*21*	20,576	20,691
Provision	*22*	1,903	1,812
Total non-current liabilities		22,479	22,503
Interest-bearing loans and borrowings	*21*	10,898	14,827
Trade and other payables	*20*	5,790	5,986
Total current liabilities		16,688	20,813
Total liabilities		39,167	43,317
Total equity and liabilities		116,859	110,718

ON BEHALF OF THE BOARD:

L D Goodman
Director
Approved and authorised for issue by the Board on October 28, 2013

RAMBLER METALS AND MINING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EXPRESSED IN CANADIAN DOLLARS)

	Share capital $'000	Share Premium $'000	Merger Reserve $'000	Translation reserve $'000	Fair value reserve $'000	Accumulated Losses $'000	Total $'000
Group							
Balance at August 1, 2011	2,299	65,934	214	135	-	(6,604)	61,978
Comprehensive income							
Loss for the year	-	-	-	-	-	(3,367)	(3,367)
Foreign exchange translation differences	-	-	-	8	-	-	8
Loss on available for sale investments	-	-	-	-	(422)	-	(422)
Total other comprehensive income	-	-	-	8	(422)	-	(414)
Total comprehensive income for the year	-	-	-	8	(422)	(3,367)	(3,781)
Transactions with owners							
Issue of share capital	300	9,047	-	-	-	-	9,347
Share issue expenses	-	(225)	-	-	-	-	(225)
Share-based payments	-	-	-	-	-	83	83
Transactions with owners	300	8,822	-	-	-	83	9,205
Balance at July 31, 2012	2,599	74,756	214	143	(422)	(9,888)	67,402
Balance at August 1, 2012	2,599	74,756	214	143	(422)	(9,888)	67,402
Comprehensive income							
Profit for the year	-	-	-	-	-	9,053	9,053
Foreign exchange translation differences	-	-	-	(3)	-	-	(3)
Profit on available for sale investments (net of tax)	-	-	-	-	721	-	721
Total other comprehensive income	-	-	-	(3)	721	-	718
Total comprehensive income for the year	-	-	-	(3)	721	9,053	9,771
Transactions with owners							
Issue of share capital	14	408	-	-	-	-	422
Share-based payments	-	-	-	-	-	97	97
Transactions with owners	14	408	-	-	-	97	519
Balance at July 31, 2013	2,613	75,164	214	140	299	(738)	77,692

RAMBLER METALS AND MINING PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended July 31, 2013
(EXPRESSED IN CANADIAN DOLLARS)

	2013 $'000	2012 $'000
Cash flows from operating activities		
Operating profit/(loss)	3,442	(2,501)
Depreciation	6,813	131
Share based payments	97	80
Increase in inventory	(145)	(167)
(Increase)/decrease in debtors	(379)	847
Increase in derivative financial instruments	(962)	-
Increase in creditors	3,431	410
Cash generated from/(utilised in) operations	12,297	(1,200)
Interest paid	(857)	(9)
Tax received	28	-
Net cash generated from/(utilised in) operating activities	11,468	(1,209)
Cash flows from investing activities		
Interest received	84	102
Redemption of bearer deposit note	2	114
Acquisition of listed investment	(148)	(1,135)
Acquisition of evaluation and exploration assets	(160)	(658)
Acquisition of mineral properties - net	(6,735)	4,508
Acquisition of property, plant and equipment	(1,638)	(10,006)
Net cash utilised in investing activities	(8,595)	(7,075)
Cash flows from financing activities		
Proceeds from issue of share capital	-	8,714
Payment of transaction costs	-	(225)
Proceeds from exercise of share options	22	38
Repayment of Gold Loan (note 21)	(1,466)	(7,888)
(Repayment)/proceeds of Credit Facility	(1,625)	6,976
Capital element of finance lease payments	(2,085)	(1,712)
Net cash (utilised)/from financing activities	(5,154)	5,903
Net decrease in cash and cash equivalents	(2,281)	(2,381)
Cash and cash equivalents at beginning of period	7,826	10,170
Effect of exchange rate fluctuations on cash held	21	37
Cash and cash equivalents at end of period	5,566	7,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Nature of operation and going concern

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

The Group's business activities, together with the factors likely to affect its future development, performance and position, its financial position, cash flows, liquidity position and borrowing facilities are set out in the Management Discussion and Analysis on pages 3 to 28. In addition, note 23 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

Since the commencement of commercial production the Group has generated operating cash flows of $12.6 million and reduced the working capital deficit from $8.8 million at November 1, 2012 to $2.7 million at July 31, 2013. The Group expects to remain cash flow positive based on current projections and production forecasts generating a significant working capital surplus during the next 12 months including the repayment of the Sprott credit facility by the due date of March 31, 2014. The current economic conditions do, however, create uncertainty particularly over

(a) the price of copper, gold and silver;
(b) the exchange rate between Canadian and US dollars and thus the consequence for the cash generated from US dollar revenues ;
(c) the production targets being met; and
(d) the terms of the Gold loan being complied with.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should continue to be cash flow positive and meet its repayment obligations under both the credit facility and Gold loan.

Based on the above management concludes the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2 Significant accounting policies

Rambler Metals and Mining Plc (the "Company") is a company registered in England and Wales. The consolidated financial statements of the Company for the year ended July 31, 2013 comprise the Company and its subsidiaries (together referred to as the "Group").

These financial statements are presented in Canadian dollars. Although the parent company has a functional currency of GB pounds the majority of the Group's operations are carried out by its operating subsidiary which has a functional currency of Canadian dollars. Foreign operations are included in accordance with the policies set out in note 2(d). At July 31, 2013 the closing rate of exchange of Canadian dollars to 1 GB pound was 1.57 (July 31, 2012: 1.58) and the average rate of exchange of Canadian dollars to 1 GB pound for the year was 1.58 (2012: 1.60).

(a) Statement of compliance

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

2 Significant accounting policies (continued)

New and revised standards which have been adopted during the year have not affected the disclosures presented in these financial statements with the exception of the disclosure of the breakdown of other comprehensive income between items that may be reclassified into profit or loss or not in accordance with IAS 1 – Presentation of Financial Statements.

The Group has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that adoption of standards or interpretations which have been issued by the International Accounting Standards Board but have not been adopted will have a material impact on the financial statements.

(b) Basis of preparation

The financial statements are presented in Canadian dollars, rounded to the nearest thousand dollars.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 26.

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

The accounting policies have been applied consistently by Group entities.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

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

2 Significant accounting policies (continued)

(d) Foreign currency

(i) Foreign currency transactions

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

(ii) Translation into presentation currency

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

(iii) Net investment in foreign operations

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

(e) Property, plant and equipment

(i) Owned assets

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

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

(ii) Leased assets

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

(iii) Subsequent costs

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

2 Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

(iv) Depreciation

Depreciation is charged to the income statement or capitalised as part of the exploration and evaluation costs or Mineral Properties where appropriate, on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

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

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

(f) Mineral 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 sale of gold and copper concentrate extracted during the development phase and until commercial production is declared.

Mineral properties are amortised on a unit of production basis.

(g) Intangible assets

(i) Exploration and evaluation costs

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

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

(ii) Impairment of exploration and evaluation costs

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

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

2 Significant accounting policies (continued)

(h) Available for sale investments

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

(i) Inventory

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

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

(j) Trade and other receivables

Trade and other receivables are generally stated at their cost less impairment losses. Receivables in respect of the sale of copper concentrate which contain an embedded derivative linking them to future commodity prices are measured at fair value through profit and loss and are treated as derivative financial assets or liabilities. Receivables with a short duration are not discounted.

(k) Financial instruments measured at fair value through profit and loss

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

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(m) Impairment

The carrying amounts of the Group's assets (except deferred exploration and evaluation costs (see accounting policy (g)(ii)) and deferred tax assets (see accounting policy 2(s)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy 2(m)(i)).

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

2 Significant accounting policies (continued)

(m) Impairment (continued)

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

(i) Calculation of recoverable amount

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

(ii) Reversals of impairment

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

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

(n) Financial liabilities and equity

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

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

(o) Trade and other payables

Trade and other payables are stated at amortised cost.

(p) 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. Any revenues generated during commissioning are treated as a contribution towards previously incurred costs and are therefore credited against mining and development assets accordingly.

2 Significant accounting policies (continued)

(p) Revenue recognition (continued)

Sale of gold

Revenue associated with the sale of gold doré bars is recognised in accordance with contract terms negotiated with the refiner and when significant risks and rewards of ownership of the asset sold are transferred to the refiner, which is when the minimum determinable or agreed amount of gold has been determined and title has passed to the refiner.

Sale of concentrate

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

(q) Expenses

(i) Operating lease payments

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

(ii) Finance lease payments

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

(iii) Borrowing costs

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

(r) Equity settled share based payments

All share based payments are recognised in the financial statements.

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

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

2 Significant accounting policies (continued)

(r) Equity settled share based payments (continued)

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

(s) Income tax

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

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

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

3. Operating segments

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

Information about geographical areas

	2013			2012		
	UK	Canada	Consolidated	UK	Canada	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue	-	34,669	34,669	-	1,219	1,219
Segment non-current assets	1,357	101,567	102,924	-	97,530	97,530

Information about major customers

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

	2013	2012
	$'000	$'000
Customer A	-	1,219
Customer B	34,190	-
Others	479	-
	34,669	1,219

4. Operating profit/(loss)

The operating profit/(loss) is after charging/(crediting):

	2013	2012
	$'000	$'000
Depreciation – owned assets	4,609	131
Amortisation	2,204	-
Directors' emoluments (see note 24)	413	338
Auditor's remuneration:		
Audit of these financial statements	66	64
Fees payable to the auditor for other services:		
Other assurance services	10	10

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

In addition to the depreciation charge shown above, depreciation of $1,045,000 (2012: $4,092,000) was capitalised within mineral properties.

5. Personnel expenses

Salary costs

	Group 2013 $'000	Group 2012 $,000
Wages and salaries	11,343	9,543
Compulsory social security contributions	1,644	1,367
Share based payments	325	79
	13,312	10,989

Salary costs of $4,638,000 (2012: $8,449,000) were capitalised as mineral properties and $10,000 (2012: $948,000) as assets under construction costs during the year.

Number of employees

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

	Group 2013	Group 2012
Directors	8	7
Administration	13	10
Production and development	139	126
	160	143

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

Share-based payments

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

	Weighted average exercise price 2013 $	Number of options 2013 '000	Weighted average exercise price 2012 $	Number of options 2012 '000
Outstanding at the beginning of the year	0.46	3,937	0.48	4,167
Granted during the year	0.47	622	0.50	646
Exercised during the year	0.24	(117)	0.18	(202)
Cancelled during the year	0.63	(329)	0.54	(674)
Outstanding at the end of the year	0.45	4,113	0.46	3,937
Exercisable at end of year	0.45	3,339	0.45	3,313

The options outstanding at July 31, 2013 have an exercise price in the range of $0.16 to $1.10 and a weighted average remaining contractual life of 7 years (2012: 6 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.

5. Personnel expenses (continued)

Fair value of share options and assumptions issued during the year	2013	2012
Fair value at measurement date	$0.214	$0.288
Share price (weighted average)	$0.473	$0.503
Exercise price (weighted average)	$0.473	$0.503
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	50.8%	68.0%
Expected option life (years)	5	5
Expected dividends	0	0
Risk-free interest rate (based on national government bonds)	1.55%	1.67%

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

There is no performance or market conditions associated with the share option grants.

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

	2013	2012
	$'000	$'000
Share options granted in 2009	-	17
Share options granted in 2010	-	4
Share options granted in 2011	17	36
Share options granted in 2012	26	22
Share options granted in 2013	54	-
Total expense recognised as employee costs	97	79

6. Loss on derivative financial instruments

	2013	2012
	$'000	$'000
Loss on concentrate receivables from off-taker	323	-

7. Finance costs

	2013	2012
	$'000	$'000
Finance lease interest	319	-
Gold loan interest	(1,750)	-
Credit facility interest and charges	975	-
Off-take provisional payment interest	88	-
Mortgage interest	5	9
Unwinding of discount on reclamation provision	68	-
	(295)	9

Finance costs incurred prior to the declaration of commercial production were generally capitalised in Mineral Properties.

8. Income tax credit

Recognised in the income statement

	2013	2012
	$,000	$,000
Current tax expense		
Current year	-	-
	-	-
Deferred tax credit		
In respect of previously unrecognised tax losses	(6,040)	-
Tax losses surrendered for tax credit	(28)	-
Total income tax credit in income statement	(6,068)	-

Reconciliation of effective tax rate

	2013	2012
	$'000	$'000
Profit/(loss) before tax	2,985	(3,367)
Income tax using the UK corporation tax rate of 23.67% (2012: 25.33%)	706	(853)
Effect of tax rates in foreign jurisdictions (rates increased)	228	(105)
Non-deductible expenses	30	25
Foreign exchange differences	(2)	-
Effect of tax losses previously not recognised	(7,030)	933
	(6,068)	-

Recognised in other comprehensive income

	2013	2012
	$,000	$,000
Current tax expense		
Current year	-	-
	-	-
Deferred tax expense		
Fair value re-measurement of available for sale investments	122	-
Total income tax expense in statement of other comprehensive income	122	-

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	Balance July 31, 2013 $'000	Balance July 31, 2012 $'000	Balance July 31, 2013 $'000	Balance July 31, 2012 $'000	Balance July 31, 2013 $'000	Balance July 31, 2012 $'000
Property, plant and equipment	-	-	(1,413)	(21)	(1,413)	(21)
Mineral property	-	-	(1,228)	(3,104)	(1,228)	(3,104)
Intangible assets	-	-	(1,352)	(1,327)	(1,352)	(1,327)
Available for sale investment	-	61	(61)	-	(61)	61
Gold loan	-	-	(533)	-	(533)	-
Tax value of loss carry-forwards and credits recognised	10,503	4,391	-	-	10,503	4,391
Net tax assets / (liabilities)	10,503	4,452	(4,587)	(4,452)	5,916	-

8. Income tax credit (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2013 $'000	2012 $'000
UK tax losses	-	1,126
Canadian losses and tax credits	-	5,442
	-	6,568

The Group has incurred losses which will be available for offset against future taxable profits and one of the subsidiaries has tax credits available to offset against future tax liabilities. Following the declaration of commercial production during the year it has been concluded that the Group has sufficient evidence of future taxable profits to justify the recognition of a deferred tax asset of $5.9 million.

Movement in recognised deferred tax assets and liabilities

	Balance Aug 1, 2011 $'000	Recognised in income $'000	Recognised in other comprehensive income $'000	Balance July 31, 2012 $'000
Property, plant and equipment	97	(76)	-	21
Mineral properties	1,556	1,548	-	3,104
Intangible assets	1,556	(229)	-	1,327
Available for sale investment	-	(61)	-	(61)
Tax value of loss carry-forwards and credits	(3,209)	(1,182)	-	(4,391)
	-	-	-	-

	Balance Aug 1, 2012 $'000	Recognised in income $'000	Recognised in other comprehensive income $'000	Balance Jul 31, 2013 $'000
Property, plant and equipment	21	1,392	-	1,413
Mineral properties	3,104	(1,876)	-	1,228
Intangible assets	1,327	25	-	1,352
Available for sale investment	(61)	-	122	61
Gold loan	-	533	-	533
Tax value of loss carry-forwards and credits	(4,391)	(6,114)	2	(10,503)
	-	(6,040)	124	(5,916)

9. Intangible assets

	Exploration and evaluation costs $'000
Cost	
Balance at 1 August 2011	16,627
Additions	633
Balance at 31 July 2012	17,260
Balance at 1 August 2012	17,260
Additions	190
Balance at July 31, 2013	17,450
Carrying amounts	
At 1 August 2011	16,627
At 31 July 2012	17,260
At 1 August 2012	17,260
At July 31, 2013	17,450

Consideration of impairment for exploration and evaluation costs

The directors have assessed whether there are any indicators of impairment in respect of exploration and evaluation costs. In making this assessment they have considered the Group's preliminary economic assessment which includes resource estimates, future processing capacity, the forward market and longer term price outlook for copper and gold. The directors do not consider that there are any indicators that exploration and evaluation costs are impaired ay the year end.

10. Mineral properties

	Mineral property $'000
Cost	
Balance at August 1, 2011	38,468
Additions	9,596
Balance at July 31, 2012	48,064
Balance at August 1, 2012	48,064
Additions	5,664
Transfer to inventory on commercial production	(2,129)
Balance at July 31, 2013	51,599
Amortisation	
Balance at August 1, 2011	-
Amortisation charge	-
Balance at July 31, 2012	-
Balance at August 1, 2012	-
Amortisation charge	2,204
Balance at July 31, 2013	2,204
Carrying amounts	
At August 1, 2011	38,468
At July 31, 2012	48,064
At August 1, 2012	48,064
At July 31, 2013	49,395

The Group generated revenue from saleable material produced during commissioning of $9.5 million (2012: $28.2 million) and offset this revenue against the mineral property asset prior to commercial production being declared during the year.

The Group capitalised borrowing costs of $1.1 million (2012: $4.6 million).

11. Property, plant and equipment

	Land and buildings $'000	Assets under construction $'000	Motor vehicles $'000	Plant and equipment $'000	Fixtures, fittings and equipment $'000	Computer equipment $'000	Total $'000
Cost							
Balance at August 1, 2011	2,941	15,310	153	14,165	90	670	33,329
Additions	733	6,189	59	3,378	3	89	10,451
Disposals	-	-	-	(189)	-	(6)	(195)
Balance at July 31, 2012	3,674	21,499	212	17,354	93	753	43,585
Balance at August 1, 2012	3,674	21,499	212	17,354	93	753	43,585
Additions	30	131	47	2,349	17	46	2,620
Reclassification	613	(21,604)	-	20,991	-	-	-
Balance at July 31, 2013	4,317	26	259	40,694	110	799	46,205
Depreciation and impairment losses							
Balance at August 1, 2011	926	-	71	6,452	57	491	7,997
Depreciation charge for the year	333	-	58	3,755	15	128	4,289
Eliminated on disposals	-	-	-	(189)	-	(6)	(195)
Balance at July 31, 2012	1,259	-	129	10,018	72	613	12,091
Balance at August 1, 2012	1,259	-	129	10,018	72	613	12,091
Depreciation charge for the year	399	-	54	5,087	16	98	5,654
Balance at July 31, 2013	1,658	-	183	15,105	88	711	17,745
Carrying amounts							
At August 1, 2011	2,015	15,310	82	7,713	33	179	25,332
At July 31, 2012	2,415	21,499	83	7,336	21	140	31,494
At August 1, 2012	2,415	21,499	83	7,336	21	140	31,494
At July 31, 2013	2,659	26	76	25,589	22	88	28,460

Leased plant and machinery

The Group leases surface and underground equipment under a number of finance lease agreements. At the end of each lease the Group has the option to purchase the equipment at a beneficial price. At July 31, 2013, the net carrying amount of leased plant and machinery was $4,090,000 (2012: $5,542,000). The leased plant and machinery secures lease obligations (see note 21). During the year plant and equipment additions of $1,432,000 (2012: $2,422,000) were acquired through finance lease arrangements.

12. Available for sale investments

	Available for sale investments $'000
Cost or valuation	
Balance at August 1, 2011	-
Acquisitions	1,134
Revaluation	(433)
Balance at July 31, 2012	712
Balance at August 1, 2012	712
Acquisitions	148
Revaluation	843
Balance at July 31, 2013	1,703
Carrying amounts	
At July 31, 2012	712
At July 31, 2013	1,703

Rambler holds an 18% equity stake in Maritime Resources Corp and a representative on the Board of Directors. The market price at July 31, 2013 was $0.30 (2012: $0.14 per share). The cost of the available for sale investments is $1,282,000 (2012: $1,134,000).

13. Inventory

	2013	2012
	$'000	$'000
Metals in process	1,977	-
Operating supplies	1,396	1,100
	3,373	1,100

14. Trade and other receivables

	2013	2012
	$'000	$'000
Other receivables	372	72
Sales taxes recoverable	288	478
Prepayments and accrued income	436	168
	1,096	718

15. Derivative financial asset

	2013	2012
	$'000	$'000
Concentrate receivables from off-taker	639	281

The cost of the concentrate receivables is $865,000 (2012: $281,000).

16. Cash and cash equivalents

	2013	2012
	$'000	$'000
Short term deposits	-	355
Bank balances	5,566	7,471
Cash and cash equivalents in the statement of cash flows	5,566	7,826

17. Restricted cash

	2013	2012
	$'000	$'000
Bearer deposit notes	3,261	3,263

The Group is required to hold Letters of Credit in favour of the Government of Newfoundland and Labrador in respect of the reclamation and closure liability associated with the Ming Mine The bearer deposit notes mature on differing dates throughout fiscal 2014 and have a nominal value of $3,300,000 (2012 - $3,302,000) giving an effective yield of 1.2% (2012 – 1.1%).

18. Capital and reserves

Share capital and share premium – group and company

	Number '000
In issue at 1 August 2011	123,315
Issued for cash	17,522
Issued in consideration for finance fees	1,321
Issued on exercise of options	202
In issue at 31 July 2012	142,360
In issue at 1 August 2012	142,360
Issued in consideration for finance fees	804
Issued on exercise of options	72
In issue at July 31, 2013	143,236

At July 31, 2013, the authorised share capital comprised 1,000,000,000 ordinary shares of 1p each.

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

Details of shares issued during the year ended July 31, 2013 are as follows:

On October 24, 2012 the company received monies to subscribe for 39,000 shares for $0.38 each raising a total of $14,820 following the exercise of options.

On November 23, 2012 the company issued 33,000 shares for $0.18 each raising a total of $5,940 following the exercise of options.

On March 27, 2013 the company issued 803,374 shares for $0.4979 to satisfy $400,000 of finance expenses.

18. Capital and reserves (continued)

Merger reserve

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

Translation reserve

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

Fair value reserve

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

Capital management

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

The Group's capital was as follows:

	2013	2012
	$'000	$'000
Cash and cash equivalents	5,566	7,826
Finance leases	(7,040)	(7,689)
Bank loan	(22)	(26)
Gold loan	(18,791)	(20,889)
Credit facility	(5,621)	(6,914)
Net debt	(25,908)	(27,692)
Equity	(77,692)	(67,402)
Total capital	(103,600)	(95,094)

Details of employee share options outstanding are set out in note 5.

19. Earnings/(loss) per share

Basic earnings per share

The calculation of basic earnings per share at July 31, 2013 was based on the profit attributable to ordinary shareholders of $9,053,000 and a weighted average number of ordinary shares outstanding during the period ended July 31, 2013 of 142,690,000 calculated as follows:

Profit/(loss) attributable to ordinary shareholders

	2013	2012
	$'000	$'000
Profit/(loss) for the period	9,053	(3,367)
Profit/(loss) attributable to ordinary shareholders	9,053	(3,367)

Weighted average number of ordinary shares

	Number '000
At August 1, 2011	123,315
Effect of shares issued during the year	5,162
At July 31, 2012	128,477

In issue at August 1, 2012	142,360
Effect of shares issued during year	330
Weighted average number of ordinary shares at July 31, 2013	142,690

There is no material difference between the basic and diluted loss per share. At July 31, 2013 there were 4,113,000 (2012: 3,937,000) share options in issue of which 1,079,397 (2012: N/A) were considered to be dilutive and may have a dilutive effect on the basic earnings or loss per share in the future.

20. Trade and other payables

	2013	2012
	$'000	$'000
Trade payables	4,177	4,918
Non trade payables	287	65
Accrued expenses	1,326	1,003
	5,790	5,986

21. 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 23.

21. Interest-bearing loans and borrowings (continued)

	2013 $'000	2012 $'000
Non-current liabilities		
Bank loan	19	23
Finance lease liabilities	4,613	5,727
Gold Loan	15,944	14,941
	20,576	20,691
Current liabilities		
Current portion of bank loan	3	3
Current portion of finance lease liabilities	2,427	1,962
Current portion of Gold Loan	2,847	5,948
Credit Facility	5,621	6,914
	10,898	14,827

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Minimum lease Payments 2013 $'000	Interest 2013 $'000	Principal 2013 $'000	Minimum lease Payments 2012 $'000	Interest 2012 $'000	Principal 2012 $'000
Less than one year	2,759	332	2,427	2,189	227	1,962
Between one and five years	4,867	254	4,613	6,361	634	5,727
	7,626	586	7,040	8,550	861	7,689

Under the terms of the lease agreements, no contingent rents are payable. The finance lease liabilities are secured on the underlying assets. Total interest of $101,000 (2012: $428,000) was charged to mineral properties during the year.

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, 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

21. Interest-bearing loans and borrowings (continued)

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:

(i) 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 (6,000 ounces of Sandstorm payable gold) of payable gold (18,555 oz produced to July 31, 2013; 5,723 oz of Sandstorm payable gold) then a portion of the US$20 million will be repayable based on the shortfall of payable gold, and/or;

(ii) 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

Subsequent to the year end the Group has satisfied the requirement to deliver 6,000 ounces of Sandstorm payable gold.

During the first twenty months of commissioning, repayments of US$9,309,570 were made from the delivery of 5,723 ounces of gold thereby satisfying the requirement to repay a minimum of US$3.6 million cash during the first and second 12 months and partially meeting the requirements for the third 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 $1,169,000 was accrued during the period of which $581,000 (2012: $4,340,000) was 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 $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 was available in three instalments; the first instalment of $5 million was drawn on January 29, 2012, the second instalment of $2.5 million was drawn on January 30, 2012 and the final instalment for the balance up to $10 million was available until August 31, 2012 but was not drawn. Interest accrues at a fixed rate of 9.25% per annum. In connection with the credit facility, a structuring fee of $100,000 and a 3% commitment fee of $300,000 were paid to Sprott in cash. Pursuant to the terms of the credit facility, the Company issued $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. On November 30, 2012 the Group repaid $500,000. On March 26, 2013 this agreement was amended such that the principal is repayable by March 31, 2014 and is secured by a fixed and floating charge over the assets of the Group. Upon amending the credit facility an amendment fee of $400,000 was paid to Sprott in ordinary shares of 1p each. On April 30, 2013 and subsequently on May 31, 2013 the Group made repayments of $500,000 and $600,000 respectively to Sprott thereby reducing the outstanding balance to $5,900,000.

21. Interest-bearing loans and borrowings (continued)

Total financing and interest charges of $392,000 (2012: $1,004,000) were charged to mineral properties during the year.

22. Provision

	2013 $'000	2012 $'000
Reclamation and closure provision		
Opening balance	1,812	1,647
Provision utilised during the year	-	(121)
Unwinding of discount	91	286
Ending balance	1,903	1,812

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 $3,255,155.

23. Financial instruments

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

All of the Group's and Company's financial liabilities are measured at amortised cost and their financial assets are classified as loans and receivables and measured at amortised cost with the exception of available for sale investments and derivative financial instruments as described in notes 12 and 15 respectively.

The Group held the following categories of financial instruments at July 31, 2013:

	2013 $'000	2012 $'000
Financial assets		
Assets at fair value through profit and loss:		
Derivative financial instruments	639	281
Available for sale investments:		
Investment in quoted equity securities	1,703	712
Loans and receivables:		
Other receivables	372	72
Sales taxes recoverable	288	478
Prepayments and accrued income	436	168
Cash at bank	5,566	7,826
Restricted cash	3,261	3,263
	9,923	11,807
Total financial assets	12,265	12,800

23. Financial instruments (continued)

Liabilities at amortised cost or equivalent:	2013	2012
	$'000	$'000
Trade payables	(4,177)	(4,918)
Non trade payables	(287)	(65)
Accrued expenses	(1,326)	(1,003)
Loans and borrowings	(31,474)	(35,518)
Total financial liabilities	(37,264)	(41,504)

The board of directors determines, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign exchange risk, liquidity risk, credit risk, interest rate risk and commodity price risk each of which is discussed below.

Foreign exchange risk

The Group's cash resources are held in Canadian dollars, GB pounds and US Dollars and certain receivables and the Gold Loan are denominated 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 21. Repayment is envisaged in payable gold which is denominated in US dollars. Exposure to this foreign currency risk has been mitigated since the commencement of production. Any weakening of the US dollar would however result in a reduction in revenue and receivables in Canadian dollar terms. The Group has not hedged its exposure to currency fluctuations.

The policy in relation to the translation of foreign currency assets and liabilities is set out in note 2(d), 'Accounting Policies Foreign Currencies' to the consolidated financial statements.

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

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

	Equity	
	2013	2012
	$'000	$'000
10% strengthening of GB pound	(12)	24
10% weakening of GB pound	11	(22)
10% strengthening of US dollar	(1,879)	(1,734)
10% weakening of US dollar	1,708	1,576

23. Financial risk management (continued)

Liquidity risk

With finite cash resources the liquidity risk is significant. This risk is managed by controls over expenditure and concentrating on achieving the payment milestones under the financing arrangement. Success will depend largely upon the outcome of on-going and future exploration and development programmes. Given the nature of the Group's current activities the entity will remain dependent on a mixture of debt and equity funding in the short to medium term until such time as the Group becomes self-financing from the commercial production of mineral resources. The liabilities of the parent company are due within one year. The parent company has adequate financial resources to meet the obligations existing at July 31, 2013.

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

Financial liabilities	**2013**	2012
	$'000	$'000
Due within one year	11,621	16,174
Due within one to two years	5,865	5,667
Due within two to three years	4,732	4,795
Due within three to four years	3,764	4,778
Due within four to five years	3,404	3,168
Due after five years	16,576	16,240
	45,962	50,822

Fixed rate 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	**2013**	2012
	$'000	$'000
Due within one year	8,663	8,879
Due within one to two years	2,640	2,021
Due within two to three years	1,916	2,015
Due within three to four years	306	1,461
Due within four to five years	23	243
Due after five years	-	10
	13,548	14,629

The average fixed interest rate for the finance leases and hire purchase contracts outstanding at July 31, 2013 was 6.30%.

Credit risk

The Group generally holds the majority of its cash resources in Canadian dollars given that the majority of the Group's outgoings are denominated in this currency. Given the current climate, the Group has taken a very risk averse approach to management of cash resources and management and Directors monitor events and associated risks on a continuous basis. There is little perceived credit risk in respect of trade and other receivables (see note 14). The Group maximum exposure to credit risk at July 31, 2013 was represented by receivables and cash resources.

23. Financial instruments (continued)

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 21.

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

Commodity price risk

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

As explained in note 26 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	
	2013	2012
	$'000	$'000
10% increase in the price of gold	(1,843)	(2,089)
25% decrease in the price of gold	4,609	5,222

Receivables in respect of the sale of copper concentrate which contain an embedded derivative linking them to future commodity prices are measured at fair value through profit and loss and are treated as derivative financial assets or liabilities. In estimating the value of the derivative the following table details the Group's sensitivity to a 5% increase and a 5% decrease in the price of copper, gold and silver. These percentages represent management's assessment of the reasonable possible exposure.

	Gross assets	
	2013	2012
	$'000	$'000
5% increase in the price of copper, gold and silver	441	157
5% decrease in the price of copper, gold and silver	(441)	(157)

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.

23. Financial instruments (continued)

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

At July 31, 2013	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**	**%**
Sterling	-	61	61	-	-
US $	-	3,293	3,293	-	-
Canadian $	-	2,212	2,212	-	-
	-	5,566	5,566		

At July 31, 2012					
	$'000	$'000	$'000	**Months**	**%**
Sterling	355	77	432	1	0.25
Canadian $	-	7,394	7,394	-	-
	355	7,471	7,826		

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.

24. Related parties

Identity of related parties

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

Transactions with key management personnel

The directors' compensations were as follows:

	2013	2012
	$'000	$'000
Salary – executive		
G Ogilvie	330	270
Fees – non-executive		
D H W Dobson	-	-
S Neamonitis	13	13
J M Roberts	7	13
L D Goodman	13	13
B D Hinchcliffe	13	13
T S Chan	13	3
J Thomson	13	13
E C Chen	11	-
	413	338

D H W Dobson waived his entitlement to director's fees for the current and preceding periods. At July 31, 2013 fees of $12,000 (2012: $21,000) remained outstanding.

24. Related parties (continued)

Share options held by directors were as follows:	At 31.07.13	At 31.07.12
	No.	No.
	'000	'000
G Ogilvie[1]	1,100	1,100
J Thomson[2]	400	400
D H W Dobson[3]	45	45
S Neamonitis[4]	100	100
J M Roberts[3]	45	45
L D Goodman[3]	45	45
B D Hinchcliffe[3]	45	45
	1,780	1,780

[1] 200,000 options at an exercise price of $0.93 expiring on 7 December 2016, 150,000 options at an exercise price of $1.10 expiring on 12 November 2017 and 750,000 options at an exercise price of $0.19 expiring on 10 November 2018.
[2] 100,000 options at an exercise price of $0.93 expiring on 7 December 2016 and 300,000 options at an exercise price of $0.19 expiring on 10 November 2018.
[3] options at an exercise price of $0.19 expiring on 10 November 2018.
[4] options at an exercise price of $0.53 expiring on 22 March 2022.

Total key management personnel compensations were as follows:

	2013	2012
	$'000	$'000
Short term employee benefits	784	659
Social security costs	39	33
Share based payments	-	17
	823	709

25. Subsequent events

On August 30, 2013 the Company announced an additional payment of $500,000 to Sprott reducing the outstanding balance to $5.4 million.

On September 17, 2013 the Group announced that a conditional offer had been accepted by Cornerstone Capital Resources Inc. for the Group to acquire their 50% interest in The Little Deer Copper Deposit and Whalesback Mine in Newfoundland for $550,000 consisting of $200,000 in cash and $350,000 in shares. The 50% interest is subject to a Joint Venture agreement with Thundermin Resources Inc. On October 15, 2013 the Group announced that the conditions of the offer had been satisfied.

On September 30, 2013 the Company made an additional payment of $650,000 to Sprott reducing the outstanding balance to $4.75 million.

26. Critical accounting estimates and judgements

The details of the Group's accounting policies are presented in accordance with International Financial Reporting Standards as set out in Note 2 to the financial statements. The preparation of financial statements in conformity with IFRS requires management to make 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.

26. Critical accounting estimates and judgements (continued)

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

Going Concern

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

Mineral Property and Exploration and Evaluation Costs

The directors have assessed whether there are any indicators of impairment in respect of mineral property and exploration and evaluation costs. In making this assessment they have considered the Group's business plan which includes resource estimates, future processing capacity, the forward market and longer term price outlook for copper and gold. Resource estimates have been based on the most recently filed NI43-101 report. 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 restore its properties after the minerals have been mined from the site, and has estimated the costs necessary to comply with existing reclamation standards. These estimates are recorded as a liability at their fair values in the periods in which they occur. If the estimate of reclamation costs proves to be inaccurate, the Group could be required to increase the provision for site closure and reclamation costs, which would increase the amount of future reclamation expense, resulting in a reduction in the Group's earnings and net assets.

Share-based payments

The Group calculates the cost of share based payments using the Black-Scholes model. Inputs into the model in respect of the expected option 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.

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

Revenue

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

Available for sale investment

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

26. Critical accounting estimates and judgements (continued)

Commercial production

The Group monitors the on-going testing and commissioning of its copper concentrate milling facility to assess when commercial production has been achieved. Commercial Production is the assessment that the mill is capable of operating in the manner intended was defined by management at the onset of development to be 60 days of continuous production from both the mill and mine, being 85% of target rates envisaged in the Group's Feasibility Study. Prior to commercial production being declared, costs and revenues are offset to the Mineral Properties asset and post commercial production will be charged to the Group's income statement. Commercial production was achieved at November 1, 2012.

Deferred tax assets

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

COMPANY STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended July 31, 2013

	2013 $'000	2012 $'000
Profit/(loss) for the year	211	(1,232)
Other comprehensive income		
Items that may be reclassified into profit or loss		
Exchange differences on translation into presentation currency	(154)	361
Other comprehensive (loss)/income for the year	(154)	361
Total comprehensive income/(loss) for the year	57	(871)

RAMBLER METALS AND MINING PLC

COMPANY STATEMENT OF FINANCIAL POSITION

As at July 31, 2013
(EXPRESSED IN CANADIAN DOLLARS)

	Note	2013 $'000	2012 $'000
Assets			
Investments	C3	68,323	68,848
Deferred tax	C4	1,375	-
Total non-current assets		69,698	68,848
Trade and other receivables	C5	53	50
Cash and cash equivalents	C6	66	437
Total current assets		119	487
Total assets		69,817	69,335
Equity			
Issued capital	18	2,613	2,599
Share premium		75,164	74,756
Translation reserve		(10,221)	(10,067)
Retained profit		2,104	1,893
Total equity		69,660	69,181
Liabilities			
Trade and other payables	C7	157	154
Total current liabilities		157	154
Total liabilities		157	154
Total equity and liabilities		69,817	69,335

ON BEHALF OF THE BOARD:

L D Goodman
Director
Approved and authorised for issue by the Board on October 28, 2013

Rambler Metals and Mining Plc

Company Statement of Changes in Equity

(EXPRESSED IN CANADIAN DOLLARS)	Share capital $'000	Share premium $'000	Translation reserve $'000	Accumulated losses $'000	Total $'000
Balance at August 1, 2011	2,299	65,934	(10,428)	3,115	60,920
Comprehensive income					
Loss for the year	-	-	-	(1,232)	(1,232)
Foreign exchange translation differences	-	-	361	-	361
Total other comprehensive income	-	-	361		361
Total comprehensive income for the year	-	-	361	(1,232)	(871)
Issue of share capital	300	9,047	-	-	9,347
Share issue expenses	-	(225)	-	-	(225)
Share-based payments	-	-	-	10	10
Balance at July 31, 2012	2,599	74,756	(10,067)	1,893	69,181
Balance at August 1, 2012	2,599	74,756	(10,067)	1,893	69,181
Comprehensive income					
Profit for the year	-	-	-	211	211
Foreign exchange translation differences	-	-	(154)	-	(154)
Total other comprehensive income	-	-	(154)	-	(154)
Total comprehensive income for the year	-	-	(154)	211	57
Issue of share capital	14	408	-	-	422
Balance at July 31, 2013	2,613	75,164	(10,221)	2,104	69,660

RAMBLER METALS AND MINING PLC

STATEMENT OF CASH FLOWS

For the Year Ended July 31, 2013
(EXPRESSED IN CANADIAN DOLLARS)

	2013	2012
	$'000	$'000
Cash flows from operating activities		
Operating loss	(1,166)	(1,232)
Share based payments	-	6
Foreign exchange losses	(135)	313
Increase in debtors	(3)	(3)
(Decrease)/increase in creditors	4	28
Net cash utilised in operating activities	(1,300)	(888)
Cash flows from investing activities		
Interest received	-	1
Loans repaid by/(advanced to) subsidiaries	907	(7,923)
Net cash generated from/(utilised in) investing activities	907	(7,922)
Cash flows from financing activities		
Proceeds from the issue of share capital	-	8,714
Payment of transaction costs	-	(225)
Proceeds from exercise of share options	22	38
Net cash from financing activities	22	8,527
Net (decrease)/increase in cash and cash equivalents	(371)	(283)
Cash and cash equivalents at beginning of period	437	713
Effect of exchange rate fluctuations on cash held	-	7
Cash and cash equivalents at end of period	66	437

NOTES TO THE COMPANY FINANCIAL STATEMENTS

C1. Accounting policies

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

Investments

Investments are stated at their cost less impairment losses.

C2. Profit/(loss) of parent company

As permitted by section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was $211,000 (2012: Loss $1,232,000).

C3. Investments

	Investment in subsidiary $'000	Loans $'000	Total $'000
Cost			
Balance at August 1, 2011	376	59,909	60,285
Advances (net)	-	8,523	8,523
Effect of movements in foreign exchange	2	38	40
Balance at July 31, 2012	378	68,470	68,848
Balance at August 1, 2012	378	68,470	68,848
Repayments (net)	-	(508)	(508)
Effect of movements in foreign exchange	-	(17)	(17)
Balance at July 31, 2013	378	67,945	68,323

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

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

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

The loans to the subsidiary undertakings are interest free.

C4. Deferred tax

The Company has incurred losses which will be available for offset against future taxable profits. Following the declaration of commercial production during the year by one of the Company's subsidiaries it has been concluded that the Company has sufficient evidence of future taxable profits to justify the recognition of a deferred tax asset of $1.4 million.

C5. Trade and other receivables

	2013	2012
	$'000	$'000
Other receivables	1	1
Sales taxes recoverable	13	23
Prepayments and accrued income	39	26
	53	50

C6. Cash and cash equivalents

	2013	2012
	$'000	$'000
Short term deposits	-	355
Bank balances	66	82
Cash and cash equivalents in the statement of cash flows	66	437

C7. Trade and other payables

	2013	2012
	$'000	$'000
Trade payables	17	35
Non trade payables	9	1
Accrued expenses	131	118
	157	154

C8. Related party transactions

The Company has a related party relationship with its subsidiaries (see note C3) and with its directors and executive officers (see note 24).

Transactions with subsidiary undertakings

Details of loans advanced to subsidiary undertakings are included in note C3.

Other related parties

Transactions with other related parties are detailed in note 24.