REGISTERED NUMBER: 05101822 (ENGLAND AND WALES)

RAMBLER METALS & MINING PLC

REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JULY 31, 2014

Rambler Metals and Mining Plc

Contents of the financial statements

RAMBLER METALS AND MINING PLC

COMPANY INFORMATION

FOR THE YEAR ENDED JULY 31, 2014

Directors:	T S Chan E C Chen D H W Dobson L D Goodman G Ogilvie J S Thomson N P Williams (appointed February 19, 2014)
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

Rambler Metals and Mining Plc

Chairman's Statement for the Year Ended July 31, 2014

We are very pleased to report the results for the year ended July 31, 2014 While the volatility of our markets has added new challenges to operating a successful mining business, the Board of Directors feels that the Company has developed a strong base from its assets and is well positioned for its continued growth and the generation of shareholder value.

This has been a year of significant change and progress for Rambler Metals and Mining. We have seen changes to our management and our operations, all of which, in my opinion have been very positive.

At the financial level, and following the declaration of commercial production in 2012, this was our first full fiscal year of commercial production. As a result, we generated cash of nearly $25 million, earned a profit of $13.5 million and reduced our debt to zero.

Operationally, we achieved many of our goals in addition to creating new opportunities to further grow the business in the years to come and to hopefully extend the mine life of our assets.

We also made a significant change to the management structure of the business with the promotion of the CFO, Norman Williams, to the CEO position on January 15, 2014. Mr. Williams, with his management team, has been an integral part of making Rambler into a profit making mining company and will be a key component of its continued success as we move into optimizing the business.

As a result of our financial position, we are now able to examine the various strategic opportunities available to us and decide which offer the best ways to create value for our shareholders. Your Board has decided that the focus for 2015 will be towards optimizing the existing infrastructure at the Nugget Pond milling facility and moving the Ming Mine's Lower Footwall Zone towards production. The Board is also seeking approval at this year's Annual General Meeting for the authorization for a Share Buy-Back program.

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:

- Earned a profit before tax of $13.5 million (2013: $3 million) after completing the first full year of commercial production.
- Generated cash of $24.8 million (2013 $11.5 million) from operations during the year.
- Repaid its credit facility and became debt free in February 2014.
- Continued its exploration activity at the Ming Mine and acquired exploration and development rights to other local copper/gold properties.
- Continued to advance its review of pre-concentrating the Lower Footwall Zone material with the goal of converting the known resources into mineable reserves.

Financial Highlights

The consolidated profit after taxation of the Group in respect of the year ended July 31, 2014 amounted to $9,015,000 (earnings per share of $0.063) versus a profit of $9,053,000 for the year ended July 31, 2013 (earnings per share of $0.063). Earnings before interest, taxes, depreciation, amortisation ("EBITDA") for the year were $27,270,000 (2013 : $9,419,000).

The Group generated revenue of $62.1 million from the sale of copper concentrate containing gold and silver by-products.

The gross assets of the Group amounted to $119.4 million as at the end of the year. This included Mineral properties of $51.6 million and Intangible assets of $18.5 million which mainly consisted of accumulated deferred exploration and evaluation expenditures on the Lower Footwall Zone at the Ming Mine.

Following declaration of commercial production in the previous year the Group has had a successful year generating sufficient cash flow to become debt free.

My thanks go to our employees, officers and directors for the progress made during the year and to our shareholders for their continuing support. I look forward to continued success in fiscal 2015.

G Ogilvie
Chairman
October 25, 2014

STRATEGIC REPORT FOR THE YEAR ENDED JULY 31, 2014

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

The Company'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 will continue to be derived from the extraction and sale of copper concentrate containing gold and silver by-products. The prices of copper, gold and silver have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the 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.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

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 reserve 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.

ON BEHALF OF THE BOARD:

N P Williams
Director
October 25, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JULY 31, 2014

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 25, 2014 and covers the results of operations for the quarter and year ended July 31, 2014. This discussion should be read in conjunction with the audited Financial Statements for the year ended July 31, 2014 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. Since the declaration of commercial production in November 2012 the Group has generated sufficient free cash flows to repay its credit facility and is now a debt free and profitable operation.

The Group is looking forward to:

1. Continuing as a profitable copper and gold producer with a focus on further optimization of the existing infrastructure at the Nugget Pond milling facility.
2. Improving revenue through the integration of the existing gold hydromet plant into the production stream and focusing on the Group's operations with the goal of reducing its overall operating costs.
3. Increasing available resources and reserves through further exploration both within the Ming mine and current land holdings.
4. Creating organic growth through the integration of the Ming mine's Lower Footwall Zone, extending the life of mine and increasing the annual concentrate production .
5. Selectively pursuing strategic growth opportunities including joint ventures, acquisitions, strategic alliances and equity positions.

The Group's directors and management believe that these priorities have created a solid foundation for Rambler and its shareholders, and will continue to provide the best opportunity to build a successful and long term mining company.

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

HIGHLIGHTS OF THE YEAR ENDED JULY 31, 2014

Highlights of the 2014 fiscal year included:

Production

➔ Produced a total of 25,647 dmt (2013 – 13,802 dmt – nine months of commercial production) of copper concentrate during the year. Concentrate produced averaged 29.13% copper with 8.39 g/t gold and 66.97 g/t silver (2013: 29.02% copper with 7.07 g/t gold and 49.11 g/t silver) with milling recoveries for copper and gold averaging 96.4% and 67.1% respectively (2013: 91% and 62% respectively). The Group met or exceeded all production guidance for the fiscal year. Of particular significance are the increases in copper metal, gold ounce and silver ounce production at 9, 26 and 35 per cent respectively over the high end range of the fiscal guidance.

➔ During the fourth quarter daily tonnage through the copper concentrator averaged 647 dmt a 16% increase over the average of 555 dmt in Q3/14. Tonnage milled: Q4/14 – 59,526 dmt versus Q3/14 – 49,355 dmt an increase of 10,171 dmt. Concentrate produced decreased as a result of lower copper head grades however still remained within the fiscal production guidance.

➔ Shipped copper concentrate, totalling approximately 28,837 wmt via the Group's port storage facility at Goodyear's Cove, Newfoundland and Labrador. In addition, at year end 3,258 dmt of invoiced copper concentrate remained in storage together with non-invoiced concentrate of 260 dmt.

➔ At year end approximately 30,000 – 35,000 dmt of ore was either developed, drilled, blasted or in stockpiled inventory. Underground resources were also made available to begin preparing and developing other massive sulphide zones, specifically the Ming up and down plunge areas. The fiscal 2015 production scheduled will include the mining and blending of these zones with the 1807 Zone.

➔ Average production costs (before depreciation and amortisation) for the year were $138 (2013 $145) per tonne of ore milled and $1.51 (2013: $2.03) per equivalent pound of copper. The reduction in costs per tonne and equivalent pound of copper are mainly attributable to more tonnes milled compared with the previous year.

Revenue

➔ A total of 25,806 dmt (2013 – 14,746 dmt) of concentrate was provisionally invoiced during the year containing 6,968 (2013 5,124) tonnes of accountable copper metal, 6,043 (2013 3,439) and 28,887 (2013 12,850) ounces of accountable gold and silver respectively at an average price of $3.42 (2013 - $3.38) per pound copper, $1,395 (2013 - $1,530) per ounce gold and $22.06 (2013 - $27) per ounce silver, generating revenue of $62.0 million (2013 - $34.7 million).

➔ During the year the Group agreed to final weights and assays on three concentrate shipments with its off-take partner resulting in a $0.3 million decrease in revenue. Additional revenue of $0.4 million was realized on the final settlement of 293 ounces of gold produced from 1806 zone ore through the Group's gold processing facility bringing net revenue for the year to $62.1 million.

HIGHLIGHTS OF THE YEAR ENDED JULY 31, 2014 (continued)

- ➔ The Group realized a gain of $250,000 being the difference in the commodity prices at time of provisional invoicing and commodity prices realised on final settlement of the three shipments during the year. In addition a gain of $197,000 arose on the movement in the differences between anticipated commodity prices upon final settlement of concentrate in the Group's warehouse at period end and shipments delivered pending final settlements.

- ➔ 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.

Profit

- ➔ The net profit before tax for the year was $13,503,000 compared with $2,985,000 for the year ended July 31, 2013. The net profit for the quarter ended July 31, 2014 was $1,974,000 ($3,407,000 before tax) or $0.014 per share which compares to $2,306,000 for Q3/14 and a profit of $7,620,000 ($1,579,000 before tax) for Q4/13.

- ➔ Earnings before interest, taxes, depreciation, amortisation ("EBITDA") for the year were $27,270,000 (2013 : $9,419,000).

Cash flow and cash resources

- ➔ Cash flows generated from operating activities were $24,755,000 compared with $11,468,000 in the previous fiscal year. Cash flows generated from operating activities were $5,889,000 in Q4/14 compared to $5,966,000 in Q3/14 and cash utilized of $5,892,000 in Q4/13. The increase in the cash generated relates to the operating profit and changes in working capital.

- ➔ Cash resources as at July 31, 2014 were $9.5 million and as of October 25, 2014 were$8.9 million.

HIGHLIGHTS OF THE YEAR ENDED JULY 31, 2014 (Continued)

Financing and Investment

- During the year a repayment of US$2.2 million (project to date US$11.6 million) was made on the Group's Gold Loan from the delivery of 1,722 payable ounces of gold (project to date 7,446 ounces have been delivered).

- Cleared the outstanding balance of $5.7 million on its secured credit facility by February 28, 2014.

- 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. ('Thundermin'). The purchase price consists of a 0.75 per cent net smelter return ('NSR') on Rambler's proportionate share of all products derived from the Little Deer Project subject to a buyback of 0.5 per cent of the NSR for $500,000 at any time; and the remaining 0.25 per cent of the NSR for fair market value as determined by the economics of the Little Deer Project's feasibility study at any time following the completion of the feasibility study. On October 11, 2013 the Group satisfied the conditions of the offer and 887,614 ordinary shares were subsequently issued on December 2, 2013.

- Consistent with the strategic goals outlined above, in December 2013 the Group entered into a subscription agreement with Marathon Gold Corporation (TSX: MOZ) ('Marathon') for common shares of Marathon by way of a non-brokered private placement of a guaranteed subscription of $0.5 million with an option by Rambler to invest an additional $1.5 million. Marathon's principal asset is the Valentine Lake property, located in central Newfoundland, which hosts two well defined gold deposits with NI 43-101 compliant resources: the Leprechaun Gold Deposit and the Victory Gold Deposit. The first tranche of $250,000 closed on December 4, 2014 with the acquisition of 1,176,470 of MOZ shares at a subscription price of $0.2125. The second tranche of $250,000 closed on April 2, 2014 with the acquisition of 797,448 common shares of MOZ at a subscription price of $0.3135.

- Subscribed $129,000 for shares in Maritime Resources Corp. (TSX: MAE). Of the $129,000, $79,000 will be used to allow for the conversion of a $75,000 loan, plus interest, into shares of Maritime, totaling 316,000 shares. The remaining $50,000 was invested for 200,000 non-flow though ('NFT') units consisting of one common share and one non-transferable share purchase warrant. Each share purchase warrant attached to NFT units entitles the holder to purchase one non flow-through common share at a price of $0.35 until May 21, 2015. Following the placement Rambler holds 6,267,460 shares of Maritime representing 17.7% of the issued outstanding shares of the Company. Funds from the placement will be used to further advance the Green Bay Property and the former producing Hammerdown Gold Mine in particular.

Staffing

- At the end of the year a total of 157 full time employees were employed at the Ming Mine compared to 139 full time employees at July 31, 2013.

- The Group continues to evaluate current employment levels and look for opportunities to streamline its operations with the goal of improving overall efficiency.

HIGHLIGHTS OF THE YEAR ENDED JULY 31, 2014 (Continued)

Exploration and evaluation

➔ Ming Mine diamond drilling has been mainly focused on extending the 1807 Copper Zone to replenish the reserves that have been mined since declaring Commercial Production. The deepest drill hole completed to date has extended the resource model 210 meters (plunge length) below the deepest reserve level, 516L, while drilling up plunge has extended the zone an additional 161 meters (plunge length) above the shallowest reserve level, 329L. Additional drilling is also being planned to test the mineralized contact to the west and east of the mine which remains largely unexplored.

➔ On January 27, 2014 the Group updated its NI 43-101 Reserve and Resource estimates at the Ming Copper-Gold Mine. The reserve itself shows the replacement of all tonnes mined from the 1807 zone to date, extending the mine life by one year. All zones remain open to further exploration.

➔ Consistent with the Company's strategic goal of growing and extending the life of the Ming Mine in June 2013 the Group 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 the Ming Copper-Gold 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 ('LFZ'). 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. During Q4/14 work continued on both projects with the Group's third party consultant.

➔ The Lower Footwall Zone pre-concentration project has identified Dense Media Separation (DMS) technology as a potentially viable method of upgrading the in situ grade of the large (18.2M tonnes at 1.43% Cu) Lower Footwall Zone at the Ming Mine. Through the completion of bench scale testing and a mini-pilot plant program, DMS technology was successful by removing thirty to forty per cent of the lighter host rock with copper recoveries up to ninety five per cent. In terms of copper grade improvement, the mini-pilot using run of mine ore from the LFZ grading 1.39% returned a pre-concentrate grade of 2.27% (an upgrade ratio of 1.63).

➔ The Company is planning the next stage in testing of this technology through the rental and operation of an on-site demonstration plant. This plant would be fed from a bulk sample of Lower Footwall Zone material (~ 20,000 to 30,000 metric tonnes) sourced from readily available access points already established in the Ming Mine. This demonstration plant would serve to scale up the results seen in the laboratory with the resultant pre-concentrate being delivered to the copper concentrator as additional feed. Results of this demonstration would be used in subsequent optimization studies aimed at commercialization of the Lower Footwall Zone with the expectation of lowering initial capital requirements compared to the Company's Preliminary Economic Assessment published in April 2012.

OPERATIONAL SUMMARY

For the quarter ended July 31, 2014 the Group produced 6,000 tonnes of copper concentrate containing 1,708 tonnes of copper metal, 2,107 ounces of gold and 16,708 ounces of silver. The average feed grade during the period was 3.24% Cu, 1.65 g/t Au and 12.60 g/t Ag followed by a mill recovery of 96.7 per cent, 71.0 per cent and 75.9 per cent for copper, gold and silver respectively.

During the year the Company milled 215,496 dry metric tonnes of ore and produced 25,647 tonnes of copper concentrate containing 7,472 tonnes of copper metal, 6,921 ounces of gold and 52,539 ounces of silver. The average feed grade during the year was 3.68 per cent copper, 1.59 grammes per tonne gold and 10.65 grammes per tonne silver followed by a mill recovery of 96.4 per cent, 67.1 per cent and 78.1 per cent for copper, gold and silver respectively.

The Company first declared commercial production in November 2012 and has since milled 352,893 dry metric tonnes and produced 39,449 tonnes of copper concentrate containing 11,425 tonnes of copper metal, 10,058 ounces of gold and 76,497 ounces of silver.

Feed grades can be subject to fluctuations throughout the year due to a combination of factors including the inconsistent nature of the ore bodies being mined, production sequencing, unplanned mining dilution and blending strategies. Fluctuations in recoveries can be attributed to variations in feed grade, variations in production rate, grindability of the mill feed and planned processing plant shutdowns. The ranged values in the fiscal guidance is intended to cover these variations seen throughout the fiscal year.

Ore and Concentrate Production Summary for Fiscal 2014

PRODUCTION

	YTD	Q4/14	Q3/14	Q2/14	Q1/14	F2014 Guidance
Dry Tonnes Milled	215,496	59,526	49,355	50,957	55,659	200,000 – 220,000
Copper Recovery	96.4%	96.7%	96.4%	96.8%	95.9%	92 – 94 %
Gold Recovery	67.1%	71.0%	66.2%	69.1%	61.7%	63 – 67 %
Silver Recovery	78.1%	75.9%	79.2%	81.9%	76.1%	55 – 65 %
Copper Head Grade (%)	3.68	3.24	3.84	4.01	3.71	3.0 – 4.0
Gold Head Grade (g/t)	1.59	1.65	1.62	1.43	1.64	1.0 – 2.0
Silver Head Grade (g/t)	10.65	12.60	11.70	8.91	9.22	6.0 – 8.0

OPERATIONAL SUMMARY (continued)

CONCENTRATE (Produced and Stored in Warehouse)

	Total	Q4/14	Q3/14	Q2/14	Q1/14	F2014 Guidance
Copper (%)	29.13	28.47	29.32	29.02	29.68	27 – 30
Gold (g/t)	8.39	10.93	8.02	7.07	7.81	6 – 8
Silver (g/t)	66.97	86.62	79.15	49.11	56.01	45 – 55
Dry Tonnes produced	25,647	6,000	6,238	6,818	6,591	20,000 – 24,000
Copper Metal (tonnes)	7,472	1,708	1,829	1,978	1,956	5,700 – 6,840
Gold (ounces)	6,921	2,107	1,608	1,551	1,655	4,500 – 5,500
Silver (ounces)	52,539	16,708	13,196	10,764	11,870	32,000 – 39,000

Ore and Concentrate Production Quarterly results comparison

PRODUCTION

	Q4/14	Q3/14	
Dry Tonnes Milled	59,526	49,355	21%
Copper Recovery	96.7%	96.4%	0%
Gold Recovery	71.0%	66.2%	7%
Silver Recovery	75.9%	79.2%	-4%
Copper Head Grade (%)	3.24	3.84	-16%
Gold Head Grade (g/t)	1.65	1.62	2%
Silver Head Grade (g/t)	12.60	11.70	8%

Q4/14	Q4/13	
59,526	47,027	27%
96.7%	94.0%	3%
71.0%	65.0%	9%
75.9%	73.0%	4%
3.24	4.05	-20%
1.65	1.52	9%
12.60	10.95	15%

OPERATIONAL SUMMARY (continued)

CONCENTRATE (Produced and Stored in Warehouse)

	Q4/14	Q3/14	
Copper (%)	28.47	29.32	-3%
Gold (g/t)	10.93	8.02	36%
Silver (g/t)	86.62	79.15	9%
Dry Tonnes produced	6,000	6,238	-4%
Copper Metal (tonnes)	1,708	1,829	-7%
Gold (ounces)	2,107	1,608	31%
Silver (ounces)	16,708	13,196	27%

Q4/14	Q4/13	
28.47	30.00	-5%
10.93	7.70	42%
86.62	58.60	48%
6,000	5,244	14%
1,708	1,574	9%
2,107	1,297	62%
16,708	9,873	69%

- Production of 6,000 tonnes of copper concentrate representing a 14 per cent increase over Q4 2013 and a 4 per cent decrease from Q3 2014
- Dry tonnes milled of 59,526 tonnes representing a 27 per cent increase over Q4 2013 and a 21 per cent increase from Q3 2014. This resulted in the production of:
  - 1,708 tonnes of Copper (7,472 tonnes for the year)
  - 2,107 ounces of Gold (6,921 ounces for the year)
  - 16,708 ounces of Silver (52,539 ounces for the year)
- Head grades of Copper 3.24 per cent, Gold 1.65 grammes per tonne and Silver 12.60 grammes per tonne with recoveries to concentrate for Copper 96.7 per cent, Gold 71.0 per cent and Silver 75.9 per cent. Copper head grade decreased by 20 per cent over Q4 2013 and 16 per cent in Q3 2014 while copper recoveries remained in line with full year results.
- Concentrate grade for Copper 28.47 per cent, Gold 10.93 grammes per tonne and Silver 86.62 grammes per tonne representing a 5 and 3 per cent decrease in copper concentrate grade over Q4/2013 and Q3/2014 respectively. Gold and Silver in concentrate both showed increases over Q4 2013 and Q3 2014.

HEALTH AND SAFETY

- ➔ The Group completed the year with no lost time accidents and 3 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 1.9 respectively.

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

OUTLOOK

Management continues to pursue the following objectives:

- ➔ 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.

- ➔ Continue to open up other mining horizons in the Ming North and South ore bodies, both up and down plunge.

- ➔ Increase production from the Ming Mine to allow the optimization of the Nugget Pond copper concentrator to its design capacity of 1,000 mtpd and potentially allow the gold hydromet to be operated independently and/or simultaneously with the copper concentrator.

- ➔ Continuing to evaluate opportunities for the possible integration of the Lower Footwall Zone into the mine's reserve. As a part of this work, completing the onsite demonstration program to determine if pre-concentrating the Lower Footwall Zone material using dense media separation ('DMS') is a viable option to help improve the run of mine head grade from this zone.

- ➔ Become a strategic long term low-cost producer, by selectively pursuing growth opportunities through joint ventures and acquisitions, as demonstrated by the Group's investment in the former producing Hammerdown gold mine, Little Deer and Whales Back copper mines and the advanced Valentine Lake Gold Project.

- ➔ Increase exposure and liquidity both on London's AIM and on Toronto's Venture Exchange through marketing and investor relations campaigns.

FISCAL 2015 GUIDANCE

Similar to 2014, copper production for the 2015 fiscal year is forecast between 5,400 and 6,700 tonnes of metal with increases forecasted for gold and silver; 5,600 to 6,600 ounces of gold and 39,000 to 46,000 ounces of silver.

PRODUCTION	**Fiscal 2015**
Dry Tonnes Milled	215,000 – 230,000
Copper Recovery	94 - 96%
Gold Recovery	65 - 70%
Silver Recovery	60 - 75%
Copper Head Grade (%)	2.5 – 3.5
Gold Head Grade (g/t)	1 - 2
Silver Head Grade (g/t)	6 - 8

CONCENTRATE (Produced)	**Fiscal 2015**
Copper %	27 – 30
Gold (g/t)	6 – 8
Silver (g/t)	45 -55
Dry tonnes produced	20,000 – 24,000
Copper Metal (tonnes)	5,400 -6,700
Gold (ounces)	5,600 – 6,600
Silver (ounces)	39,000 – 46,000

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 $6,683,000 on Mineral Property; $2,925,000 on property, plant and equipment; and $1,064,000 on exploration and evaluation at the Ming Mine net of $264,000 in RDC claims.

	Total	Q4/14	Q3/14	Q2/14	Q1/14
	$,000	**$,000**	**$,000**	**$,000**	**$,000**
Mineral Property	6,683	1,550	1,778	2,074	1,281
Property, plant and equipment	2,925	420	533	1,563	409
Exploration and evaluation costs	1,064	137	(19)	314	632
TOTAL CAPITAL	10,672	2,107	2,292	3,951	2,322

Mineral Property expenditures in the year remained consistent quarter on quarter and are in line with the continued capital development within the Group's producing 1807 ore zone and the Ming up and down plunge areas.

Property, plant and equipment includes $1.5 million on underground mobile equipment and $0.6 million on storage and office buildings during the year.

Exploration and evaluation costs at the Ming Mine relate to exploration drilling on the 1807 and undefined ore zones and the on-going Lower Footwall zone projects and include $550,000 on the acquisition of the Little Deer Project as outlined above.

FINANCIAL REVIEW

Fiscal 2014 ($000's)	Commentary	Comparatives Fiscal 2013 ($000's)	*B/ (W)**
62,110	**Revenue** of $62.1 million was generated through the sale of 25,806 dmt of copper concentrate containing 6.968 tonnes of accountable copper metal and 6,043 ounces of accountable gold. This compared with revenue of $34.7 million in the prior year 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.	34,669	*79%*
39,732	**Production costs** relate to the processing and mining costs associated with Group's Ming Mine and include processing costs of $7.2 million, mining costs $22.5 million and depreciation and amortisation of $10.0 million. Operating costs associated with mining and processing of Ming Mine ores were capitalized to Mineral Property prior to commercial production being achieved for the first quarter of 2013.	27,644	*(44)%*
4,432	**General and administrative expenses** were higher than the previous year by $875,000. Employment costs increased $442,000 as a result of , compensation changes and addition of administrative/management staff, Legal and professional costs increased $281,000 which includes the costs of merger and acquisition activity carried out during the year , travel and investor relation costs increased $6,000 and security and general expenses increased $153,000 mainly due to increased municipal taxes of $101,000 and increased security costs of $41,000 .	3,557	*(25)%*
447	**Gain/(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 gain on derivative financial assets of $250,000 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 $197,000 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.	(323)	*238%*
(1,173)	**Foreign exchange losses** arising on the Gold Loan increased in the year as a result of the weakening of the Canadian dollar against the US dollar during the year.	(513)	*(129%)*
(4,488)	**Income tax(charge)/credit.** The income tax charge is the deferred tax charge arising from the utilisation of losses brought forward compared to a recognition of a deferred tax asset in 2013.	6,068	*(174)%*

FINANCIAL REVIEW (continued)

Fiscal 2014 Results ($000's)	Commentary	Comparatives Fiscal 2013 ($000's)	*B/ (W)**
6,683	**Mineral properties** The group incurred costs of $6.7 million in the year which included labour costs of $3.4 million and underground development costs of $3.3 million. In 2013 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 for 2013 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.	5,664	*(18)%*
2,925	**Capital spending on property, plant and equipment** slightly increased during the year including $1.9 million spent on underground equipment and $0.4 million on updates at the mill.	2,620	*(11)%*
1,064	**Capital spending on exploration and evaluation** relate to exploration drilling on the 1807 and undefined ore zones and the on-going Optimization Studies on the Group's Lower Footwall Zone ore body. It also includes $550,000 for the purchase of the Little Deer Coper Deposit.	190	*(454)%*

***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 2014				
Revenue	15,050	15,078	15,237	16,745
Profit before tax	3,407	3,312	1,520	5,264
Net Income	1,974	2,306	1,027	3,708
Earnings per Share (Basic & Diluted)	0.014	0.016	0.007	0.026
Fiscal 2013				
Revenue	13,175	10,087	11,407	-*
Profit/(loss) before tax	1,580	193	1,930	(718)
Net Income/ (loss)	7,620	193	1,958	(718)
Earnings/(loss) per Share (Basic & Diluted)	0.053	0.001	0.014	(0.005)

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

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. Profits before tax in the first quarter of 2014 increased by $3,684,000 due to increased sales and production efficiencies and fell by $2,681,000 in the second quarter as a result of lower revenue, increased production costs and exchange losses on the Gold Loan. In the third quarter of 2014 profit before tax increased by $1,792,000 mainly as a result of a reversal of foreign exchange losses on the Gold Loan and a reduction in administrative expenses with a further increase of $95,000 in the fourth quarter of 2014 mainly due to reduced production costs.

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 $39 million since declaring commercial production on November 1, 2012 with $7 million generated in Q4/14 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, 2014 $'000	July 31, 2013 $'000
Cash $CDN	7,398	2,212
Cash US$	1,992	3,293
Cash GBP	145	61
Total	9.535	5,566

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 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 $9.9 million for the year. Cash of $6.7 million was spent on the Group's Mineral Property $2.0 million on property, plant and equipment, $0.7 million on evaluation and exploration costs, $0.1 million on equity interest in Marathon Gold Corp. and $0.5 million on equity interest in Maritime Resources Corp.

Cash flows utilized in financing activities during the year amounted to $10.9 million and included repayment of $5.9 million of the Group's credit facility and repayments of the gold loan of $2.4 million and finance lease repayments of $2.6 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 period end the Group holds bearer deposit notes totalling $3.25 million.

Since the commencement of commercial production the Group has generated operating cash flows of $39 million and reduced the working capital deficit from $2.7 million at July 31, 2013 to positive working capital of $9.8 million at July 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.

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.
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 25, 2014 the Group has $8.9 million in cash and cash equivalents.

Financial Instruments

The Group's principal financial assets comprise: cash and cash equivalents, restricted cash, available for sale investments, derivative financial instruments and trade and other receivables. The Group's financial liabilities comprise trade payables; other payables; 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, 2014.

COMMITMENTS AND LOANS

At July 31, 2014, the Group has a commitment of approximately $250,000 in connection with the Little Deer Project.

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

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. 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. During the first nine months of fiscal 2014 the Group made total repayments of $5.9 million repaying the facility in full.

Loan and lease balances

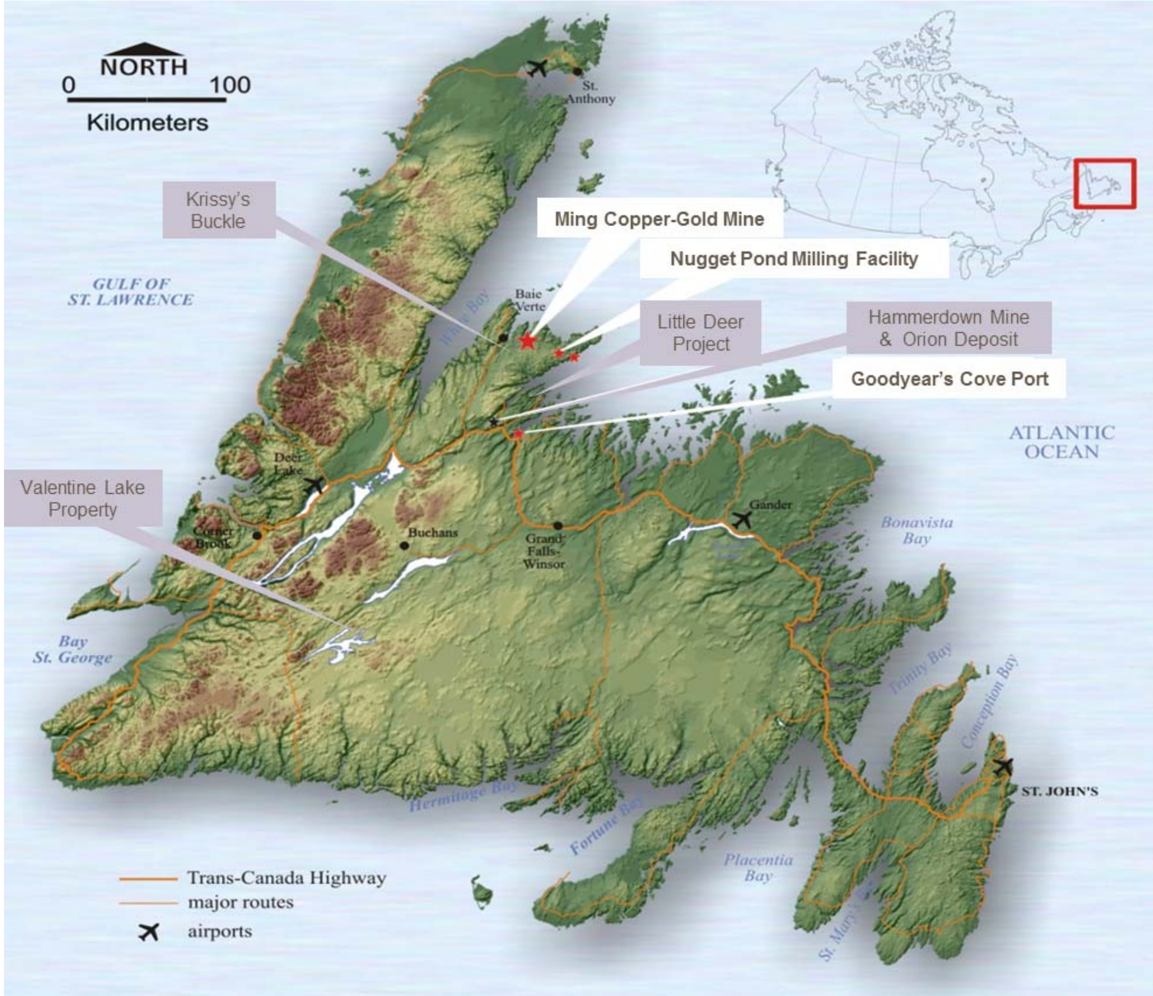
At July 31, 2014, interest bearing loans and borrowings comprised of finance lease commitments of $5,434,000. The Group entered into finance lease commitments of $953,000 to finance the acquisition of a mine truck in the year.

SUBSEQUENT EVENTS

The Company subscribed to purchase 760,340 common shares in Marathon Gold Corporation for $375,000 bringing its total holding to 2,734,258 representing 3.98% of the issued and outstanding shares.

As a continuation of previously successful dense media ('DMS') or pre-concentration test work the Group is planning to implement an on-site demonstration DMS plant to scale-up the process and prove the technology for its application. Once the technology demonstration is complete and operating parameters are optimized, this project will serve as the basis of a pre-feasibility study with the goal of moving the LFZ resources into the mine reserve. The Research & Development Corporation of Newfoundland and Labrador ('RDC') initial contribution of $250,000 in 2013 helped provide the groundwork for the on-site demonstration plant program. On September 9, 2014 the Group announced that RDC has again provided support with an additional $750,000 investment.

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,**		
	2014	**2013**	**2012**
Gold sales – gold doré (Ounces)	293	324[1]	15,613[2]
Average price (per ounce)	1,447	1,491[1]	1,654[2]
Concentrate sales pre commercial production (dmt)	N/A	14,634[1]	1,271[2]
Concentrate sales post commercial production (dmt)	25,806	4,331[2]	-
Average provisional price ($ per tonne Cu, Ag & Au concentrate)	2,423	2,382[1]	-
Revenue	62,110	34,669	1,219
Production Expenses	(39,732)	(27,644)	(674)
Exploration Expenditure	(93)	(26)	(24)
Administrative expenses	(4,432)	(3,557)	(3,022)
Net Income (loss)	9,015	9,053	(3,367)
Cash Flow generated from (used in) operating activities	24,755	11,468	(1,209)
Cash Flow used in investing activities	(9,926)	(8,595)	(7,075)
Cash Flow (used in) from financing activities	(10,877)	(5,154)	5,903
Net increase (decrease) in cash	3,952	(2,281)	(2,381)
Cash and cash equivalents at end of period	9,535	5,566	7,826
Total Assets	119,387	116,859	110,718
Total Liabilities	(31,979)	(39,167)	(43,317)
Working Capital	9,814	(2,753)	(7,625)
Weighted average number of shares outstanding (000s)	143,863	142,690	128,477
Earnings (loss) per share ($)	0.063	0.063	(0.026)

[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, 2014

Q4/14 Results ($000's)	Commentary	Comparatives			
		Q3/14	*B/ (W)**	Q4/13	B/ (W)
15,050	**Revenue** of $15.0 million in Q4/14 was generated through the sale of 5,909 dmt of copper concentrate containing 1,572 tonnes of accountable copper metal, 1,927 ounces of accountable gold and 11,445 ounces of accountable silver compared with $15.1 million from the sale of 6,320 dmt of copper concentrate in Q3/14. The small reduction in revenue reflects lower average copper prices during the quarter on lower accountable copper metal sold offset by increased accountable gold and silver. 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.	15,078	*0%*	13,175	*14%*
6,357	**Production costs** relate to the processing and mining costs associated with Group's Ming Mine production and include processing and mining costs of $1.7 million (Q3/14: $1.8 million) and $4.7million (Q3/14: $6.2 million) respectively. Processing and mining costs in Q4/13 were of $1.8 million and $5.4 million respectively.	7,964	*20%*	7,173	*11%*
1,104	**General and administrative expenses** were higher than the previous quarter by $16,000. Promotional and travel costs reduced by $79,000 and legal and professional costs by $59,000. In comparison to Q4/13 administrative expenses increased by $261,000. Staff costs increased by $34,000 , legal and professional costs by $207,000 mainly as a result of costs of merger and acquisition activity expensed in Q4/14, promotional and travel costs by $30,000 offset by a reduction of $10,000 in general expenses.	1,088	*(1)%*	843	*(7)%*
116	**Gain/(loss) on derivative financial instruments**. During the quarter the net unrealized fair value gain adjustment recognized was $314,000 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 $198,000 on the final settlement of the Group's sixth concentrate shipment. During Q3/14 the fair value loss adjustment was $64,000 being the difference in the commodity prices at time of provisional invoicing and anticipated commodity prices upon final settlement of concentrates in the Group's warehouse at period end and shipment delivered pending final settlement. 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.	(64)	*281%*	(47)	*347%*
36	**Foreign exchange differences** arising on the Gold Loan resulted in a gain in Q4/14 as a result of the weakening of the Canadian dollar against the US dollar during the quarter.	296	*(88)%*	112	*34%*
1,550	**Mineral properties** The group incurred costs of $1.5 million in the quarter. The cost includes labour costs of $0.8 million and underground development costs of $0.7 million. Mineral properties expenditure reduced in Q4/13 in line with the completion of the 1807 independent ramp breakthrough in Q3/13.	1,778	*13&*	1,266	*(22)%*
420	**Capital spending on property, plant and equipment** reduced slightly during the quarter compared to Q3/14. Q4/13 includes the purchase of two additional scooptrams.	533	*21%*	828	*49%*

APPENDIX 3 - FINANCIAL REVIEW FOR THE QUARTER ENDED JULY 31, 2014 (continued)

Q4/14 Results ($000's)	Commentary	Comparatives			
		Q3/14	***B/ (W)****	**Q4/13**	**B/ (W)**
137	**Capital spending on exploration and evaluation costs** in Q3/14 was $191,000 and this was offset by RDC claims of $54,000 and relates to exploration drilling on the Group's 1807 and undefined ore bodies. Expenditure in Q3/14 was $190,000 offset by RDC claims of $209,000. Expenditure 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.	(19)	*(821)%*	131	*(5)%*

***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 $39 million and reduced the working capital deficit from $2.7 million at July 31, 2013 to positive working capital of $9.8 million at July 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.

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.
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, 2014.

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, 2014). 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.

Amortisation of Mineral Property

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

Closure Costs

The Group has an obligation to 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.

APPENDIX 4 - CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

Available for sale investments

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

Deferred tax

The 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 in the previous 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)

The Group has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2013. The adoption of these new and revised Standards and Interpretations had no material effect on the profit or loss or financial position of the Group.

In order to comply with International Financial Reporting Standards as issued by the International Accounting Standards Board, the Group has chosen early adoption of IFRS 10, 11, and 12 for EU purposes, however these do not have a material impact on the 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, 2014:

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, 2014
IFRS 9	Financial instruments: Classification and Measurement	No change to accounting policy, therefore, no impact	January 1, 2015	August 1, 2015
IFRS 14	Regulatory Deferral Accounts	No change to accounting policy, therefore, no impact	January 1, 2014	August 1, 2014
IFRS 15	Revenue from contracts with customers	No change to accounting policy, therefore, no impact	January 1, 2017	August 1, 2017
IFRIC 21	Levies	No change to accounting policy, therefore, no impact	January 1, 2014	August 1, 2014

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, 2014.

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	144,168,228	--
Options	5,506,000*	$0.47

*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. Forward-looking statements are based on opinions, estimates and assumptions of management considered reasonably at the date the statements are made. Key assumptions include without limitation, the price of and anticipated costs of recovery of, copper concentrate, gold and silver, the presence of and continuity of such minerals at modeled grades and values, the capacities of various machinery and equipment, the availability of personnel, machinery and equipment at estimated prices, mineral recovery rates, and others. Investors are cautioned however that forward-looking statements necessarily involve both known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the 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, 2014. 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 and the Group disclaims any intention or obligation and assumes no responsibility to update or revise any FLI contained herein, whether as a result of new information, future events or otherwise, except as required by applicable law.

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, or production stoppages or shortfalls.
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
Increase production from the Ming Mine to allow the optimization of the Nugget Pond copper concentrator at 1,000 mtpd and potentially allow the gold hydromet to be operated independently and/or simultaneously with the copper concentrator.	Successful completion of a detailed engineering review of existing infrastructure and availability of finance from cash flow from operations 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, 2014

The Directors present their report with the audited financial statements of the Group for the year ended July 31, 2014.

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 strategic properties within the immediate area. The principal activity of the parent company is that of a holding company.

DIRECTORS

The Directors during the period under review were:

T S Chan
E C Chen
D H W Dobson
L D Goodman
B Hinchcliffe (resigned January 2, 2014)
S Neamonitis (resigned December 5, 2013)
G Ogilvie
J S Thomson
N P Williams (appointed February 19, 2014)

DIVIDENDS

No dividends will be distributed for the year ended July 31, 2014.

SUBSTANTIAL SHARE INTERESTS

At October 25, 2014 the parent Company was aware of the following substantial share interests:

	Number of Ordinary Shares	% of Share Capital
Henderson Global Investors	28,878,626	20.03
Tinma International Ltd.	22,736,992	15.77
BlackRock Investment Management	13,053,180	9.05
Majedie Asset Management	10,988,197	7.62
Legal and General Investment Management	9,691,887	6.72
Whitmill Trust (Zila Corporation)	8,838,000	6.13
Hargreaves Lansdown	5,274,339	3.66

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.

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 25, 2014

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, 2014

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 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. G Ogilvie is the senior non-executive director and N Williams 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 2014 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 Financial Reporting Council's (FRC'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 FRC'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 2014 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).

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

In our opinion the group financial statements have been properly prepared in accordance 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 strategic report and 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 25, 2014

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, 2014
(EXPRESSED IN CANADIAN DOLLARS)

	Note	2014 $'000	2013 $'000
Revenue	3	62,110	34,669
Production costs		(29,684)	(20,936)
Depreciation and amortisation		(10,048)	(6,708)
Gross profit		22,378	7,025
Administrative expenses		(4,432)	(3,557)
Exploration expenses		(93)	(26)
Operating profit	4	17,853	3,442
Exchange loss		(1,173)	(513)
Bank interest receivable		99	84
Gain/(loss) on derivative financial instruments	6	447	(323)
Finance costs	7	(3,723)	295
Net financing expense		(4,350)	(457)
Profit before tax		13,503	2,985
Income tax (charge)/credit	8	(4,488)	6,068
Profit for the year attributable to owners of the parent		9,015	9,053

Earnings/(loss) per share

	Note	2014 $	2013 $
Basic earnings per share	19	0.063	0.063
Diluted earnings per share	19	0.062	0.063

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended July 31, 2014
(EXPRESSED IN CANADIAN DOLLARS)

	2014 $'000	2013 $'000
Profit for the year	9,015	9,053
Other comprehensive income		
Items that may be reclassified into profit or loss		
Exchange differences on translation of foreign operations (net of tax)	176	(3)
Gain/(loss) on available for sale investment (net of tax)	(93)	721
Other comprehensive income for the year	83	718
Total comprehensive income for the year and attributable to the owners of the parent	9,098	9,771

REGISTERED NUMBER: 05101822 (ENGLAND AND WALES)

RAMBLER METALS AND MINING PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at July 31, 2014
(EXPRESSED IN CANADIAN DOLLARS)

	Note	2014 $'000	2013 $'000
Assets			
Intangible assets	*9*	18,514	17,450
Mineral properties	*10*	51,644	49,395
Property, plant and equipment	*11*	25,676	28,460
Available for sale investments	*12*	2,151	1,703
Deferred tax	*8*	1,754	5,916
Total non-current assets		99,739	102,924
Inventory	*13*	3,950	3,373
Trade and other receivables	*14*	2,120	1,096
Derivative financial asset	*15*	788	639
Cash and cash equivalents	*16*	9,535	5,566
Restricted cash	*17*	3,255	3,261
Total current assets		19,648	13,935
Total assets		119,387	116,859
Equity			
Issued capital	*18*	2,628	2,613
Share premium		75,505	75,164
Merger reserve		214	214
Translation reserve		316	140
Fair value reserve		206	299
Retained profits/(accumulated losses)		8,539	(738)
Total equity		87,408	77,692
Liabilities			
Interest-bearing loans and borrowings	*21*	20,242	20,576
Provision	*22*	1,903	1,903
Total non-current liabilities		22,145	22,479
Interest-bearing loans and borrowings	*21*	5,300	10,898
Trade and other payables	*20*	4,534	5,790
Total current liabilities		9,834	16,688
Total liabilities		31,979	39,167
Total equity and liabilities		119,387	116,859

ON BEHALF OF THE BOARD:

N P Williams
Director
Approved and authorised for issue by the Board on October 25, 2014

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, 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)
Gain 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
Balance at August 1, 2013	2,613	75,164	214	140	299	(738)	77,692
Comprehensive income							
Profit for the year	-	-	-	-	-	9,015	9,015
Foreign exchange translation differences	-	-	-	176	-	-	176
Gain on available for sale investments (net of tax)	-	-	-	-	(93)	-	(93)
Total other comprehensive income	-	-	-	176	(93)	-	83
Total comprehensive income for the year	-	-	-	176	(93)	9,015	9,098
Transactions with owners							
Issue of share capital	15	341	-	-	-	-	356
Share-based payments	-	-	-	-	-	262	262
Transactions with owners	15	341	-	-	-	262	618
Balance at July 31, 2014	2,628	75,505	214	316	206	8,539	87,408

RAMBLER METALS AND MINING PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended July 31, 2014
(EXPRESSED IN CANADIAN DOLLARS)

	2014 $'000	2013 $'000
Cash flows from operating activities		
Operating profit	17,853	3,442
Depreciation	10,143	6,813
Share based payments	262	97
Foreign exchange difference	(172)	-
Increase in inventory	(577)	(145)
Increase in debtors	(1,024)	(379)
Decrease/(increase) in derivative financial instruments	298	(962)
(Decrease)/increase in creditors	(1,206)	3,431
Cash generated from operations	25,577	12,297
Interest paid	(822)	(857)
Tax received	-	28
Net cash generated from operating activities	24,755	11,468
Cash flows from investing activities		
Interest received	98	84
Redemption of bearer deposit note	6	2
Acquisition of listed investment	(629)	(148)
Acquisition of evaluation and exploration assets	(746)	(160)
Acquisition of Mineral properties - net	(6,683)	(6,735)
Acquisition of property, plant and equipment	(1,972)	(1,638)
Net cash utilised in investing activities	(9,926)	(8,595)
Cash flows from financing activities		
Proceeds from exercise of share options	7	22
Repayment of Gold Loan (note 21)	(2,402)	(1,466)
Repayment of Credit Facility	(5,900)	(1,625)
Capital element of finance lease payments	(2,582)	(2,085)
Net cash utilised in financing activities	(10,877)	(5,154)
Net increase in cash and cash equivalents	3,952	(2,281)
Cash and cash equivalents at beginning of period	5,566	7,826
Effect of exchange rate fluctuations on cash held	17	21
Cash and cash equivalents at end of period	9,535	5,566

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 $39 million and reduced the working capital deficit from $2.7 million at July 31, 2013 to positive working capital of $9.8 million at July 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.

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.

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, 2014 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, 2014 the closing rate of exchange of Canadian dollars to 1 GB pound was 1.84 (July 31, 2013: 1.57) and the average rate of exchange of Canadian dollars to 1 GB pound for the year was 1.71 (2013: 1.58).

(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)

The Group has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and effective for accounting periods beginning 1 January 2013. The adoption of these new and revised Standards and Interpretations had no material effect on the profit or loss or financial position of the Group.

In order to comply with International Financial Reporting Standards as issued by the International Accounting Standards Board, the Group has chosen early adoption of IFRS 10, 11, and 12 for EU purposes, however these do not have a material impact on the 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

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

(ii) Transactions eliminated on consolidation

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

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.

(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:

2 Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

Mineral properties

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. Future forecast capital expenditure is included in the unit of production amortisation calculation.

(g) Intangible assets

(i) Exploration and evaluation costs

These comprise costs directly incurred in exploration and evaluation. They are capitalised as intangible assets pending determination of the feasibility of the project. When the existence of economically recoverable reserves and the availability of finance 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 finance leases and hire purchase contracts which are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis except where the difference between cost and redemption value qualify to be capitalised as part of the cost of a qualifying asset.

(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

	2014			2013		
	UK	Canada	Consolidated	UK	Canada	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue	-	62,110	62,110	-	34,669	34,669
Segment non-current assets	1,663	98,076	99,739	1,357	101,567	102,924

Information about major customers

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

	2014	2013
	$'000	$'000
Customer A	61,687	34,190
Others	423	479
	62,110	34,669

4. Operating profit

The operating profit is after charging:

	2014	2013
	$'000	$'000
Depreciation – owned assets	5,709	4,609
Amortisation	4,434	2,204
Directors' emoluments (see note 24)	482	413
Auditor's remuneration:		
Audit of these financial statements	91	66
Fees payable to the auditor for other services:		
Other assurance services	4	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 $nil (2013: $1,045,000) was capitalised within Mineral properties.

5. Personnel expenses

Salary costs

	Group 2014 $'000	Group 2013 $,000
Wages and salaries	11,848	11,343
Other short term benefits	433	325
Compulsory social security contributions	1,836	1,644
Share based payments	262	97
	14,379	13,409

Salary costs of $3,386,000 (2013: $4,638,000) were capitalised as Mineral properties and $21,000 (2013: $10,000) as assets under construction costs during the year.

Number of employees

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

	Group 2014	Group 2013
Directors	7	8
Administration	14	13
Production and development	136	139
	157	160

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 2014 $	Number of options 2014 '000	Weighted average exercise price 2013 $	Number of options 2013 '000
Outstanding at the beginning of the year	0.45	4,113	0.46	3,937
Granted during the year	0.49	1,526	0.47	622
Exercised during the year	-	-	0.24	(117)
Cancelled during the year	0.42	(133)	0.63	(329)
Outstanding at the end of the year	0.47	5,506	0.45	4,113
Exercisable at end of year	0.47	4,202	0.45	3,339

The options outstanding at July 31, 2014 have an exercise price in the range of $0.17 to $1.10 and a weighted average remaining contractual life of 6.5 years (2013: 7 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	2014	2013
Fair value at measurement date	$0.225	$0.214
Share price (weighted average)	$0.492	$0.473
Exercise price (weighted average)	$0.492	$0.473
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	50.7%	50.8%
Expected option life (years)	5	5
Expected dividends	0	0
Risk-free interest rate (based on national government bonds)	1.63%	1.55%

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:

	2014	2013
	$'000	$'000
Share options granted in 2011	7	17
Share options granted in 2012	23	26
Share options granted in 2013	44	54
Share options granted in 2014	188	-
Total expense recognised as employee costs	262	97

6. Loss on derivative financial instruments

	2014	2013
	$'000	$'000
Gain/(loss) on concentrate receivables from off-taker	447	(323)

7. Finance costs

	2014	2013
	$'000	$'000
Finance lease interest	349	319
Gold loan interest	2,639	(1,750)
Credit facility interest and charges	477	975
Off-take provisional payment interest	256	88
Mortgage interest	2	5
Unwinding of discount on reclamation provision	-	68
	3,723	(295)

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

8. Income tax

Recognised in the income statement

	2014 $,000	2013 $,000
Current tax expense		
Current year	-	-
	-	-
Deferred tax charge/(credit)		
Origination and reversal of temporary timing differences	4,488	-
In respect of previously unrecognised tax losses	-	(6,040)
Tax losses surrendered for tax credit	-	(28)
Total income tax charge/(credit) in income statement	4,488	(6,068)

Reconciliation of effective tax rate

	2014 $'000	2013 $'000
Profit before tax	13,502	2,985
Income tax using the UK corporation tax rate of 22.33% (2013: 23.67%)	3,015	706
Effect of tax rates in foreign jurisdictions (rates increased)	1,017	228
Non-deductible expenses	65	30
Foreign exchange differences	-	(2)
Effect of reduction in tax rates	231	-
Effect of tax losses and credits	93	(7,030)
Under provision in previous year	67	-
	4,488	(6,068)

Recognised in other comprehensive income

	2014 $,000	2013 $,000
Current tax expense		
Current year	-	-
	-	-
Deferred tax (credit)/expense		
Fair value re-measurement of available for sale investments	(26)	122
Exchange difference on retranslation of UK deferred tax asset	(238)	-
Over provision in previous period	(61)	-
Total income tax (credit)/expense in statement of other comprehensive income	(325)	122

8. Income tax credit (continued)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	Balance July 31, 2014 $'000	Balance July 31, 2013 $'000	Balance July 31, 2014 $'000	Balance July 31, 2013 $'000	Balance July 31, 2014 $'000	Balance July 31, 2013 $'000
Property, plant and equipment		-	(1,832)	(1,413)	(1,832)	(1,413)
Mineral property		-	(2,166)	(1,228)	(2,166)	(1,228)
Intangible assets		-	(1,658)	(1,352)	(1,658)	(1,352)
Available for sale investment		-	(35)	(61)	(35)	(61)
Gold loan	-	-	(151)	(533)	(151)	(533)
Tax value of loss carry-forwards and credits recognised	7,596	10,503	-	-	7,596	10,503
Net tax assets / (liabilities)	7,596	10,503	(5,842)	(4,587)	1,754	5,916

Movement in recognised deferred tax assets and liabilities

	Balance Aug 1, 2012 $'000	Recognised in income $'000	Recognised in other comprehensive income $'000	Balance July 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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Movement in recognised deferred tax assets and liabilities (continued)

	Balance Aug 1, 2013	Recognised in income	Recognised in other comprehensive income	Balance Jul 31, 2014
	$'000	$'000	$'000	$'000
Property, plant and equipment	1,413	419	-	1,832
Mineral properties	1,228	938	-	2,166
Intangible assets	1,352	306	-	1,658
Available for sale investment	61	-	(26)	35
Gold loan	533	(382)	-	151
Other timing differences	-	(29)	-	(29)
Tax value of loss carry-forwards and credits	(10,503)	3,235	(299)	(7,567)
	(5,916)	4,487	(325)	(1,754)

The Group has incurred losses which will be available for offset against future taxable profits and one of the subsidiaries has tax credits available to offset against future tax liabilities. The Group considers that it has sufficient evidence of future taxable profits to justify the recognition of a deferred tax asset of $1.8 million (2013: $5.9 million).

9. Intangible assets

	Exploration and evaluation costs		
	Ming Mine	Little Deer Project	Total
	$'000	$'000	$'000
Cost			
Balance at 1 August 2012	17,260	-	17,260
Additions	190	-	190
Balance at 31 July 2013	17,450	-	17,450
Balance at 1 August 2013	17,450	-	17,450
Additions	514	550	1,064
Balance at July 31, 2014	17,964	550	18,514
Carrying amounts			
At 1 August 2012	17,260	-	17,260
At 31 July 2013	17,450	-	17,450
At 1 August 2013	17,450	-	17,450
At July 31, 2014	17,964	550	18,514

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 at the year end.

10. Mineral properties

	Mineral property $'000
Cost	
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
Balance at August 1, 2013	51,599
Additions	6,683
Balance at July 31, 2014	58,282
Amortisation	
Balance at August 1, 2012	-
Amortisation charge	2,204
Balance at July 31, 2013	2,204
Balance at August 1, 2013	2,204
Amortisation charge	4,434
Balance at July 31, 2014	6,638
Carrying amounts	
At August 1, 2012	48,064
At July 31, 2013	49,395
At August 1, 2013	49,395
At July 31, 2014	51,644

The Group generated revenue from saleable material produced during commissioning of $nil million (2013: $9.5 million) and offset this revenue against the mineral property asset prior to commercial production being declared.

The Group capitalised borrowing costs of $nil million (2013: $1.1 million).

11. Property, plant and equipment

	Land and buildings	Assets under construction	Motor vehicles	Plant and equipment	Fixtures, fittings and equipment	Computer equipment	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost							
Balance at 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
Balance at August 1, 2013	4,317	26	259	40,694	110	799	46,205
Additions	126	20	-	2,610	-	169	2,925
Balance at July 31, 2014	4,443	46	259	43,304	110	968	49,130
Depreciation and impairment losses							
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
Balance at August 1, 2013	1,658	-	183	15,105	88	711	17,745
Depreciation charge for the year	407	-	46	5,155	14	87	5,709
Balance at July 31, 2014	2,065	-	229	20,260	102	798	23,454
Carrying amounts							
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
At August 1, 2013	2,659	26	76	25,589	22	88	28,460
At July 31, 2014	2,378	46	30	23,044	8	170	25,676

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, 2014, the net carrying amount of leased plant and machinery was $2,426,000 (2013: $4,090,000). The leased plant and machinery secures lease obligations (see note 21). During the year plant and equipment additions of $953,000 (2013: $1,432,000) were acquired through finance lease arrangements.

12. Available for sale investments

	Available for sale investments $'000
Cost or valuation	
Balance at August 1, 2012	712
Acquisitions	148
Revaluation	843
Balance at July 31, 2013	1,703
Balance at August 1, 2013	1,703
Acquisitions	629
Revaluation	(181)
Balance at July 31, 2014	2,151
Carrying amounts	
At July 31, 2013	1,703
At July 31, 2014	2,151

Rambler holds an 17.7% equity stake in Maritime Resources Corp and a representative on the Board of Directors. The market price at July 31, 2014 was $0.17 (2013: $0.30 per share).

Rambler also acquired a 3.7% equity stake in Marathon Gold Corporation for $500,000 during the year. The market price at July 31, 2014 was $0.55

The carrying amount of the available for sale investments is the level 1 fair value determined using the closing market price of the shares on the TSX exchange. The cost of the available for sale investments is $1,911,000 (2013: $1,282,000).

13. Inventory

	2014	2013
	$'000	$'000
Metals in process	2,351	1,977
Operating supplies	1,599	1,396
	3,950	3,373

14. Trade and other receivables

	2014	2013
	$'000	$'000
Trade receivables	1,295	-
Other receivables	113	372
Sales taxes recoverable	311	288
Prepayments and accrued income	401	436
	2,120	1,096

15. Derivative financial asset

	2014	2013
	$'000	$'000
Concentrate receivables from off-taker	788	639

The carrying amount of the derivative financial asset is the level 2 fair value determined using forward prices of copper, gold and silver. The cost of the concentrate receivables is $713,000 (2013: $865,000).

16. Cash and cash equivalents

	2014	2013
	$'000	$'000
Bank balances	9,535	5,566
Cash and cash equivalents in the statement of cash flows	9,535	5,566

17. Restricted cash

	2014	2013
	$'000	$'000
Bearer deposit notes	3,255	3,261

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 (2013 - $3,300,000) giving an effective yield of 1.2% (2013 – 1.2%).

18. Capital and reserves

Share capital and share premium – group and company

	Number '000
In issue at 1 August 2012	142,360
Issued in consideration for finance fees	804
Issued on exercise of options	72
In issue at 31 July 2013	143,236
In issue at 1 August 2013	143,236
Issued in consideration for acquisition of Little Deer project	887
Issued on exercise of options	45
In issue at July 31, 2014	144,168

At July 31, 2014, 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, 2014 are as follows:

On August 31, 2013 the company received monies to subscribe for 45,000 shares for $0.16 each raising a total of $7,345 following the exercise of options.

18. Capital and reserves (continued)

On December 2, 2013 the company issued 887,614 shares for $0.39 each raising a total of $350,000 as part consideration for the acquisition of the Little Deer Project.

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:

	2014	2013
	$'000	$'000
Cash and cash equivalents	9,535	5,566
Finance leases	(5,434)	(7,040)
Bank loan	-	(22)
Gold loan	(20,108)	(18,791)
Credit facility	-	(5,621)
Net debt	(16,007)	(25,908)
Equity	(87,408)	(77,692)
Total capital	(103,415)	(103,600)

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

19. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at July 31, 2014 was based on the profit attributable to ordinary shareholders of $9,015,000 and a weighted average number of ordinary shares outstanding during the period ended July 31, 2014 of 143,863,000 calculated as follows:

Profit/(loss) attributable to ordinary shareholders

	2014	2013
	$'000	$'000
Profit for the period	9,015	9,053
Profit attributable to ordinary shareholders	9,015	9,053

Weighted average number of ordinary shares

	Number '000
At August 1, 2012	142,360
Effect of shares issued during the year	330
At July 31, 2013	142,690
In issue at August 1, 2013	143,236
Effect of shares issued during year	627
Weighted average number of ordinary shares at July 31, 2014	143,863

There is no material difference between the basic and diluted loss per share. At July 31, 2014 there were 5,506,000 (2013: 4,113,000) share options in issue of which 978,265 (2013: 1,079,397) 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

	2014	2013
	$'000	$'000
Trade payables	2,811	4,177
Non trade payables	304	287
Accrued expenses	1,419	1,326
	4,534	5,790

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)

	2014	2013
	$'000	$'000
Non-current liabilities		
Bank loan	-	19
Finance lease liabilities	2,750	4,613
Gold Loan	17,492	15,944
	20,242	20,576
Current liabilities		
Current portion of bank loan	-	3
Current portion of finance lease liabilities	2,684	2,427
Current portion of Gold Loan	2,616	2,847
Credit Facility	-	5,621
	5,300	10,898

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Minimum lease Payments 2014	Interest 2014	Principal 2014	Minimum lease Payments 2013	Interest 2013	Principal 2013
	$'000	$'000	$'000	$'000	$'000	$'000
Less than one year	2,894	210	2,684	2,759	332	2,427
Between one and five years	2,863	113	2,750	4,867	254	4,613
	5,757	323	5,434	7,626	586	7,040

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 $nil (2013: $101,000) 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.

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

Total interest of $546,000 (2013: $1,169,000) was accrued during the period of which $nil (2013: $581,000) 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. 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. During the first nine months of fiscal 2014 the Group made total repayments of $5.9 million repaying the facility in full.

Total financing and interest charges of $nil (2013: $392,000) were charged to Mineral properties during the year.

22. Provision

	2014	2013
	$'000	$'000
Reclamation and closure provision		
Opening balance	1,903	1,812
Unwinding of discount	-	91
Ending balance	1,903	1,903

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 Ming Mine's useful life was extended by one year resulting in no unwinding of the discount in 2014. 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.

23. Financial instruments (continued)

The Group held the following categories of financial instruments at July 31, 2014:

	2014	2013
	$'000	$'000
Financial assets		
Assets at fair value through profit and loss:		
Derivative financial instruments – level 2 fair value	788	639
Available for sale investments:		
Investment in quoted equity securities – level 1 fair value	2,151	1,703
Loans and receivables:		
Trade receivables	1,295	-
Other receivables	113	372
Sales taxes recoverable	311	288
Cash at bank	9,535	5,566
Restricted cash	3,255	3,261
	14,509	9,487
Total financial assets	17,448	11,829

Liabilities at amortised cost or equivalent:	2014	2013
	$'000	$'000
Trade payables	(2,811)	(4,177)
Non trade payables	(304)	(287)
Accrued expenses	(1,419)	(1,326)
Loans and borrowings	(25,542)	(31,474)
Total financial liabilities	(30,076)	(37,264)

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.

23. Financial instruments (continued)

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	
	2014	2013
	$'000	$'000
10% strengthening of GB pound	(19)	(12)
10% weakening of GB pound	17	11
10% strengthening of US dollar	(2,010)	(1,879)
10% weakening of US dollar	1,828	1,708

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, 2014.

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:

	2014	2013
	$'000	$'000
Due within one year	5,683	11,621
Due within one to two years	5,898	5,865
Due within two to three years	4,471	4,732
Due within three to four years	3,643	3,764
Due within four to five years	3,219	3,404
Due after five years	17,807	16,576
	40,721	45,962

23. Financial instruments (continued)

Fixed rate financial liabilities

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

Fixed rate liabilities	2014	2013
	$'000	$'000
Due within one year	2,894	8,663
Due within one to two years	2,170	2,640
Due within two to three years	562	1,916
Due within three to four years	131	306
Due within four to five years	-	23
	5,757	13,548

The average fixed interest rate for the finance leases and hire purchase contracts outstanding at July 31, 2014 was 5.81%.

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, 2014 was represented by receivables and cash resources.

Interest rate risk

The Group's policy is to retain its surplus funds on the most advantageous term of deposit available up to twelve month's maximum duration. Details of the Group's borrowings are described in note 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	
	2014	2013
	$'000	$'000
10% increase in the price of gold	(2,011)	(1,843)
25% decrease in the price of gold	5,027	4,609

23. Financial instruments (continued)

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

	Gross assets	
	2014	2013
	$'000	$'000
5% increase in the price of copper, gold and silver	1,006	441
5% decrease in the price of copper, gold and silver	(1,006)	(441)

Financial assets

The floating rate financial assets comprise interest earning bank deposits at rates set by reference to the prevailing LIBOR or equivalent to the relevant country. Fixed rate financial assets are cash held on fixed term deposit.

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

	Floating rate Assets	Total
At July 31, 2014		
	$'000	**$'000**
Sterling	145	145
US $	1,992	1,992
Canadian $	7,398	7,398
	9,535	9,535
At July 31, 2013		
	$'000	$'000
Sterling	61	61
US $	3,293	3,293
Canadian $	2,212	2,212
	5,566	5,566

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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:

	2014 $'000	2013 $'000
Salary – executive		
G Ogilvie	192	330
N Williams	138	-
Fees – non-executive		
G Ogilvie	87	
D H W Dobson	-	-
S Neamonitis	6	13
J M Roberts	-	7
L D Goodman	13	13
B D Hinchcliffe	7	13
T S Chan	13	13
J Thomson	13	13
E C Chen	13	11
	482	413

D H W Dobson waived his entitlement to director's fees for the current and preceding periods. At July 31, 2014 fees of $29,448 (2013: $18,874) remained outstanding.

24. Related parties (continued)

Share options held by directors were as follows:	At 31.07.14 No. '000	At 31.07.13 No. '000
G Ogilvie[1]	1,100	1,100
N Williams[2]	1,175	N/A
J Thomson[3]	400	400
D H W Dobson[4]	45	45
S Neamonitis	N/A	100
L D Goodman[4]	45	45
B D Hinchcliffe	N/A	45
	2,765	1,735

[1] 200,000 options at an exercise price of $0.71 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 $0.96 expiring on 7 July 2018, 75,000 options at an exercise price of $0.18 expiring on 10 November 2018, 250,000 options at an exercise price of $0.50 expiring on 7 May 2020 and 750,000 options at an exercise price of $0.50 expiring on 19 February 2024.
[3] 100,000 options at an exercise price of $0.71 expiring on 7 December 2016 and 300,000 options at an exercise price of $0.17 expiring on 10 November 2018.
[4] options at an exercise price of $0.17 expiring on 10 November 2018.

Total key management personnel compensations were as follows:

	2014 $'000	2013 $'000
Short term employee benefits	863	784
Social security costs	62	39
Share based payments	191	-
	1,116	823

25. Subsequent events

The Company subscribed to purchase 760,340 common shares in Marathon Gold Corporation for $375,000 bringing its total holding to 2,734,258 representing 3.98% of the issued and outstanding shares.

As a continuation of previously successful dense media ('DMS') or pre-concentration test work the Group is planning to implement an on-site demonstration DMS plant to scale-up the process and prove the technology for its application. Once the technology demonstration is complete and operating parameters are optimized, this project will serve as the basis of a pre-feasibility study with the goal of moving the LFZ resources into the mine reserve. The Research & Development Corporation of Newfoundland and Labrador ('RDC') initial contribution of $250,000 in 2013 helped provide the groundwork for the on-site demonstration plant program. On September 9, 2014 the Group announced that RDC has again provided support with an additional $750,000 investment.

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.

Amortisation of Mineral Property

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

Closure costs

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

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.

26. Critical accounting estimates and judgements (continued)

Revenue

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

Available for sale investment

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

Deferred tax 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 previous 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, 2014

	2014	2013
	$'000	$'000
(Loss)/profit for the year	(11,291)	211
Other comprehensive income		
Items that may be reclassified into profit or loss		
Exchange differences on translation into presentation currency	11,014	(154)
Other comprehensive income/(loss) for the year	11,014	(154)
Total comprehensive (loss)/income for the year	(277)	57

RAMBLER METALS AND MINING PLC

COMPANY STATEMENT OF FINANCIAL POSITION

As at July 31, 2014
(EXPRESSED IN CANADIAN DOLLARS)

	Note	2014 $'000	2013 $'000
Assets			
Investments	C3	68,245	68,323
Deferred tax	C4	1,663	1,375
Total non-current assets		69,908	69,698
Trade and other receivables	C5	94	53
Cash and cash equivalents	C6	145	66
Total current assets		239	119
Total assets		70,147	69,817
Equity			
Issued capital	18	2,628	2,613
Share premium		75,505	75,164
Translation reserve		793	(10,221)
Retained profit		(9,011)	2,104
Total equity		69,915	69,660
Liabilities			
Trade and other payables	C7	232	157
Total current liabilities		232	157
Total liabilities		232	157
Total equity and liabilities		70,147	69,817

ON BEHALF OF THE BOARD:

N P Williams
Director
Approved and authorised for issue by the Board on October 25, 2014

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, 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, 20123	2,613	75,164	(10,221)	2,104	69,660
Balance at August 1, 2013	2,613	75,164	(10,221)	2,104	69,660
Comprehensive income					
Loss for the year	-	-	-	(11,291)	(11,291)
Foreign exchange translation differences	-	-	11,014	-	11,014
Total other comprehensive income	-	-	11,014	-	11,014
Total comprehensive loss for the year	-	-	11,014	(11,291)	(277)
Issue of share capital	15	341	-	-	356
Share based payments	-	-	-	176	176
Transactions with owners	15	341	-	176	532
Balance at July 31, 2014	2,628	75,505	793	(9,011)	69,915

RAMBLER METALS AND MINING PLC

STATEMENT OF CASH FLOWS

For the Year Ended July 31, 2014
(EXPRESSED IN CANADIAN DOLLARS)

	2014	2013
	$'000	$'000
Cash flows from operating activities		
Operating loss	(11,341)	(1,166)
Share based payments	176	-
Foreign exchange losses	9,526	(135)
Increase in debtors	(41)	(3)
Increase in creditors	75	4
Net cash utilised in operating activities	(1,605)	(1,300)
Cash flows from investing activities		
Interest received	-	-
Loans repaid by/(advanced to) subsidiaries	1,661	907
Net cash generated from/(utilised in) investing activities	1,661	907
Cash flows from financing activities		
Proceeds from the issue of share capital	7	-
Proceeds from exercise of share options	7	22
Net cash from financing activities	7	22
Net increase/(decrease) in cash and cash equivalents	63	(371)
Cash and cash equivalents at beginning of period	66	437
Effect of exchange rate fluctuations on cash held	16	-
Cash and cash equivalents at end of period	145	66

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. (Loss)/profit 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 loss for the financial year was $11,291,000 (2013: profit $211,000).

C3. Investments

	Investment in subsidiary $'000	Loans $'000	Total $'000
Cost			
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
Balance at August 1, 2013	378	67,945	68,323
Repayments (net)	-	(1,311)	(1,311)
Effect of movements in foreign exchange	64	1,169	1,233
Balance at July 31, 2014	442	67,803	68,245

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. Given the continuing profitability of one of the Company's subsidiaries it has been concluded that the Company has sufficient evidence of future taxable profits to justify the recognition of a deferred tax asset of $1.7 million.

C5. Trade and other receivables

	2014	2013
	$'000	$'000
Other receivables	-	1
Sales taxes recoverable	22	13
Prepayments and accrued income	72	39
	94	53

C6. Cash and cash equivalents

	2014	2013
	$'000	$'000
Bank balances	145	66
Cash and cash equivalents in the statement of cash flows	145	66

C7. Trade and other payables

	2014	2013
	$'000	$'000
Trade payables	47	17
Non trade payables	1	9
Accrued expenses	184	131
	232	157

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.