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RAMBLER METALS AND MINING PLC

ANNUAL REPORT AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

RAMBLER METALS AND MINING PLC

CONTENTS OF THE FINANCIAL STATEMENTS

COMPANY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2019

Directors:	T I Ackerman#
	A A Booyzen (appointed 1 April 2019)
	T J Bradbury# (appointed 09 April 2020)
	E C Chen#
	B Labatte#
	B A Mills#
	G R Poulter#
	M V Sander#
Secretary:	T Sanford (appointed 19 April 2019)
Registered office:	3 Sheen Road Richmond Upon Thames Surrey TW9 1AD
Registered number:	5101822 (England and Wales)
Auditor:	Kreston Reeves LLP Chartered Accountants & Statutory Auditor Third Floor 24 Chiswell Street London EC1Y 4YX
Bankers:	HSBC plc 69 Pall Mall London SW1Y 5EY
Solicitors:	Norton Rose Fulbright 3 More London Riverside London SE1 2AQ

#*Independent directors*

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2019

Rambler's operating asset is the Ming Copper-Gold Mine in Newfoundland and Labrador, Canada ('the Project'), which produces and sells copper-gold concentrate on world markets. The recently completed 2019 fiscal year saw significant progress on delivering Ming's expanded operating plans relative to 2018. However, lower copper prices in 2019 ($US2.73 per pound copper) than the US$2.93 in 2018, incompletely offset by higher gold price (US$1,389 per ounce gold in 2019 vs. US$1,265 in 2018), served to limit associated financial performance improvements to substantially narrowed losses rather than definitive profitability

Further operational improvements are required to achieve sustained profitability in the current era of COVID-19-driven copper price decline to the current US$2.20-2.35 per pound range. At the time of writing, operational performance at Ming is not significantly impacted by social distancing requirements and the Company has 300 tonnes per month copper sales hedged at $2.64 per pound copper until the end of 2020. As discussed below, plans for long-term operational improvements are based on significant new high-grade resources encountered by 2019 drilling at deeper levels of the mine.

OPERATIONAL RESULTS

In fiscal year 2019, Rambler delivered the third consecutive year of throughput improvements.

TABLE 1: THREE YEAR THROUGHPUT AND RECOVERY PERFORMANCE

THROUGHPUT AND RECOVERY	2019	2018	2017
Dry Tonnes Milled	406,298	364,176	339,631
Copper Head Grade (%)	1.45	1.24	1.27
Gold Head Grade (g/t)	0.59	0.57	0.58
Copper Recovery (%)	93.9	96.3	95.3
Gold Recovery (%)	71.4	70.7	60.7

Notably, mine output (and mill throughput) rose significantly in 2018 in response to the operational improvement project begun mid-2018, and continued to rise through 2019 to the record of 406,298 tonnes. During 2018, ore grade held steady through the increase in throughput volume, while the efforts required to improve mine output and mill throughput resulted in higher direct net cash cost per pound than in 2017 (see table 2 below). Further increase in tonnage was accomplished in 2019 while copper cutoff grade (and average head grade) was increased, leading to higher copper production and gold production. Net cash direct costs per pound of copper net of by-product credits ('C1*') for the 2019 year were reduced to US$2.72 per saleable copper pound (2018 - US$3.52) as a result

TABLE 2: THREE YEAR PRODUCTION PERFORMANCE

CONCENTRATE PRODUCTION (Delivered to warehouse)	2019	2018	2017
Dry Tonnes Produced	19,924	15,525	14,907
Copper Grade (%)	27.7	28.1	27.7
Gold Grade (g/t)	8.4	9.4	8.0
Saleable Copper Metal (t)	5,299	4,187	3,968
Saleable Gold Metal (ozs)	4,887	4,189	3,357
Direct cost per lb copper net of byproduct credits	2.77	3.52	2.86

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2019

FINANCIAL RESULTS

Revenue increased due to increased metal production in 2019 relative to 2018, while EBITDA, Net Income, and Operating Cash Flow losses narrowed. However, in order to assure profitability given the declining price of copper in 2020, further increases in copper production are required for the same or lower operating cost. As discussed below, our plans for this include increasing the mining cutoff grade.

TABLE 3: THREE YEAR FINANCIAL PERFORMANCE SUMMARY

FINANCIAL RESULTS ($US x million)	2019	2018	2017
Revenue	**37.1**	**29.7**	**30.3**
EBITDA	**(1.3)**	**(7.5)**	**2.8**
Net loss before tax	**(12.2)**	**(18.4)**	**(5.4)**
Operating cash flow	**(3.2)**	**(2.3)**	**1.3**

EXPLORATION RESULTS

Pre-2019 drilling programs demonstrated that both the Ming North Massive Sulfide Zone ("MNZ") and the Lower Footwall Zone ('LFZ') mineralization continue well beyond the currently defined mineral reserves with increases in grade and thickness at depth. New drill intercepts during 2019 confirmed the extensions and added significantly (net of mining depletion) to Indicated and Inferred Resources by the end of the year (see Table 4 below). The increase in Inferred Resources forms a valuable target for infill drilling in 2020 and beyond.

TABLE 4: COMPARISON OF MINERAL RESOURCES AS OF DECEMBER 31, 2019 TO THOSE AT DECEMBER 31,

Classification	Quantity	Grades			Contained Metal		
		Copper	Gold	Silver	Copper	Gold	Silver
	(000't)	%	g/t	g/t	M lbs	K oz	K oz
Measured Total	6,731 (-65%)	1.70 (6%)	0.56 (121%)	4.26 (84%)	252 (-63%)	120 (-23%)	922 (-36%)
Indicated Total	17,776 (332%)	1.70 (-7%)	0.25 (-59%)	2.10 (-40%)	668 (301%)	144 (75%)	1,200 (159%)
M&I Total	**24,506 (5%)**	**1.70 (4%)**	**0.34 (6%)**	**2.69 (7%)**	**920 (8%)**	**264 (11%)**	**2,121 (12%)**
Inferred Total	5,023 (75%)	1.89 (6%)	0.39 (-6%)	3.20 (15%)	209 (85%)	64 (64%)	517 (102%)

Table referenced in March 5th, 2020 press release

GOING FORWARD

The Company plans to continue the transformation at the Ming operations going forward in 2020.

1. Increase the cut-off grade to deliver an average 2% copper head grade and increase the ore delivery at that grade to 1500 metric tonnes per day. The new Measured and Indicated Resources (and the Inferred Resources, once infilled) will support a mine life in excess of 15 years and a cash cost profile significantly below $2.00 per lb. Detailed design, scheduling and engineering for this improvement are underway and will be documented in an NI 43-101 report later this year.
2. Key to this plan are:
    a. Increased development rate, initially by deploying a contractor, needed to improve the developed state of the mine - which was diminished by the increased cutoff grade - and sustain higher rates of production;

b. Increased diamond core drilling rate to infill the currently inferred resources and extend new inferred resources to depth;

c. Increased training and refinement of Standard Operating Practices in the mine to improve capital and operating development rates, reduce cycle time, and further reduce rework;

d. Improve equipment availabilities and consumable supplies by improving maintenance and purchasing practices and reaching new agreements with our suppliers;

e. Improving grade control and upgrading low-grade material by screening and perhaps dense media separation (our dense media pilot plant has already been converted for long term usage);

f. Improving mill performance with reductions in grind size, renovations to the concentrate filter plant; and improved reagents.

Once the target rate of 1,500 mtpd at 2% head grade is achieved along with the intended financial performance, the Company will initiate engineering studies, likely in late 2020, with a view to optimizing underground and surface ore handling. The former will include various underground haulage options plus or minus conversion to shaft hoisting from ramp haulage through a rehabilitated shaft. The latter will include relocating a decommissioned processing facility to the Ming mine site. The relocated processing facility will serve to eliminate the significant cost of about 40 km of surface ore haulage between Ming Mine and the Nugget Pond Mill as well as allow the throughput increases to 1,500 tonnes per day.

These 2020 plans will require additional funding, which we have been working hard to procure since the start of the year. We are pleased that even in the current pandemic-influenced market conditions, our efforts have been successful. We have managed to accept non-binding terms for US$22 million in funding from a major USA-based investment group. These funds will be in the form of equity and a loan. We also have commitment from some current shareholders for up to US$3 million additional equity investment. I look forward to sharing with you more details about these transactions and our commitments for the next three to five years based on this funding, ideally at the Annual General Meeting.

B Mills
Chairman

May 10, 2020

STRATEGIC REPORT, including appendices, is intended to help the reader understand Rambler Metals and Mining plc ('the parent company') and its subsidiaries (the 'Company' or 'Rambler'), our operations and our present business environment. It has been prepared as of May 10, 2020 and covers the results of operations for the year ended December 31, 2019. This discussion should be read in conjunction with the audited Financial Statements for the year ended December 31, 2019 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 Company's presentation currency is US dollars (US$) and the financial information is in US$ unless otherwise stated. These statements together with the following STRATEGIC REPORT are intended to provide investors with a reasonable basis for assessing the potential future performance. See Forward Looking Statement disclosure in other matters (page 20).

OVERVIEW

The Company is transforming the Ming Copper-Gold Mine Project ('the Project') subject to being fully funded. Its principal activity is the development, mining and exploration of the Project in Newfoundland and Labrador (see map on page 17) with a longer term goal of continued exploration and development of other properties in its portfolio, all located in Canada.

The Company is looking forward to:

3. Optimizing production to about 1,500 mtpd at 2% copper grade, with optimized mine design, process improvements, and further reduced costs. The focus of the cost improvement efforts will be: maintenance practice improvements to increase equipment availability in the mine; cycle time improvements for improved productivity in the mine; improving grade control and upgrading low grade material by screening; and improving gold and silver recovery in the plant.
4. Once the 1,500 mtpd is sustained and generating cash flow, the Company will continue with engineering studies to include underground material handling options; shaft rehabilitation; and building a higher capacity mill nearer to the mine.
5. Continue the diamond drilling exploration programs, mainly from underground, in order to increase available high grade resources and reserves near mine infrastructure.

See Forward Looking Information in other matters (page 20).

The Company's directors and management believe that these priorities provide a solid foundation for Rambler, and its shareholders, as it continues working towards building a successful mid-tier mining company.

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

HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2019

- ➔ Production of 406,298 dmt for the year (2018: 364,176 dmt), a 12% increase, with copper concentrate grade of 28% (2018: 28%).

- ➔ Intersected significant Ming North Zone mineralization in the underground drilling program including:

    - R19-745-08 – 74.75 meters (m) downhole width of 8.98% copper with 2.16 grams per tonne (g/t) gold and 14.23 g/t silver, which includes two separate intervals shown below;
    - **Including – 27.77 meters (m) downhole width of 11.97% copper** with 3.14 grams per tonne (g/t) gold and 19.23 g/t silver
    - **And including – 19.30 meters (m) downhole width of 14.85% copper** with 2.94 g/t gold and 21.57 g/t silver

- ➔ Intersected significant Upper Footwall Zone mineralization in the underground drilling program including:

    - R19-695-03 – 10.9 m (downhole) of 5.92% copper with 0.60 g/t gold and 8.56 g/t silver
    - R19-695-11 – 9.07 m (downhole) of 4.14% copper with 0.45 g/t gold and 4.99 g/t silver.

- ➔ Revenue for the year was US$37.1 million (2018: US$29.7 million). The increase in revenue compared to prior year is mainly due to higher production.

- ➔ Average prices for the year were US$2.73 (2018: US$2.93) per pound of copper and US$1,389 (2018: US$1,265) per ounce gold.

- ➔ Operating loss for the year was US$11.4 million (2018: US$17.2 million). EBITDA* for the year was a loss of US$1.3 million (2018: loss of US$7.5 million).

- ➔ Cash production costs for the year were US$34.5 million (2018: US$31.2 million). Net direct cash costs net of by-product credits ('C1 costs*') for the year were US$2.77 per pound of saleable copper (2018: US$3.52). Refer page 18.

- ➔ Cash outflow from operations for the year was US$3.2 million (2018: Cash outflow of US$2.3 million).

SUBSEQUENT EVENTS

- In March 2020 the Company signed a non-binding Letter of Intent (LOI) with Maritime Resources ("Maritime"). The non-binding LOI includes an exclusivity period of twelve months for Maritime to evaluate Rambler's Nugget Pond Gold Plant for the purpose of processing feed from the Hammerdown gold project and to complete a feasibility study with the option to negotiate a purchase agreement during that time.

- The impact of the Covid-19 pandemic has been significant in the resource industry. Most notably in the way work is being done using physical distancing guidelines. Also significant has been the impact on the copper price. As such Rambler has scaled back production and reduced staff. Rambler is also taking advantage of the Canadian Government wage subsidy scheme. Production will slowly ramp up again as the copper price improves, with the aim to be at 1,500 mtpd by Q4 2020.

- In April 2020 the Company, via its wholly-owned subsidiary, Rambler Metals and Mining Canada Limited, received a bridge loan from CE Mining III Rambler Limited ("CEIII") of US$830,000 bearing interest of 10% per annum in support of short-term working capital requirements at its Canadian operation.

FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2019

Revenue

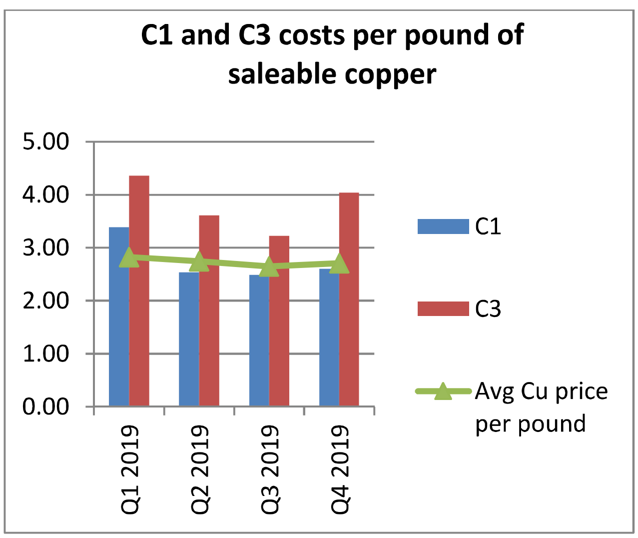
➔ A total of 19,924 dmt (2018 – 15,525 dmt) of concentrate was provisionally invoiced during the year containing 5,299 (2018 – 4,187) tonnes of saleable copper metal and 4,887 (2018 – 4,189) ounces of saleable gold at an average price of US$2.73 (2018 – US$2.93) per pound copper and US$1,389 (2018 - US$1,265) per ounce gold, generating revenue of US$37.1 million (2018 – US$29.7 million).

Costs

➔ Cash production costs for the year were US$34.5 million (2018: US$31.2 million). Net cash direct costs per pound of copper net of by-product credits ('C1*') for the year were US$2.77 per saleable copper pound (2018 - US$3.52). Saleable copper in the period was 11.6 million pounds (2018 – 9.1 million pounds). Higher head grade and throughput, together with decreased operating costs as a result of converting the remaining post pillar cut and fill ('PPCF') areas in the LFZ to longhole stoping contributed to the decrease in C1 costs* compared to 2018. Refer to page 18.

➔ Sustained throughput at 1,250 mtpd and improvements in grade towards an average of 1.5% Cu will have a positive effect on C1 costs* which are expected to decline towards US$2.00 and will decline further as production moves away from PPCF mining towards less expensive bulk mining methods (longitudinal stoping).

➔ A summary of the Company's net cash direct costs (C1) and fully allocated costs (C3) net of by-product credits per pound of saleable copper together with the average sales price of copper for the past four quarters are shown below.



The Company has included non-GAAP performance measures: net cash direct costs per pound of saleable copper net of by-product credits (C1 costs) and fully allocated costs (net of by-product credits)(C3 costs) per pound of saleable copper, throughout this document. C3 costs include interest charges which are shown below the operating profit line in the income statement. This is a common performance measure in the mining industry but does not have any standardized meaning. Refer to Alternative Performance Measures (page 18) for a reconciliation of these measures to reported production expenses.

FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

Loss

➔ The net loss before tax for the year was US$12.2 million (2018: US$18.4 million).

➔ EBITDA* for the year was a loss of US$1.3 million (2018: loss of US$7.5 million).

Cash flow and cash resources

➔ Cash outflow from operations for the year was US$3.2 million (2018: cash outflow of US$2.3 million). The decrease in the cash generated relates to the operating loss and changes in working capital. The cash balance at December 31, 2019 was US$1.9 million (2018: 0.2 million).

Financing and Investment

➔ During the year, a repayment of US$2.2 million (2018: US$1.8 million) (project to date $22.6 million) was made on the Company's Gold streaming from the delivery of payable ounces 1,582 (2018: 1,395) of gold project to date 15,839 (2018: 14,257) ounces have been delivered.

➔ Net debt* excluding the Gold streaming was US$13.8 million (2018: US$11.4 million).

➔ In March 2019 the Company closed a private placement funding of US$11.0 million by way of an issuance of 599,781,897 new ordinary shares in the capital of Rambler at a subscription price of US$0.018 (£0.014) per ordinary share. The proceeds of the subscription were for working capital purposes and to repay the US$1.0 million unsecured loan owing to CEIII. The loan was fully repaid in March 2019 including interest.

➔ An Open Offer for shares was closed in April 2019 with 37,940,043 ordinary shares issued for proceeds of £524,860.58.

FINANCIAL RESULTS FOR YEAR ENDED DECEMBER 31, 2019 (Continued)

OPERATIONAL SUMMARY

Ore and Concentrate Production Summary for Fiscal 2019

PRODUCTION	**2019**	**2018**
Dry Tonnes Milled	**406,298**	**364,176**
Copper Recovery (%)	**93.9**	**96.3**
Gold Recovery (%)	**71.4**	**70.7**
Copper Head Grade (%)	**1.45**	**1.24**
Gold Head Grade (g/t)	**0.59**	**0.57**

CONCENTRATE (Delivered to Warehouse)	**2019**	**2018**
Copper (%)	**27.7**	**28.1**
Gold (g/t)	**8.4**	**9.4**
Dry Tonnes Produced	**19,924**	**15,525**
Saleable Copper Metal (tonnes)	**5,299**	**4,187**
Saleable Gold (ounces)	**4,887**	**4,189**

- For the fiscal year the Nugget Pond copper and gold milling facility achieved record throughput for ore processed. The facility processed 406,298 dmt at 1.45% copper and 0.59 g/t gold in 2019.
- Recovery of metal to concentrate was 93.9% and 71.4% for copper and gold respectively for the year (96.3% and 70.7% for the 2018 fiscal year). For the full year the operation produced 19,924 tonnes (2018: 15,525 tonnes) of concentrate containing saleable metal of 5,299 tonnes (2018: 4,187 tonnes) of copper and 4,887 ounces (2018: 4,189 ounces) of gold.
- Rambler delivered on all of its safety targets during 2019. For the fiscal year there were no lost time incidents or fatalities.
- Mine performance has shown significance improvements from 2019 compared to 2018. Most notably improvements include:
    - Production drilling meters increased 84% (2019: 70,135 m, 2018: 38,179 m)
    - Production blasting increased 106% (2019: 292,250 dmt, 2018: 141,660 dmt)
    - Mine ore produced increase 11% (2019: 403,752 dmt, 2018: 364,363 dmt)
    - Total material hauled increased 24% (2019: 1,863 mtpd, 2018: 1,508 mtpd)

FINANCIAL RESULTS FOR YEAR ENDED DECEMBER 31, 2019 (Continued)

OUTLOOK

Management continues to pursue the following objectives:

➔ Further evaluate the potential of a Phase III expansion with increase in mine production and mill throughput related to constructing a processing plant at the Ming Mine site and avoiding the costly road haulage of ore to the current Nugget Pond plant.

➔ Continuing with the underground exploration program to allow for further exploration of the mineralized trends both up-dip and down-dip with the goal to increase near-mine mine resource and reserves.

➔ Updating the resource model and mine plans to enable access to higher grade areas of the mine.

➔ In 2020 to continue with the surface exploration diamond drilling program aimed to double the current plunge length of the known massive sulphide and LFZ mineralization.

FINANCIAL REVIEW

Fiscal	Commentary	Comparatives	
2019 **(US$000's)**		**2018** **(US$000's)**	***B/ (W)****
37,115	**Revenue** of US$37.8 million was generated through the sale of 19,924 dmt of copper concentrate containing 5,299 tonnes of accountable copper metal and 4,887 ounces of accountable gold. This compared with revenue of US$31.4 million in 2018 which was generated through the sale of 15,525 dmt of copper concentrate containing 4,187 tonnes of accountable copper metal and 4,189 ounces of accountable gold. Revenue also includes a decrease in fair value adjustments with regards to provisional invoices of US$0.7 million (2018: decrease of US$1.7 million).	29,718	*25%*
44,048	**Production costs** relate to the processing and mining costs associated with the Company's Ming Mine and include processing costs of US$6.7 million (2018: US$6.3 million), mining costs of US$27.8 million (2018: US$24.9 million) and depreciation and amortisation of US$9.6 million (2018: US$9.9 million). The cost of production of pounds of copper decreased during the year due to higher head grades and throughput compared to the previous year.	41,091	*(7)%*
4,480	**General and administrative expenses** were less than the previous year by US$1.3 million as it was high in 2018 due to Highland group payment of US$2.2 million, increase in legal and admin salaries of US$0.4m and US$0.3m respectively.	5,823	*29%*
797	**Foreign exchange gains/(losses)** arising as a result of strengthening of the Canadian dollar against the US dollar during the period.	(1,503)	*153%*
-	**Income tax debit** The income tax debit is the deferred tax debit due to full reversal deferred tax asset of Rambler UK in 2018 as it is not expected the company will make profit to recover losses.	(1,680)	*100%*
5,130	**Addition to Mineral property** The Company incurred costs of US$5.1 million in the period which included labour costs of US$2.3 million and underground development costs of US$2.8 million. In 2018 the Company incurred costs of US$3.9 million in the year including labour of US$1.9 million and underground development costs of US$1.9 million.	3,879	*32%*
2,506	**Capital spending on property, plant and equipment** during the year included US$1.0 million (2018: US$1.7 million) spent on underground equipment and US$1.5 million (2018: US$1.5 million) spent on assets under construction including camp pond expansion, upgrade water supply, dewatering ramp.	3,189	*(22)%*
15	**Capital spending on exploration and evaluation** in the year relates to Little Deer US$ 11K (2018: US$30K) and Mine Ming US$4K (2018: 18K), the spend reduced compared to prior year due to increased focus on delineation drilling at the Ming Mine operation.	48	*(68)%*

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

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

The Company continually reviews operational results, expenditures and additional financial opportunities in order to ensure adequate liquidity to support its growth strategy while maintaining or increasing production levels at the Ming Mine. The financial statements have been prepared on a going concern basis which assumes that the Group will be able to realise its assets and settle its obligations in the normal course of business. The financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Group be unable to continue as a going concern. Such adjustments might be material.

The Group intends to fund its operations and growth from the operating cash flows of the Ming mine, and to the extent required, through the accessing of equity and debt markets and the proceeds from the exercise of warrants. Management believes that the Ming Mine will generate enough operating cash flows to support the day to day activities and future growth requirements of the business, but there is a risk that production not ramping up in line with forecasts or lower than forecast commodity prices will result in the need for additional financing. Refer to the "subsequent events" above for details of equity raising.

Historically the Company has been successful in accessing equity and debt markets to finance the acquisition and development of the Ming Mine site, and management is currently finalising talks with a third party to obtain additional funding within the coming weeks. However, as this funding is not yet committed, it is not wholly within the Group's control and this represents a material uncertainty which casts significant doubt upon the Group's continued ability to operate as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Cash flows utilized in investing activities amounted to US$7.5 million for the year (2018: US$6.6 million). Cash of US$5.1 million (2018: US$3.9 million) was spent on the Company's Mineral Property, US$2.5 million (2018: US$3.2 million) was spent on property, plant and equipment and US$0.02 million (2018: US$0.05 million) was spent on exploration at the Ming mine.

Cash flows generated from financing activities during the year amounted to US$12.3 million (2018: US$5.8 million) and included repayments of the Gold streaming of US$2.3 million (2018: US$1.8 million), finance lease repayments of US$1.8 million (2018: US$2.1 million) and loan repayments US$3.3 million (2018: US$1.5 million) offset by US$3.5 million received from CE III Mining Rambler Limited, US$2.5 million from Lombard Odier Limited, US$2 million from Transamine and funds received, net of expenses, on issue of share capital of US$11.7 million (2018: 7.3 million).

The Company 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 Company holds bearer deposit notes totalling US$3.5 million (FY2018: US$3.2 million).

Sales of copper concentrate are in US dollars and the majority of the Company's expenses are incurred in Canadian dollars. The Company's principal exchange rate risk relates to movements between the Canadian and US dollar. The Gold streaming 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.

Financial Instruments

The Company's principal financial assets comprise: cash and cash equivalents, restricted cash, equity investments, derivative financial instruments and trade and other receivables. The Company's financial liabilities comprise trade payables; other payables; and interest bearing loans and borrowings.

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

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION (CONTINUED)

Financial Instruments (continued)

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 24 of the financial statements for the year ended December 31, 2019.

COMMITMENTS AND LOANS

Gold streaming

In March 2010, the Company entered into an agreement ("Gold streaming") 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 to the Company totalling US$20 million in return for gold to be produced over time.

For this, in each production year following the first year of production, until 175,000 ounces of payable gold has been produced, the Company has agreed to sell to Sandstorm a percentage equal to 25% x (85% divided by the actual percentage of metallurgical recovery of gold realised in the immediately preceding production year) provided that, if the payable gold production in any production year after the third production year is less than 15,000 ounces, then in each such production year, Sandstorm payable gold shall not be less than 25% of the payable gold. In each production year following the first year of production, after 175,000 ounces of payable gold has been produced, the Company has agreed to sell a percentage equal to 12% x (85% divided by the actual percentage of metallurgical recovery of gold realised in the immediately preceding production year) provided that, if the payable gold production in any production year after the third production year is less than 15,000 ounces, then in each such production year, Sandstorm payable gold shall not be less than 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. Rambler purchases the payable gold from the market and repayment is made in kind to Sandstorm.

The Gold streaming is accounted for as a financial liability carried at fair value through profit and loss. The liability is based on management's best estimate of the time of delivery of payable gold, the total amount of gold expected to be produced over the life of the mine, the timing of production, the Company's view on forecast gold prices and the rate implicit in the loan at the date of inception.

The movement in the fair value of the liability recognised in the income statement during the period was a charge of US$0.3 million (2018: US$1.3 million credit).

The Gold streaming is secured by a fixed and floating charge over the assets of the Company.

Government Assistance

To date the Company has received US$1.6 million (2018: US$1.2 million) in interest free repayable contributions from a Canadian government agency. Contributions to a total of US$1.6 million are available in support of the Phase II expansion project for the mine. The contributions are repayable over eight years from May 2019.

The fair value of the contributions received calculated at a market interest rate of 10% have been classified as a financial liability with the difference between the fair value and the amount received credited against the cost of assets under construction.

COMMITMENTS AND LOANS (CONTINUED)

Advance Purchase Facility

During 2017, the Company repaid the balance of an advanced purchase agreement originally signed in July 2015 with Transamine Trading S.A. ("Transamine"). Then in December 2017, the Company entered into a new advance purchase facility with Transamine.

Pursuant to the terms of the Purchase Agreement, Transamine agreed to purchase in advance, at Rambler's option, up to US$4 million of concentrate (the "Advance Purchase Payments") to be used for working capital requirements along with the development and construction of Rambler's Lower Footwall Zone optimisation plan (Phase II) at the Project.

At December 31, 2019 the balance was US$2.3 million (2018: US$3.8 million). The loan was repayable by eighteen monthly instalments of US$222,000 including interest at 6.75% per annum, but a grace period of 6 months was provided by Transamine from June'19, so the loan is payable by instalments of US$130,000 starting December 2019.

Additionally, Transamine has extended an amount of US$2 million in December 2019. This loan shall be repaid from July 2020 by monthly instalments of US$222,000 per month plus accrued interest at 7% per annum.

Related party loan

CE Mining III Rambler Limited

In November 2018 the Company received a convertible loan of US$2 million from CE Mining III Rambler Limited with a maturity of one year. The loan is unsecured, convertible at the option of CE Mining III Rambler Limited on or before November 26, 2019 at a share price of C$0.05. It carries interest at 10.0% per annum. Expenses worth US$0.3 million were spent with regards to the loan, these expenses have been classified as deferred expenses and will be amortised during the loan term. At 31st December 2019 the balance was US$2.2 million including interest of US$0.2 million.

In September 2019, the company received a convertible loan of US$2.5 million from CE Mining III Rambler Limited with a maturity of one year. It carries interest at 7% per annum. The loan is unsecured, convertible at the option of CE Mining III Rambler Limited at a share price of £0.014.

Lombard Odier Asset Management (Europe) Limited

In August 2019 the company received a loan of US$2.5 million from Lombard Odier Asset Management (Europe) Limited. The loan was unsecured and carried interest at 7% per annum. The loan is unsecured, convertible at the option of Lombard Odier Asset Management (Europe) Limited at a share price of £0.014.

Finance lease balances

At December 31, 2019 the Company had finance lease commitments of US$2.2 million (2018: US$3.7 million). The Company entered into finance lease commitments of US$0.1 million (2018: US$1.6 million) during the period.

Subsequent events

Refer to note 26 for further details.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

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:

	Dec 31, 2019 US$'000	Dec 31, 2018 US$'000
Salary – executive		
N Williams*	60	255
A Booyzen	165	-
Fees – non-executive		
B A Mills	19	21
B Labatte	19	21
M V Sander	79	86
T I Ackerman	79	21
G Poulter	15	17
E C Chen	19	21
	455	442

Share options held by directors were as follows:	Dec 31, 2019 No. '000	Dec 31, 2018 No. '000
A Booyzen[1]	5,000	-
N Williams	-	7,800
	5,000	7,800

1 5,000,000 options at an exercise price of US$0.02 expiring on April 17, 2024

Total key management personnel compensations were as follows:

	Dec 31, 2019 $'000	Dec 31, 2018 $'000
Short-term employee benefits	610	585
Social security costs	25	27
Share-based payments	80	116
	716	728

**Norman Williams resigned as a director from 31st March 2019.*

RELATED PARTY TRANSACTIONS (Continued)

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

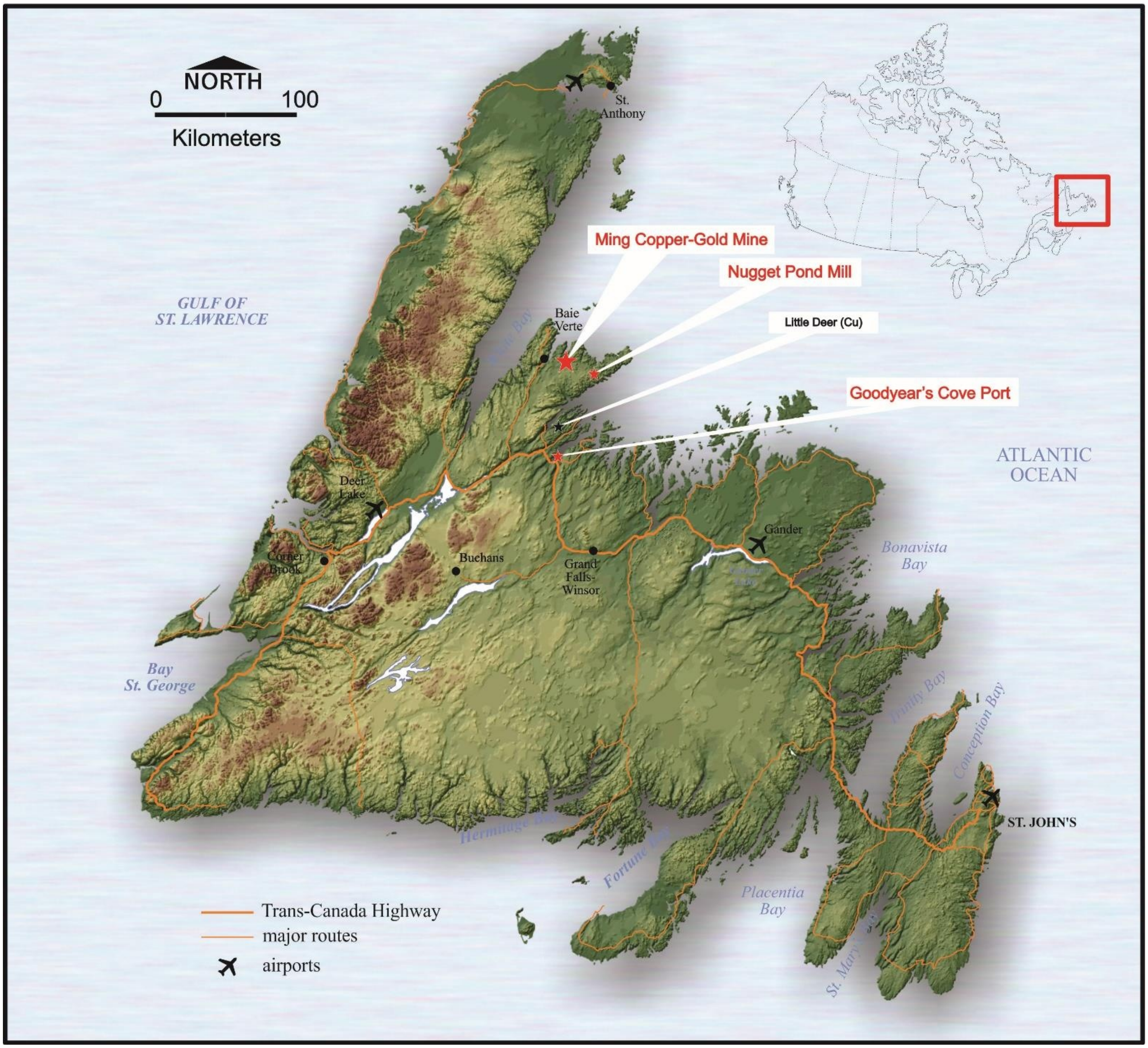
Ultimate and controlling party

CE Mining II Rambler had shareholding of 60% as of 31st December 2019. The Group also has a number of related party loans, details of which are disclosed on page 14.

Our duty is to promote the success of the Company for the benefit of shareholders as a whole

We have considered the needs and expectations of shareholders as well as our wider social responsibilities to the business' key stakeholders in the Corporate Governance Statement on pages 24 and 25.

LOCATION MAP



ALTERNATIVE PERFORMANCE MEASURES

The Company has included Alternative Performance Measures throughout this document. These include: net direct cash cost (C1) per pound of saleable copper, fully allocated costs (C3) per pound of saleable copper, earnings before interest, taxes, depreciation, amortisation ('EBITDA') and net debt.

C1 and C3 costs per pound of saleable copper are common performance measures in the mining industry but do not have any standardized meaning. The guidance provided by the World Gold Council for calculating all-in costs was followed; however, the Company adjusts for non-cash items and includes financing fees within the total cash costs. Total cash operating costs include mine site operating costs (mining, processing and refining, in-mine drilling expenditures, administration, and production taxes), but are exclusive of other costs (non-cash inventory valuation adjustments, reclamation, capital, long-term development and exploration). These measures, along with sales, are considered to be key indicators of the Company's ability to generate operating earnings and free cash flows from its mining operations. The Company believes that certain investors use this information to evaluate the Company's performance and ability to generate cash flows. These should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS and are not necessarily indicative of production costs presented under IFRS. The following tables provide reconciliation of said costs to the Company's financial statements for the year ended December 31, 2019:

Cash Operating Cost *All amounts in 000s of US Dollars except pounds of saleable copper*		**Year to Dec 31, 2019**		**Year to Dec 31, 2018**
Production Costs per Financial Statements	**$**	**34,464**	$	31,204
Cash Production Costs	**$**	**34,464**	$	31,204
On-site general administration costs	**$**	**2,539**	$	4,564
By-product credits	**$**	**(4,947)**	$	(3,730)
Net direct cash costs (C1)	**$**	**32,056**	$	32,038
Pounds of saleable copper		**11,587**		9,091
C1 cost per pound of saleable copper	**$**	**2.77**	$	3.52

C3 per Pound of Saleable Copper *All amounts in 000s of US Dollars except pounds of saleable copper*		**Year to Dec 31, 2019**		**Year to Dec 31, 2018**
Net direct cash costs (see above)	**$**	**32,056**	$	32,038
Depreciation and amortisation		**9,629**		9,921
Corporate Cash Expense		**1,764**		878
Cash Interest Expense		**779**		653
Fully allocated costs (C3 cost)	**$**	**44,228**	$	43,490
Pounds of saleable copper		**11,587**		9,091
C3 cost per pound of saleable copper	**$**	**3.82**	$	4.78

ALTERNATIVE PERFORMANCE MEASURES (continued)

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

Earnings before interest, tax and depreciation *All amounts in 000s of US Dollars*		**Year to Dec 31, 2019**		**Year to Dec 31, 2018**
Profit/(loss) after tax per Financial statements	**$**	**(12,166)**	$	(20,046)
Taxation		**-**		1,680
Net interest		**1,206**		895
Depreciation and amortisation		**9,629**		9,921
EBITDA	**$**	**(1,331)**	$	(7,550)

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

	2019	**2018**
	US$'000	US$'000
Cash	**1,936**	241
Finance leases	**(2,189)**	(3,707)
Related party loan	**(7,348)**	(1,733)
Government assistance	**(987)**	(796)
Sandstorm loan	**(862)**	(1,505)
Advance purchase facility	**(4,311)**	(3,864)
Net debt	**(13,761)**	(11,364)

OTHER MATTERS

Outstanding Share & Option Data

As at the date of this STRATEGIC REPORT the following securities are outstanding:

Security	Shares issued or Issuable	Weighted Average Exercise Price
Common Shares	1,296,411,642	--
Warrants	-	--
Options	16,442,000*	US$0.07

*if all options have fully vested

For further assistance Mr. Tim Sanford, Corporate Secretary can be reached directly at +1-709- 532-5736 or tsanford@ramblermines.com.

Forward Looking Information

This STRATEGIC REPORT contains "forward-looking information" ("FLI") which may include, but is not limited to, statements with respect to the Company's objectives and strategy, future financial or operating performance of the Company and its projects, exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining exploration and development, environmental risks, title disputes or claims and limitations of insurance coverage. All statements, other than statements of historical fact, are forward-looking statements. Often, but not always, statements containing FLI can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur be achieved or continue to be achieved. Forward-looking statements are based on opinions, estimates and assumptions of management considered reasonably at the date the statements are made. Key assumptions include without limitation, the price of and anticipated costs of recovery of, copper concentrate, gold and silver, the presence of and continuity of such minerals at 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 Company to be materially different from any future results, performance or achievements expressed or implied by the FLI. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; availability and cost of credit; fluctuations in Canadian dollar interest rates; fluctuations in the relative value of United States dollars, Canadian dollars and British Pounds; changes in planned parameters as plans continue to be refined; fluctuations in the market and forward prices of copper, gold, silver or certain other commodities; possible variations of ore grade or recovery rates; failure of equipment; accidents and other risks of the mining exploration industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risks and Uncertainties" in the Report of Directors for the year ended December 31, 2018. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the FLI contained in this STRATEGIC REPORT, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

OTHER MATTERS (continued)

Forward Looking Information(continued)

Unless stated otherwise, statements containing FLI herein are made as of the date of this STRATEGIC REPORT and the Company disclaims any intention or obligation and assumes no responsibility to update or revise any FLI contained herein, whether as a result of new information, future events or otherwise, except as required by applicable law.

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

FLI statements	Assumptions	Risk Factors
Continued positive cash flow	Actual expenditures from operations will not exceed revenues	Expenditures exceeding revenues resulting from fluctuations in the market and forward prices of copper, gold, silver or certain other commodities, or increased costs of production, or production stoppages or grade shortfalls
Continued mining and milling the exposed massive sulphide and LFZ workplaces with further exploration up-dip and down-dip	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 1,250 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	Economic viability

Further information

Additional information relating to the Company is on London Stock Exchange at www.londonstockexchange.com and on the Company’s web site at www.ramblermines.com.

STRATEGIC REPORT FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

A review of the Company's business and future developments is set out in the Strategic Report including key performance indicators.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

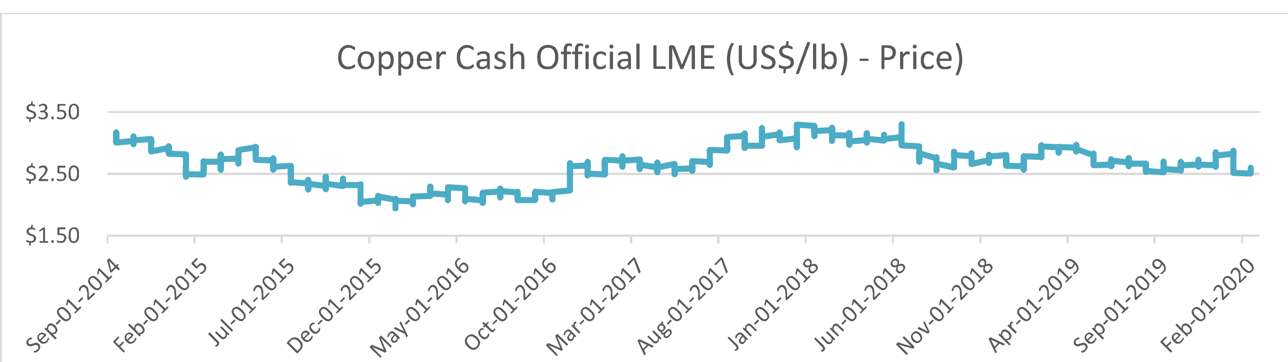
Mining risks
Mining operations are inherently risky. These operations are subject to all hazards and risks encountered in the exploration, development and production of mineralization in an underground setting. These include but are not limited to formation pressures, seismic activity, rock bursts, fires,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

The Company has all necessary permits in place to continue with the current operation. As expansion plans progress, the Company will be required to submit revised Development Plans for approval by the ministry. There can be no guarantee that these revised plans will be agreed to or approved in a timely manner.

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

Copper and Gold Price Volatility
The Company's revenues will continue to be derived from the extraction and sale of copper concentrate containing gold and silver by-products. The prices of copper, gold and silver have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased global production due to new extraction developments and improved extraction and production methods.

In recent years the price of copper has been affected by changes in the worldwide balance of copper supply and demand, largely resulting from economic growth and political conditions in China and other major developing economies. While this demand has resulted in higher prices for copper in past years, the current economic slowdown in China has placed downward pressure on the demand for copper. The effect of these factors on the price of copper and gold cannot be accurately predicted. Current predictions for the price of copper have improved since the last financial reporting period end and the Company has not made any further provision for impairment during the period.



PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Foreign currency risk
The Company has a small amount of cash resources and certain liabilities including the Gold streaming and the advance purchase facility denominated in US dollars. All other assets and liabilities are denominated in Canadian dollars and GB pounds. Revenue is generated in US dollars while the majority of the expenditure is incurred in Canadian dollars and, to a lesser extent, GB pounds. The Company has a downside exposure to any strengthening of the Canadian Dollar or GB pound as this would increase expenses in US dollar terms. This risk is mitigated by reviewing the holding of cash balances in Canadian Dollars and GB pounds. Any weakening of the Canadian Dollar or GB pound would however result in the reduction of the expenses in US dollar terms. In addition movements in the Canadian dollar and GB pound/US Dollar exchange rates would affect the Consolidated Balance Sheet.

Additional Requirement for Capital
As mentioned above, management is evaluating further increases in production. With further engineering and assessment, management will work to progress internal modelling and economics for further phased expansion. Should any additional equity financing be required this may be further dilutive to shareholders and debt financing, if available, may involve restrictions on financing and operating activities (note that the company is currently at an advanced stage of raising funds). There is no assurance that additional financing will be available on terms acceptable to the Company. Please refer to page 12 for further information on the liquidity of the Company.

Uncertainty in the estimation of mineral resources and mineral reserves
The estimation of mineral reserves, mineral resources and related grades has a degree of uncertainty. Until such a time as the mineral reserves and mineral resources are actually mined and processed, the quantity of grades must be considered as estimates only. The mineral reserve estimates of the Company have been determined or reviewed by an independent consultant and is 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.

Covid-19
The impact of the Covid-19 pandemic has been significant in the resource and other industries. Most notable is the way work is being done using physical distancing guidelines. Also significant has been the impact on the copper price. Rambler has hedged 300 tpm of its production at $2.64/lb. copper. This has softened the impact of the lower coper price and enabled production to continue at lower rates. Although the copper price is recovering, there is always a risk that the operations will not be economical should the price reduce again. There is also the risk that strict restrictions may be imposed by government if the pandemic worsens again. This may result in operations having to shut down.

ON BEHALF OF THE BOARD:

A A Booyzen
President and CEO
Director

May 10, 2020

CORPORATE GOVERNANCE STATEMENT

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

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

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

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

ESTABLISH A STRATEGY AND BUSINESS MODEL WHICH PROMOTE LONG-TERM VALUE FOR SHAREHOLDERS

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

The Company's strategy and business model and amendments thereto, are developed by the Chief Executive Officer and the senior management team and approved by the Board. The senior management team, led by the Chief Executive Officer, is responsible for implementing the strategy and managing the business at an operational level.
More specifically, and in order to deliver the optimal medium- and long-term value for its shareholders, the Board has adopted a three-fold strategy of operational reliability, increased production and cost management, resulting in an optimal and financially viable company.

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

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

The Board manages the risk via the Safety and Health Committee and the Technical Committee.

SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

The Board is committed to maintaining a regular dialogue with both existing and potential new shareholders in order to communicate the Company's strategy and progress and to understand the needs and expectations of shareholders.
The Chief Executive Officer and Chief Financial Officer are principally responsible for shareholder liaison and have regular dialogue with institutional investors in order to develop an understanding of their views.

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

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

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS (CONTINUED)

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

TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

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

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

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

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS

The health and safety of the employees is the Board's highest priority and they are committed to their protection while ensuring the long-term viability of the Company. The world is taking unprecedented measures to slow the spread of the COVID-19 virus and it is imperative that Rambler does the same. As conditions are changing rapidly Rambler will be deploying as many precautions as possible to minimize the potential impact/risk to employees and the sites.

Rambler has been preparing all sites over the last month and have implemented several measures, in line with health authority guidelines and requirements. As the number of cases continue to rise both in Canada and in Newfoundland & Labrador, Rambler will update measures as instructed by the local Health Authorities.

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

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

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

Risk Example 1: 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. The Group maximum exposure to credit risk at December 31, 2019 was represented by receivables and cash resources.

Risk Example 2: Foreign currency risk

The Company has a small amount of cash resources and certain liabilities including the Gold streaming and the advance purchase facility denominated in US dollars. All other assets and liabilities are denominated in Canadian dollars and GB pounds. Revenue is generated in US dollars while the majority of the expenditure is incurred in Canadian dollars and, to a lesser extent, GB pounds. The Company has a downside exposure to any strengthening of the Canadian Dollar or GB pound as this would increase expenses in US dollar terms. This risk is mitigated by reviewing the holding of cash balances in Canadian Dollars and GB pounds. Any weakening of the Canadian Dollar or GB pound would however result in the reduction of the expenses in US dollar terms. In addition, movements in the Canadian dollar and GB pound/US Dollar exchange rates would affect the Consolidated Balance Sheet.

The Audit Committee meets not less than twice a year and considers the Company's financial reporting (including accounting policies) and internal financial controls. The committee receives reports from management and from the Company's auditors. The Company 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. The Audit Committee has reviewed the systems in place and considers these to be appropriate. The success of the Company depends on its ability to mitigate and understand the risks facing the business and take appropriate action in a timely manner. The Board meets at least quarterly to evaluate the Company's risk appetite.

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CORPORATE GOVERNANCE STATEMENT (CONTINUED)

EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS (CONTINUED)

Risk Example 3: Cost Control

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

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

The CEO and CFO conduct meetings with their team at least once a week to discuss their business area and to consider new risks and opportunities presented to the Company, making recommendations to the Board and/or Audit Committee as appropriate. The management discussions and analysis are presented in a director's report presented twice a year and is available on the website.

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

MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

Rambler's Board currently consists of six non-executive directors and one executive director. It is the Board's policy to maintain independence by having at least half of the Board comprising non-executive directors who are free from any business or other relationship with the Company. The structure of the Board ensures that no one individual or group dominates the decision-making process.

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

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

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

Board Meetings 2019	***Members in attendance***	***Regrets***
January 11 2019	All in Attendance	
January 21 2019	All in Attendance	
April 18 2019	All in attendance with 1 regret	Glen Poulter
June 6 2019	All in Attendance	
July 26 2019	All in Attendance	
August 16 2019	All in Attendance	
October 9 2019	All in Attendance	
December 5 2019	All in Attendance	
December 20 2019	All in Attendance	
December 23 2019	All in Attendance	

The Compensation, Corporate Governance and Nominating Committee meets at least once a year and is responsible for making decisions on directors' remuneration packages. Remuneration of executive directors is established by reference to the remuneration of executives of equivalent status both in terms of level of responsibility of the position and by reference to their job qualifications and skills. The Compensation 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 include performance related bonuses and the grant of share options.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR (CONTINUED)

Other committees such as the Safety, Health and Environment Committee and the Technical Committee provide technical oversight directly to operations and key management personnel.

The Board considers it collectively has an appropriate balance of technical skills and experience, as well as an appropriate balance of personal qualities and capabilities. Further, whilst the Board has only one executive director, the CEO is supported by a strong management team consisting of Peter Mercer (Vice President and General Manager), Tim Sanford (Vice President and Corporate Secretary) and Sanjay Swarup (CFO) to ensure the day to day business of the Company runs smoothly.

Director independence should be assessed from two perspectives- independence from the major shareholder being the CE Mining II and III funds (currently owning c.64% in the Company), and independence from the Company as a whole. Given that Belinda Labatte, Mark Sander, Brad Mills and Terrell Ackerman are all appointed as investor directors or "shareholder associates" to the Rambler board on behalf of the CE Funds, the independent directors from the Company as a whole are Eason Cong Chen and Glenn Poulter. On April 7, 2020, the Board approved the appointment of Dr. Toby Bradbury as an independent director of the Company and a member of the Technical Committee. Dr. Bradbury's Curriculum Vitae is available on the Company website. The Board considers that this balance is appropriate for a Company of its size although will consider the appointment of an additional fully independent director as the Company grows.

At this stage the CFO is not a member of the Board of Directors. However, given the size and culture of the company, the CFO is invited to attend and participate in every board meeting to provide expertise and report on the financial health of the company.

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

ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE SKILLS

The Board considers that all the directors are of sufficient competence and calibre to add strength and objectivity to its activities and bring considerable experience in the financial and operational development of the Company.
Details of the directors including brief biographies are set out at http://www.ramblermines.com/directors-and-officers.php

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

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

EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

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

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

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

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT (CONTINUED)

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

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

PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

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

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Company's operations because the Board recognises that the culture of any business is set by the actions and conduct of its Board of Directors. These values are enshrined in the written policies and working practices adopted by all employees in the Company.

The Board takes the time to consider the wider ramifications to its stakeholders when making strategic and corporate decisions, whilst at the same time delivering the long-term objectives of stakeholders.

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

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

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

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

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

The Company is an equal opportunity employer and seeks to hire, promote and retain highly skilled people based on merit, competence, performance, and business needs. The Board will be diverse in terms of its range of culture, nationality and international experience. Six Directors are currently male and there is one female on the Board. The Board will seek opportunities in future to increase the diversity of the Board.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT

The Board recognises that the responsibility for ensuring the Company operates in the correct manner is ultimately theirs and as such the Board has implemented various sub-committees which helps implement the strategy of the Board. The executive director and CFO have day-to-day responsibility for the operational management of the Company's activities. The non-executive directors are responsible for bringing independent and objective judgement to Board decisions.

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

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

AUDIT COMMITTEE

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

The Audit Committee comprises three non-executive directors, with Eason Chen being the elected Chairman. The other members are Bradford Mills (Chairman) and Glenn Poulter.

COMPENSATION, CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

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

- recruitment, development and retention of senior management;
- appointment, performance evaluation and compensation of senior management;
- succession planning systems and processes relating to senior management;
- compensation structure for the Board of Directors and senior management including salaries, annual and long-term incentive plans and plans involving share options, share issuances and share unit awards;
- pension and benefit plans; and
- share ownership guidelines.

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

- develop and recommend to the Board of Directors criteria for selecting new directors;
- assist the Board of Directors by identifying individuals qualified to become members of the Board of Directors (consistent with criteria approved by the Board of Directors);
- recommend to the Board of Directors the director nominees for the next annual meeting of shareholders and for each committee of the Board of Directors and the chair of each committee;
- develop and recommend to the Board of Directors appropriate corporate governance principles for the Company;
- recommend to the Board of Directors procedures for the conduct of Board meetings, and the proper discharge of the Board of Directors' mandate;

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

COMPENSATION, CORPORATE GOVERNANCE AND NOMINATING COMMITTEE (CONTINUED)

- oversee the annual review of the Board of Directors', its committees' and individual directors' performance and the assessment of the Board of Directors' and committee charters; and
- undertake such other initiatives that may be necessary or desirable to enable the Board of Directors to provide effective corporate governance.

The Compensation Committee comprises of three Non-Executive Board members, with Mark Sander being the elected Chairman of the Compensation Committee. The other members of the Compensation Committee are Eason Chen and Glenn Poulter.

SAFETY, HEALTH AND ENVIRONMENT COMMITTEE

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

The Safety, Health and Environment Committee (SHEC) comprises of two Non-Executive Board members and one Executive, with Belinda Labatte being the elected Chairman of the Safety, Health and Environment Committee. The other members of the SHEC are Terrel Ackerman and Andre Booyzen.

TECHNICAL COMMITTEE

The Technical Committee, which meets as required but at least three times per year, is appointed by the Board of Directors as a standing committee to assist the Board of Directors in its oversight of technical and operational matters. The Technical Committee comprises of three Non-Executive Board members, with Terrell Ackerman being the elected Chairman of the Technical Committee. The other members of the Technical Committee are Mark Sander, Andre Booyzen, and Toby Bradbury.

NON-EXECUTIVE DIRECTORS

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

Both the Chairman (Mr. Bradford Mills) and non-executive directors are appointed for a year at a time and are re-elected annually at the Company's Annual General Meeting.

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

COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

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

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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED DECEMBER 31, 2019

The Directors present their report with the audited financial statements of the Company for the year ended December 31, 2019.

PRINCIPAL ACTIVITY

The principal activity of the Company is the development, mining and exploration of the Ming Copper-Gold Mine located in Newfoundland and Labrador and the exploration and development of other strategic properties within the immediate area. The principal activity of the parent company is that of a holding company.

DIRECTORS

The Directors during the period under review were:

T I Ackerman
E C Chen
B Labatte
B A Mills
G R Poulter
M V Sander
A A Booyzen
N P Williams (resigned 31 March 2019)

DIVIDENDS

No dividends will be distributed for the year ended December 31, 2019.

SIGNIFICANT SHARE INTERESTS

At May 10, 2020 the parent company was aware of the following substantial share interests:

	Number of Ordinary Shares	% of Share Capital
CE Mining III Rambler	431,592,148	33.29
CE Mining II Rambler	396,363,636	30.57
Compagnie Odier SCA	185,244,599	14.29
CI Financial	124,138,495	9.58

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 24 to the financial statements.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

LIKELY FUTURE DEVELOPMENTS

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

SUBSEQUENT EVENTS

Details of subsequent events are set out in the Strategic Report.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

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

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

AUDITOR

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

ON BEHALF OF THE BOARD:

T Sanford
Company Secretary

10 May, 2020

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

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

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

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

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

This responsibility statement was approved by the board of directors on May 10, 2020 and is signed on its behalf by:

A A Booyzen
Chief Executive Officer
May 10, 2020

Opinion

We have audited the financial statements of Rambler Metals and Mining PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2019 which comprise the consolidated and company income statement, consolidated and company statement of comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated and company statements of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- *give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2019 and of the Group's loss for the year then ended;*
- *have been properly prepared in accordance with IFRSs adopted by the European Union; and*
- *have been prepared in accordance with the requirements of the Companies Act 2006.*

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements, which indicates that there is a risk that lower than forecast commodity prices or production issues will result in the need for the Group to obtain additional financing for the development of the Ming Mine site over and above what is currently forecast by management.
Furthermore, considering recent events around the global outbreak of the Covid-19 virus, our assessment of there being a material uncertainty over going concern is further strengthened due to heightened uncertainty and instability across the global economy on account of this pandemic.

In response to this, we:

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

As stated in note 1, these events or conditions, along with the other matters as set forth in note 2 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the group's and the company's ability to continue as a going concern. As such the value of deferred tax assets in relation to utilisable tax losses with a value of $10m at the balance sheet date are also subject to this material uncertainty. Our opinion is not modified in respect of this matter.

An overview of the scope of our audit

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

We performed a full scope audit on the main components of the business representing 100% of the Group's revenue and 95% of the Group's net assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Revenue recognition The Group had one main source of revenue during the year, this being the sale of metal concentrate. We have focused on this income stream due to the potential for material misstatement of revenue whether caused by fraud or error. Sales are stated at their invoiced amount which is net of treatment and refining charges. Revenue for sale of commodity is recorded when control of the commodity passes to the customer. Sales of commodities are provisionally priced such that the price is not settled until a predetermined future date and is based on the market price at that time. These sales are marked to market at each reporting date using the forward price for the period equivalent to that outlined in the contract	We discussed the revenue recognition policies with management and independently with sales staff clarifying any discrepancies. Sales of commodity in the period was tested from the trigger point of the sale to the point of recognition in the accounts, corroborating this to contract sales terms. Direct third-party confirmation was obtained from customers agreeing shipping orders received in the year. Revenue was also analytically reviewed via comparison to our expectation based on a combination of prior financial data, budgets and our own assessments based on industry knowledge. Cut-off of revenue was reviewed by analysing sales recorded during the period before and after the financial year end and determining if the recognition applied in in line with IFRS 15.
Valuation of intangible assets These are exploration and evaluation costs. These comprise costs directly incurred in exploration and evaluation. They are capitalised as intangible assets pending determination of the feasibility of the project. When the existence of economically recoverable reserves and the availability of finance are established, the related intangible assets are transferred to Mineral property. Where a project is abandoned or is determined not to be economically viable, the related costs are written off.	Exploration and evaluation costs were agreed to appropriate documentation to substantiate their stated cost. For the material element of the balance this was agreement to mining licenses held. The costs were also considered in relation to IAS 38 in order to determine that these were in fact appropriate for capitalisation. An Impairment review was also undertaken based on a list of appropriate indicators to assess for potential material impairment.

Impairment of mineral property

Upon transfer of 'Exploration and evaluation costs' into 'Mineral property', all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised within 'Mineral property'. Development expenditure is net of proceeds from all sale of gold and copper concentrate extracted during the development phase and until commercial production is declared.

Mineral property is amortised on a unit of production basis. Future forecast capital expenditure is included in the unit of production amortisation calculation.

As the impairment review undertaken by management is highly judgemental, we assessed the key assumptions used, including forecast gold prices which can make the impairment a volatile figure.

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

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

Valuation and existence of Inventory

Inventory is comprised of stockpiled ore and operating supplies.

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.

Costings for stockpiled ore and operating supplies were traced to supporting documentation to vouch direct costs. Where overheads were included in cost value the basis for the allocation of these overheads were reviewed and considered for reasonableness.

The net realisable value of inventory items was assessed where possible via reference to market prices and expectations.

Analytical review of inventory levels was undertaken via comparison to our expectation based on a combination of prior financial data, purchases and our own assessments based on industry knowledge.

Completeness and valuation of gold streaming

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

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

The cash flows will be dependent on the production of gold and its selling price at the time of delivery which have been estimated in line with the mine plan, future prices of gold and reserve estimates.

Management's estimates of these factors are subject to risk and uncertainties affecting the amount of the fair value movement. Any changes to these estimates may result in a significantly different fair value movement recognised in the income statement.

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

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

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

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

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

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

Group component	Level of assurance
Rambler Metals & Mining PLC	Full statutory audit
Rambler Metals & Mining Canada Ltd	Full statutory audit
Ontario Inc	Limited assurance review
Rambler Mines Ltd	Limited assurance review

Overall Group Materiality	$991,900
How we determined it	2% of Group net assets
Rationale for benchmark	The group's principal activity is that of an exploration and mining operation. To this end the business is highly asset focused. Therefore a benchmark for materiality of the net assets of the group is considered to be the most appropriate basis for materiality.

We reported all audit differences found in excess of our triviality threshold of $49,595 to the directors and the management board.

For each Group company within the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across each Group company was between $26,600 and $970,000. The scope of our audit was influenced by our application of materiality as we set certain quantitative thresholds for performance materiality and use these thresholds as a consideration tool to help to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

We determined component materiality for the parent company and other non-trading subsidiaries to be 2% of net assets and for each of the trading Group companies 2% of turnover. Performance materiality was set in the range of 70-80% of component materiality.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- *the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and*
- *the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.*

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 34), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- *Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*

- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.*

- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.*

- *Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.*

- *Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*

- *Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.*

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

Use of our Report

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

Kreston Reeves LLP

Anne Dwyer BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
Date: May 10, 2020

CONSOLIDATED INCOME STATEMENT

For the Year Ended December 31, 2019
(EXPRESSED IN US DOLLARS)

	Note	**Year to 31 December 2019 US$'000**	Year to 31 December 2018 US$'000
Revenue	5	37,115	29,718
Production costs		(34,464)	(31,204)
Depreciation and amortisation		(9,584)	(9,887)
Gross loss		(6,933)	(11,373)
Administrative expenses		(4,480)	(5,823)
Operating loss	6	(11,413)	(17,196)
Exchange losses		797	(1,503)
Loss on disposal of fixed assets		(75)	(95)
(Loss)/gain on fair value of Gold streaming	22	(269)	1,323
Net finance costs	8	(1,206)	(895)
Net expense		(753)	(1,170)
Loss before tax		(12,166)	(18,366)
Income tax (expense)/credit	9	-	(1,680)
Loss for the period		(12,166)	(20,046)

Loss per share

	Note	Year to 31 December 2019 US$	Year to 31 December 2018 US$
Basic and diluted loss per share	19	(0.010)	(0.033)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2019
(EXPRESSED IN US DOLLARS)

	Year to 31 December 2019 US$'000	Year to 31 December 2018 US$'000
Loss for the period	(12,166)	(20,046)
Other comprehensive income		
Items that may be reclassified into profit or loss		
Exchange differences on translation of foreign operations (net of tax)	2,284	(4,608)
Items that will not be reclassified to the income statement		
Profit/(loss) on fair value of equity investment (net of tax)	21	(37)
Other comprehensive gain/(loss) for the period	2,305	(4,645)
Total comprehensive loss for the period	(9,861)	(24,691)

RAMBLER METALS AND MINING PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019
(EXPRESSED IN US DOLLARS)

	Note	**31 December 2019 US$'000**	31 December 2018 US$'000
Assets			
Intangible assets	*10*	3,339	3,168
Mineral property	*11*	38,013	35,441
Property, plant and equipment	*12*	23,013	24,634
Equity investments	*13*	128	102
Deferred tax	*9*	11,755	11,192
Restricted cash	*17*	3,483	3,247
Total non-current assets		79,731	77,784
Inventory	*14*	2,445	2,333
Trade and other receivables	*15*	1,074	1,126
Derivative financial asset	*16*	1,654	730
Cash and cash equivalents		1,936	241
Total current assets		7,109	4,430
Total assets		86,840	82,214
Liabilities			
Interest-bearing loans and borrowings	*21*	12,848	6,897
Gold streaming	*22*	2,019	2,514
Trade and other payables	*20*	11,467	11,195
Total current liabilities		26,334	20,606
Net current liabilities		19,225	16,176
Interest-bearing loans and borrowings	*21*	2,849	4,708
Gold streaming	*22*	6,656	7,829
Provision	*23*	2,106	1,855
Total non-current liabilities		11,611	14,392
Net assets		48,895	47,216
Equity			
Issued capital	*18*	17,872	9,524
Share premium	*18*	99,059	95,999
Merger reserve	*18*	180	180
Translation reserve	*18*	(16,908)	(19,192)
Other reserves	*18*	101	80
Retained profits	*18*	(51,409)	(39,375)
Total equity		48,895	47,216

ON BEHALF OF THE BOARD:

A A Booyzen
Director
Approved and authorised for issue by the Board on May 10, 2020

Consolidated Statement of Changes in Equity

(EXPRESSED IN US DOLLARS)

Group

	Share Capital US$'000	Share Premium US$'000	Warrants Reserve US$'000	Merger Reserve US$'000	Translation Reserve US$'000	Other Reserve US$'000	Retained Profits US$'000	Total US$'000
Balance at January 1, 2018	8,061	89,309	859	180	(14,584)	86	(19,479)	64,432
Comprehensive income								
Loss for the period	-	-	-	-	-	-	(20,046)	(20,046)
Foreign exchange translation differences	-	-	-	-	(4,608)	-	-	(4,608)
Loss on fair value of equity investment (net of tax)	-	-	-	-	-	(37)	-	(37)
Transfer to Retained profits on disposal of equity investment (note 13)	-	-	-	-	-	31	(31)	-
Total other comprehensive income	-	-	-	-	-	(6)	(31)	(37)
Total comprehensive income/(loss) for the period	-	-	-	-	(4,608)	(6)	(31)	(4,645)
Transactions with owners								
Issue of share capital (note 18)	1,463	6,706	(859)	-	-	-	-	7,310
Share issue expenses	-	(16)	-	-	-	-	-	(16)
Share-based payments	-	-		-	-	-	182	182
Transactions with owners	1,463	6,690	(859)	-	-	-	182	7,476
Balance at December 31, 2018	9,524	95,999	-	180	(19,192)	80	(39,374)	47,216
Balance at January 1, 2019	9,524	95,999	-	180	(19,192)	80	(39,374)	47,216
Comprehensive income								
Loss for the period	-	-	-	-	-	-	(12,166)	(12,166)
Foreign exchange translation differences	-	-	-	-	2,284	-	-	2,284
Loss on fair value of equity investment (net of tax)	-	-	-	-	-	21	-	21
Total other comprehensive income	-	-	-	-	-	21	-	21
Total comprehensive income/(loss) for the period	-	-	-	-	2,284	21	-	2,305
Transactions with owners								
Issue of share capital (note 18)	8,348	3,340	-	-	-	-	-	11,688
Share issue expenses	-	(280)	-	-	-	-	-	(280)
Share-based payments	-	-	-	-	-	-	132	132
Transactions with owners	8,348	3,060	-	-	-	-	132	11,540
Balance at December 31, 2019	17,872	99,059	-	180	(16,908)	101	(51,409)	48,895

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019
(EXPRESSED IN US DOLLARS)

	31 December 2019 $'000	31 December 2018 $'000
Cash flows from operating activities		
Operating loss	(11,413)	(17,196)
Depreciation and amortisation	9,629	9,921
Loss on derivative financial instrument (note 5)	660	1,711
Share based payments (note 7)	132	182
Foreign exchange difference	(445)	458
(Increase)/decrease in inventory	(112)	134
Decrease/(increase) in debtors	51	(297)
(Increase) in derivative financial instruments	(1,584)	(611)
Increase in creditors	588	3,827
Cash utilised in operations	(2,494)	(1,871)
Interest and finance cost paid	(686)	(478)
Net cash utilised in operating activities	(3,180)	(2,349)
Cash flows from investing activities		
Interest received	249	78
Disposal of equity investment (note 13)	-	485
Acquisition of evaluation and exploration assets	(15)	(48)
Acquisition of Mineral property – net	(5,130)	(3,879)
Acquisition of property, plant and equipment	(2,506)	(3,189)
Increase in reclamation deposit and others	(71)	-
Net cash utilised in investing activities	(7,473)	(6,553)
Cash flows from financing activities		
Issue of share capital (note 18)	11,688	7,310
Share issue expenses	(280)	(16)
Loans received	8,277	3,815
Repayment of Gold streaming (note 22)	(2,255)	(1,755)
Repayment of Loans	(3,325)	(1,460)
Capital element of finance lease payments	(1,763)	(2,116)
Net cash generated from financing activities	12,342	5,778
Net increase/(decrease) in cash and cash equivalents	1,689	(3,124)
Cash and cash equivalents at beginning of period	241	3,351
Effect of exchange rate fluctuations on cash held	6	14
Cash and cash equivalents at end of period	1,936	241

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Nature of operation and going concern

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

The Group's business activities, together with the factors likely to affect its future development, performance and position, its financial position, cash flows, liquidity position and borrowing facilities are set out in the Strategic Report on pages 6 to 23. In addition, notes 18 and 21 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.

The Company continually reviews operational results, expenditures and additional financial opportunities in order to ensure adequate liquidity to support its growth strategy while maintaining or increasing production levels at the Ming Mine. The financial statements have been prepared on a going concern basis which assumes that the Group will be able to realise its assets and settle its obligations in the normal course of business. The financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Group be unable to continue as a going concern. Such adjustments might be material.

The Group intends to fund its operations and growth from the operating cash flows of the Ming mine, and to the extent required, through the accessing of equity and debt markets and the proceeds from the exercise of warrants. Management believes that the Ming Mine will generate sufficient operating cash flows to support the day to day activities and future growth requirements of the business, but there is a risk that production not ramping up in line with forecasts or lower than forecast commodity prices will result in the need for additional financing.

Historically the Company has been successful in accessing equity and debt markets to finance the acquisition and development of the Ming Mine site, and management is currently finalising talks with a third party to obtain additional funding within the coming weeks. However, as this funding is not yet committed, it is not wholly within the Group's control and this represents a material uncertainty which casts significant doubt upon the Group's continued ability to operate as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

2 Significant accounting policies

(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.

The accounting policies applied are consistent with those adopted and disclosed in the Group financial statements for the year-ended 31 December 2019. The Company adopted new and revised IFRS standards that were issued by the IASB. The application of the adopted standards has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements, other than as noted.

IFRS 16, Leases

The Company had adopted IFRS 16 using the modified retrospective approach with effect from January 1, 2019. The Company has lease contracts for various items of plant, machinery, vehicles, office and other equipment. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalized at the commencement of the lease at the inception date fair value of the leased property or, if

2 Significant accounting policies (continued)

(a) Statement of compliance (continued)

lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability.

The Company has accounted for its Right of Use assets in the property, plant and equipment line in its Statement of Financial Position. In an operating lease, the leased property was not capitalized and the lease payments were recognized as operating expenses on a straight-line basis over the lease term.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company. The Company also applied the available practical expedients: - Used a single discount rate to a portfolio of leases with reasonably similar characteristics; - Relied on its assessment of whether leases are onerous immediately before the date of initial application; - Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application; - Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; - Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and - Elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The Company did not change the initial carrying amounts of recognized assets and liabilities at the date of initial application for leases previously classified as finance leases. The requirements of IFRS 16 were applied to these leases from January 1, 2019. The leases previously classified as operating lease were short-term leases as at date of initial application of IFRS 16.

IFRS 16 Leases became effective for the Group from 1 January 2019, replacing IAS 17 Leases. The Group has completed the necessary changes to internal systems and processes to embed the new accounting requirements.

The principal impact of IFRS 16 is to change the accounting treatment by lessees of leases currently classified as operating leases. Lease agreements will give rise to the recognition by the lessee of a right-of-use asset and a related liability for future lease payments.

The Group has an immaterial impact (circa $1,000) due to transition as the majority of existing leases are accounted as finance lease.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments became effective for the Group from 1 January 2018, replacing IAS 39 Financial Instruments: Recognition and Measurement. The impacts of adopting IFRS 9 on the Group results have been as follows:

Impairment: The standard introduces an expected credit loss (ECL) model for the assessment of impairment of financial assets held at amortised cost. For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs and recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Classification and measurement: The measurement and accounting treatment of the Group's financial assets is materially unchanged on application of the new standard with the exception of equity investments previously categorised as available for sale. These are now held at fair value through other comprehensive income, meaning the recycling of gains and losses on disposal and impairment losses is no longer permitted for this category of asset. There is no material impact to the net assets of the Group at 1 January 2017, 31 December 2017 or 1 January 2018, or to the Group's results for the year ended 31 December 2017 from this change.

2 Significant accounting policies (continued)

(a) Statement of compliance (continued)

Financial instrument	Classification under IFRS 9	Classification under IAS 39
Derivative financial instruments	Fair value through profit and loss	Fair value through profit and loss
Equity investments	Fair value through other comprehensive income	Available for sale
Trade receivables and other receivables	Amortised cost	Loans and receivables
Trade payables and other payables	Amortised cost	Amortised cost
Gold streaming	Fair value through profit and loss	Fair value through profit and loss
Loans and borrowings	Amortised cost	Amortised cost

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 Standard Board but have not adopted will have a material impact on the financial statements.

The following are the major new IFRS accounting standards in issue & effective for the annual reporting period ended December 31, 2019:

IFRS /Amendment	Title	Impact
IAS 19	Employee Benefits, amendments regarding plan amendments, curtailments or settlements	Immaterial
IFRIC 23	Uncertainty over Income Tax Treatments	Immaterial
IAS 28	Investments in Associates and Joint Ventures	Not Applicable
IFRS	Annual improvement to IFRS standards 2015-2017	Immaterial
IFRS 16	Leases	Immaterial

The following are the major new IFRS accounting standards in issue but not effective for the annual reporting period ended December 31, 2019:

IFRS Amendment	Title	Application date of standard	Application date for Company
IFRS 10	Consolidated Financial Statements	Not confirmed	As and when become effective
IFRS 17	Insurance contracts	1 January 2021	1 January 2021

(b) Basis of preparation

The financial statements are presented in United States dollars ("US dollars"), rounded to the nearest thousand dollars, except the notes to the consolidated financial statements or when otherwise indicated. US Dollars is used as the presentation currency in line with industry peers. The parent company has a functional currency of GB pounds and the majority of the Group's operations are carried out by its operating subsidiary which has a functional currency of Canadian dollars. Foreign operations are included in accordance with the policies set out in note 2(d). At December 31, 2019 the closing rate of exchange of US dollars to 1 GB pound was 1.32 (December 31, 2018: 1.28) and the average rate of exchange of US dollars to 1 GB pound for the year was 1.28 (December 31, 2018: 1.33).
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.

2 Significant accounting policies (continued)

(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.

(d) Foreign currency

(i) Foreign currency transactions

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

(ii) Translation into presentation currency

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

(iii) Net investment in foreign operations

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

(e) Property, plant and equipment

(i) Owned assets

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

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

(ii) Leased assets

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

(iii) Subsequent costs

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

2 Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

(iv) Depreciation

Depreciation is charged to the income statement or capitalised as part of the exploration and evaluation costs or Mineral property where appropriate, on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. The estimated useful lives are as follows:

• buildings	5 to 10 years
• plant and equipment	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 property

Upon transfer of 'Exploration and evaluation costs' into 'Mineral property', all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised within 'Mineral property'. Development expenditure is net of proceeds from all sale of gold and copper concentrate extracted during the development phase and until commercial production is declared.

Mineral property is amortised on a unit of production basis. Future forecast capital expenditure is included in the unit of production amortisation calculation.

(g) Intangible assets

(i) Exploration and evaluation costs

These comprise costs directly incurred in exploration and evaluation. They are capitalised as intangible assets pending determination of the feasibility of the project. When the existence of economically recoverable reserves and the availability of finance are established, the related intangible assets are transferred to Mineral property. 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) Equity investments

Equity investments are recognised at fair value with changes in value recorded in other comprehensive income as they are not held for short-term profit-taking trading under the company's business model. Subsequent to initial recognition these are stated at fair value. Movements in fair values are recognised in other comprehensive income. Fair values are based on prices quoted in an active market if such a market is available. If an active market is not available, the Company establishes the fair value of financial instruments by using a valuation technique, usually discounted cash flow analysis. When an investment is disposed, any cumulative gains and losses previously recognised in fair value reserve are transferred to Retained profits.

(i) Inventory

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

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

(j) Trade and other receivables

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

(k) Financial instruments 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. Restricted cash (note 17) is not available for use by the Group and therefore is not considered highly liquid.

(m) Impairment of non-financial assets

The carrying amounts of the Group's assets (except deferred exploration and evaluation costs (see accounting policy (g)(ii)) and deferred tax assets (see accounting policy 2(t)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy 2(m)(i)).

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

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

(i) Calculation of recoverable amount

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

2 Significant accounting policies (continued)

(m) Impairment of non-financial assets (continued)

(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.

The Gold streaming is accounted for under IFRS 9 and is considered a financial liability as the Group purchases the payable gold from the market in order to repay Sandstorm based on actual production in the period. It is stated at fair value through profit and loss (note 22).

The Company accounts for its share warrants as equity at fair value as of the date of issuance on the Company's consolidated balance sheets and no further adjustments to their valuation are made. Management estimates the fair value of these liabilities using option pricing models and assumptions that are based on the individual characteristics of the warrants or instruments on the valuation date, as well as assumptions for future financings, expected volatility, expected life, yield, and risk-free interest rate.

(o) Trade and other payables

Trade and other payables are stated at amortised cost.

(p) Provisions

The Group records the present value of estimated costs of legal and constructive obligations required to restore mining and other operations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and revegetation of affected areas.

(q) Revenue recognition

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

2 Significant accounting policies (continued)

(q) Revenue recognition (continued)

classified as revenue from contracts with customers. Subsequent mark-to-market adjustments are recognised in revenue from other sources.

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

(r) 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.

(s) Equity settled share based payments

All share based payments are recognised in the financial statements.

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

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

If vesting periods apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the

number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if the number of share options ultimately exercised is different to that estimated on vesting. Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital.

2 Significant accounting policies (continued)

(t) Income tax

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

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for:

- goodwill not deductible for tax purposes,
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit,
- and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which

the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Mining taxes and royalties are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax.

(u) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur. The Group measures a number of items at fair value:

- Derivative financial asset (note 16)
- Equity investments (note 13)

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

3. Critical judgements and accounting estimates

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

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

Going concern

Judgements are necessary in applying the going concern basis in the preparation of the Company's financial statements in respect of the Company's ability to continue as a going concern for a period of at least 12 months from the date of signing the current period's report.

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

Notes 2(g) and 2(m) describe the judgements necessary to implement the Company's policy with respect to the carrying value of the Company's mineral property and exploration and evaluation costs. Management considers these assets for impairment at least annually with reference to the following indicators:

Reviewing the financial performance compared to forecast;
Reviewing the key production and milling statistics to forecast;
Reviewing the commodity price forecasts against assumptions in the previous impairment model; and
Considering any significant changes to the cost of capital.

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

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

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

The directors have assessed whether there are any indicators of impairment in respect of mineral property, property, plant and equipment and exploration and evaluation costs totalling US$64.4 million (2018: US$63.2 million). In making this assessment they have considered the Group's business plan which includes resource estimates, future processing capacity, future exchange rates, the forward market and longer term price outlook for copper and gold and assumptions regarding weighted average cost of capital. The Company continues to invest in exploration which has the potential to extend mine life and increase the rate of production. Resource estimates have been based on the most recently filed NI43-101 report and its opportunities economic model which includes resource estimates without conversion of its inferred resources. Management's estimates of these factors are subject to risk and uncertainties affecting the recoverability of the Group's mineral property and exploration and evaluation costs.

3. Critical judgement and accounting estimates (continued)

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.

(b) Key sources of estimation uncertainty

Share-based payments

The Group calculates the cost of share based payments using the Black-Scholes model. Inputs into the model in respect of the expected option/warrant life and the volatility are subject to management estimate and any changes to these estimates may have a significant effect on the cost. The assumptions used in calculating the cost of share based payments are explained in notes 7 and 19.

Gold streaming

The Group calculates the movement on the fair value of the Gold streaming liability based on estimates of future cash flows arising from the sale of payable gold (see note 22).The cash flows will be dependent on the production of gold and its selling price at the time of delivery which have been estimated in line with the mine plan, future prices of gold and reserve estimates. Management's estimates of these factors are subject to risk and uncertainties affecting the amount of the fair value movement. Any changes to these estimates may result in a significantly different fair value movement recognised in the income statement.

Deferred tax

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

4. Operating segments

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

Information about geographical areas

	Year to Dec 31, 2019			Year to Dec 31, 2018		
	UK	**Canada**	**Consolidated**	UK	Canada	Consolidated
	US$'000	**US$'000**	**US$'000**	US$'000	US$'000	US$'000
Revenue	-	37,115	37,115	-	29,718	29,718
Non-current assets	-	79,731	79,731	-	77,784	77,784

5. Revenue

	Year to Dec 31, 2019	Year to Dec 31, 2018
Revenue from sale of commodity	37,775	31,429
Loss on fair value of derivatives	(660)	(1,711)
	37,115	29,718

Information about major customers

All our revenue is sold to one customer (2018: one customer).

6. Operating loss

The operating loss is after charging:

	Year to Dec 31, 2019 US$'000	Year to Dec 31, 2018 US$'000
Depreciation – owned assets	5,164	5,787
Amortisation	4,465	4,134
Directors' emoluments (see note 25)	455	442
Auditor's remuneration:		
Audit of these financial statements	59	116
Fees payable to the auditor for other services:		
Other assurance services	25	41

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

7. Personnel expenses

Salary costs	Group Year to Dec 31, 2019 US$'000	Group Year to Dec 31, 2018 US$,000
Wages and salaries	11,873	10,659
Other short term benefits	324	628
Compulsory social security contributions	1,729	1,620
Share based payments	132	182
	14,058	13,089

Salary costs of US$71,000 (2018: US$222,000) were capitalised as part of the cost of assets under construction costs during the year.

7. Personnel expenses (continued)

Number of employees

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

	Group Year to Dec 31, 2019	Group Year to Dec 31, 2018
Directors	7	7
Administration	10	14
Production and development	185	180
	201	201

During the period 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 Dec 31, 2019 US$	Number of options Dec 31, 2019 '000	Weighted average exercise price Dec 31, 2018 US$	Number of options Dec 31, 2018 '000
Outstanding at the beginning of the period	0.10	20,677	0.08	13,229
Granted during the period	0.02	5,000	0.05	9,790
Exercised during period	-	-	-	-
Forfeited during the period	0.10	(9,235)	0.07	(1,912)
Expired during the period	-	-	0.17	(430)
Outstanding at the end of the period	0.07	16,442	0.06	20,677
Exercisable at end of period	0.13	5,998	0.18	2,478

The options outstanding at December 31, 2019 have an exercise price in the range of US$0.02 to US$0.46 (December 31, 2018: US$0.05 to US$0.82) and a weighted average remaining contractual life of 3 years (December 31, 2018: 2.8 years).

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model.

7. Personnel expenses (continued)

Fair value of share options and assumptions issued during the period	Year to Dec 31, 2019	Year to Dec 31, 2018
Fair value at measurement date	US$0.01	US$0.05
Share price (weighted average)	US$0.02	US$0.07
Exercise price (weighted average)	US$0.02	US$0.07
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	51%	106%
Expected option life (years)	5	5
Expected dividends	-	-
Risk-free interest rate (based on national government bonds)	1.60%	2.07%

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:

	Year to Dec 31, 2019 US$'000	Year to Dec 31, 2018 US$'000
Share options granted in 2016	23	112
Share options granted in 2018	105	70
Share options granted in 2019	4	-
Total expense recognised as employee costs	132	182

8. Net finance costs

	Year to Dec 31, 2019 US$'000	Year to Dec 31, 2018 US$'000
Bank interest receivable	(249)	(78)
Finance lease interest	141	223
Sandstorm loan interest	116	5
Advance purchase facility interest and charges	199	283
Other loan interest	857	138
Off-take provisional payment interest	87	274
Unwinding of discount on reclamation provision	55	50
	1,206	895

9. Income tax

Recognised in the income statement

	Year to Dec 31, 2019 US$,000	Year to Dec 31, 2018 US$,000
Current tax expense		
Current period	-	-
Deferred tax expense/(credit)		
Origination and reversal of temporary timing differences	-	-
Deferred income tax asset not recognised	-	1,680
Mining tax – origination and reversal of temporary differences	-	-
(Under)/over provision in previous year	-	-
Total income tax (credit)/charge in income statement	-	1,680

Reconciliation of effective tax rate

A reconciliation between the tax credit and the product of the Group's accounting loss multiplied by the Group's statutory income tax rate for the year ended December 31, 2019 and year ended December 31, 2018 is as follows:

	Year to Dec 31, 2019 US$'000	Year to Dec 31, 2018 US$'000
Loss before tax	(12,166)	(18,366)
Income tax using the UK corporation tax rate of 19% (2018: 19.25%)	(2,311)	(3,535)
Effect of tax rates in foreign jurisdictions (rates increased)	(1,042)	(1,872)
Mining tax	-	-
Net permanent differences	663	213
Deferred income asset not recognised	2,690	6,839
Effect of tax rates on chargeable gain	-	(27)
(Under)/over provision in previous year	-	62
	-	1,680

Recognised in other comprehensive income	Year to Dec 31, 2019 US$'000	Year to Dec 31, 2018 US$'000
Current tax expense		
Current year	-	-
Deferred tax credit		
Fair value re-measurement of available for sale investments	-	-
Exchange difference on retranslation of UK deferred tax asset	-	-
Total income tax expense/(credit) in statement of other comprehensive income	-	-

9. Income tax credit (continued)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	Balance Dec 31, 2019 US$'000	Balance Dec 31, 2018 US$'000	Balance Dec 31, 2019 US$'000	Balance Dec 31, 2018 US$'000	Balance Dec 31, 2019 US$'000	Balance Dec 31, 2018 US$'000
Property, plant and equipment	-	-	(3,352)	(2,827)	(3,352)	(2,827)
Mineral property	2,229	1,992	-	-	2,229	1,992
Intangible assets	90	86	-	-	90	86
Equity investment	-	-	-	-	-	-
Gold streaming and government assistance	1,603	919	-	-	1,603	919
Mining tax	1,484	1,413	-	-	1,484	1,413
Other timing differences		-	(285)	(173)	(285)	(173)
Tax value of loss carry-forwards and credits recognised	9,986	9,782		-	9,986	9,782
Net tax assets /(liabilities)	15,392	14,192	(3,637)	(3,000)	11,755	11,192

Movement in recognised deferred tax assets and liabilities

	Balance Jan 1, 2018 US$'000	Recognised in income US$'000	Recognised in other comprehensive income US$'000	Exchange difference US$'000	Balance Dec 31, 2018 US$'000
Property, plant and equipment	3,471	-	-	(644)	2,827
Mineral property	(2,283)	-	-	291	(1,992)
Intangible assets	(118)	-	-	32	(86)
Equity investment	-	-	-	-	-
Gold streaming and government assistance	(1,659)	-	-	740	(919)
Mining tax	(1,536)	-	-	123	(1,413)
Other timing differences	295	-	-	(122)	173
Tax value of loss carry-forwards and credits – Canada	(10,340)	-	-	558	(9,782)
Tax value of loss carry-forwards – UK	(1,680)	1,680	-	-	-
	(13,850)	1,680	-	978	(11,192)

	Balance Jan 1, 2019 US$'000	Written off US$'000	Recognised in other comprehensive income US$'000	Exchange difference US$'000	Balance Dec 31, 2019 US$'000
Property, plant and equipment	2,827	-	-	525	3,352
Mineral property	(1,992)	-	-	(237)	(2,229)
Intangible assets	(86)	-	-	(4)	(90)
Equity investment	-	-	-	-	-
Gold streaming and government assistance	(919)	-	-	(684)	(1,603)
Mining tax	(1,413)	-	-	(71)	(1,484)
Other timing differences	173	-	-	112	285
Tax value of loss carry-forwards and credits – Canada	(9,782)	-	-	(204)	(9,986)
Tax value of loss carry-forwards – UK	-	-	-	-	
	(11,192)	-	-	(563)	(11,755)

9. Income tax credit (continued)

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 US$11.7 million (December 31, 2018: US$11.2 million). As at 31st December 2019, the Group had the total losses carried forward of US$9.8 million (2018: US$7.6 million) for which the deferred tax asset has not been recognised.

The Group did not recognise a deferred tax asset in respect of mining tax (2018: nil) during the year bringing the balance to US$1.5 million (December 31, 2018: recognised deferred tax asset of US$1.4 million). The Group considers that with recent increases in the market outlook for copper prices that it has sufficient evidence of future mining profits to justify the recognition of this asset.

10. Intangible assets

	Exploration and evaluation costs		
	Ming Mine	Little Deer Project	Total
	US$'000	US$'000	US$'000
Cost			
Balance at 1 January, 2018	994	2,403	3,397
Additions	18	30	48
Effect of movements in foreign exchange	(82)	(195)	(277)
Balance at December 31, 2018	930	2,238	3,168
Balance at 1 January, 2019	930	2,238	3,168
Additions	1	14	15
Effect of movements in foreign exchange	43	113	156
Balance at December 31, 2019	974	2,365	3,339
Carrying amounts			
At 1 January, 2018	994	2,403	3,397
At December 31, 2018	930	2,238	3,168
At 1 January, 2019	930	2,238	3,168
At December 31, 2019	974	2,365	3,339

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 for the year 2019. Following the assessment, management concluded that no impairment triggers had been noted that would require a formal impairment test and impairment charge against exploration and evaluation costs to be recorded.

11. Mineral property

	Mineral property US$'000
Cost	
Balance at January 1, 2018	80,043
Additions	3,879
Effect of movements in foreign exchange	(6,629)
Balance at December 31, 2018	77,293
Balance at January 1, 2019	77,293
Additions	5,130
Additions-Reclamation	99
Effect of movements in foreign exchange	3,999
Balance at December 31, 2019	86,521
Amortisation and impairment	
Balance at January 1, 2018	41,209
Amortisation charge	4,134
Effect of movements in foreign exchange	(3,491)
Balance at December 31, 2018	41,852
Balance at January 1, 2019	41,852
Amortisation charge	4,465
Effect of movements in foreign exchange	2,191
Balance at December 31, 2019	48,508
Carrying amounts	
At January 1, 2018	38,834
At December 31, 2018	35,441
At January 1, 2019	35,441
At December 31, 2019	38,013

Consideration of impairment for mineral property costs

As a result of the loss in the year, the directors concluded that there was an impairment indicator at 31 December 2019. A valuation model was completed with the critical assumptions being as set out in Note 3. This showed that the recoverable amount was greater than the carrying value of the fixed assets and consequently no impairment was required.

12. Property, plant and equipment

	Land and buildings	Assets under construction	Motor vehicles	Plant and equipment	Fixtures, fittings and equipment	Computer equipment	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost							
Balance at January 1, 2018	4,260	4,011	237	47,848	101	896	57,353
Additions	81	1,573	-	2,743	2	82	4,481
Disposals	-	-	-	(1,168)	-	-	(1,168)
Reclassification	-	(2,133)	-	2,133	-	-	-
Effect of movements in foreign exchange	(347)	(335)	(19)	(4,133)	(8)	(76)	(4,918)
Balance at December 31, 2018	3,994	3,116	218	47,423	95	902	55,748
Balance at January 1, 2019	3,994	3,116	218	47,423	95	902	55,748
Additions	26	1,545	-	886	15	24	2,496
Disposals	-	-	-	(2,192)	-	(5)	(2,197)
Reclassification	-	-	-	-	-	-	-
Effect of movements in foreign exchange	202	192	11	4,589	5	51	5,050
Balance at December 31, 2019	4,222	4,853	229	50,706	115	972	61,097
Depreciation and impairment losses							
Balance at January 1, 2018	2,666	-	237	25,097	100	810	28,910
Depreciation charge for the year	399	-	-	5,354	1	33	5,787
Disposals	-	-	-	(1,073)	-	-	(1,078)
Effect of movements in foreign exchange	(234)	-	(19)	(2,182)	(8)	(67)	(2,505)
Balance at December 31, 2018	2,831	-	218	27,196	93	776	31,114
Balance at January 1, 2019	2,831	-	218	27,196	93	776	31,114
Depreciation charge for the year	358	-	-	4,759	3	44	5,164
Disposals	-	-	-	(2,080)	-	-	(2,080)
Effect of movements in foreign exchange	150	-	11	3,680	5	40	3,886
Balance at December 31, 2019	3,339	-	229	33,555	101	860	38,084
Carrying amounts							
At January 1, 2018	1,594	4,011	-	22,751	1	86	28,443
At December 31, 2018	1,163	3,116	-	20,227	2	126	24,634
At January 1, 2019	1,163	3,116	-	20,227	2	126	24,634
At December 31, 2019	883	4,853	-	17,151	14	112	23,013

12. Property, plant and equipment (CONTINUED)

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 December 31, 2019, the net carrying amount of leased plant and machinery was US$2.2 million (December 31, 2018: US$3.7 million). The leased plant and machinery secure lease obligations (see note 21). During the period plant and equipment additions of US$0.1 million (2018: US$1.6 million) were acquired through finance lease arrangements.

13. Equity Investments

	Equity investments US$'000
Cost or valuation	
Balance at January 1, 2018	610
Revaluation	(37)
Disposals	(443)
Effect of movements in foreign exchange	(28)
Balance at December 31, 2018	102
Balance at January 1, 2019	102
Revaluation	21
Effect of movements in foreign exchange	5
Balance at December 31, 2019	128
Carrying amounts	
At December 31, 2018	102
At December 31, 2019	128

In 2018 Company disposed of its remaining shareholding in Maritime Resources Corp for US$0.5 million which was the fair value, the total loss was of US$0.6 million.

The carrying amount of the remaining US$128,000 of equity investments relates to investments in eleven companies (2018: eleven companies) which are listed. The valuation is determined using the closing market price of the shares on the respective stock exchange and is considered level 1 in the IFRS13 fair value hierarchy.

14. Inventory

	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
Metals in process	558	608
Operating supplies	1,887	1,725
	2,445	2,333

The cost of inventories recognised as an expense and included in cost of sales amounted to US$44.0 million (2018: US$41.1 million)

15. Trade and other receivables

	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
Other receivables	533	349
Sales taxes recoverable	366	672
Prepayments and accrued income	175	105
	1,074	1,126

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

There are no trade receivables past due or considered impaired (period ended December 31, 2018: $nil).

16. Derivative financial asset

	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
Concentrate receivables from off-taker	1,654	730

The carrying amount of the derivative financial asset is considered level 2 under the IFRS13 fair value hierarchy. Level 2 fair value is determined using forward prices of copper, gold and silver. The cost of the concentrate receivables is US$1,651,000 (December 31, 2018: US$779,000).

17. Restricted cash

	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
Bearer deposit notes	3,483	3,247

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 2020 and beyond and have a nominal value of US$3,483,000 (December 31, 2018 - US$3,247,000) giving an effective yield of 1.2% (December 31, 2018 – 1.2%).

18. Capital and reserves

Share capital and share premium – group and company

	Share capital	Share premium	Total	*Number*
	US$'000	US$'000	US$'000	*'000*
In issue at January 1, 2018	8,061	89,309	97,370	549,740
Issued on May 25, 2018	334	1,338	1,672	25,000
Issued on June 01, 2018	868	3,474	4,342	65,000
Issued on June 13, 2018	261	1,035	1,296	19,400
Shares issued during the year	1,463	5,847	7,310	109,400
Transfer from share warrant reserve	-	859	859	-
Share issue expenses	-	(16)	(16)	-
In issue at December 31, 2018	9,524	95,999	105,523	659,140
In issue at January 1, 2019	9,524	95,999	105,523	659,140
Issued on 1 March, 2019	7,857	3,143	11,000	599,782
Issued on 15 April, 2019	491	197	688	37,490
Shares issued during the year	8,348	3,340	11,688	637,272
Transfer from share warrant reserve	-	-	-	-
Share issue expenses	-	(280)	(280)	-
In issue at December 31, 2019	17,872	99,059	116,931	1,296,412

On March 1, 2019, the Company through a private placement of 599,781,897 shares at a price of US$ 0.018 per share with CE Mining III Rambler Limited, Aether Real Assets Co-Investment I L.P. and Lombard Odier Asset Management (USA) Corp raised US$11 million,

On April 15, 2019, the Company through open offer issued 37,490,043 shares at a price of US$ 0.018 per share raising US$0.7 million.

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.

Warrants reserve

	Number	
	'000	$'000
At January 1, 2018	65,000	859
Fair value of warrants exercised on June 01, 2018 at US$0.0668	(65,000)	(859)
At December 31, 2018	-	-
At January 1, 2019	-	-
At December 31, 2019	-	-

18. Capital and reserves (continued)

Warrants reserve (continued)

On June 3, 2016 the Company issued 200,000,000 share purchase warrants at an exercise price of US$0.07 (GBP 0.05). The fair value of the share purchase warrants was measured using the Black-Scholes model assuming an expected volatility of 100%, a risk-free interest rate of 1% and a contractual life of the warrant of 2 years. The fair value of services received in return for the warrants issued was measured by reference to the fair value of the warrants issued in the absence of information on the fair value of the services provided. 135 million warrants were exercised in the prior year and remaining 65 million warrants were exercised in 2018.

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 equity investments.

Capital management

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

The Group's capital was as follows:

	Dec 31, 2019 US$'000	Dec 31, 2018 US$'000
Cash and cash equivalents	1,936	241
Finance leases	(2,189)	(3,707)
Advance purchase facility	(4,311)	(3,864)
Government assistance	(987)	(796)
Loan from related party	(7,348)	(1,733)
Sandstorm loan	(862)	(1,505)
Gold streaming	(8,675)	(10,343)
Net debt	(22,436)	(21,171)
Equity	(48,895)	(47,216)
Total capital	(71,332)	(69,923)

19. Loss per share

Basic loss per share

The calculation of basic earnings per share at December 31, 2019 was based on the loss attributable to ordinary shareholders of $12.2 million (2018: US$20.0 million) and a weighted average number of ordinary shares outstanding during the year ended December 31, 2019 of 1,187 million (2018: 613.7 million) calculated as follows:

Loss attributable to ordinary shareholders

	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
Loss for the period attributable to ordinary shareholders	(12,166)	(20,046)

Weighted average number of ordinary shares

	Number '000
In issue at January 1, 2018	549,740
Effect of shares issued during period	63,983
Weighted average number of ordinary shares at December 31, 2018	613,723
In issue at January 1, 2019	659,140
Effect of shares issued during period	527,893
Weighted average number of ordinary shares at December 31, 2019	1,187,033

For the year ended 31 December 2019, because there would be a further reduction in loss per share resulting from the assumption that share options, warrants and convertible loan are exercised or converted, all these instruments are considered anti-dilutive and are ignored in the computation of loss per share. As there were no other instruments that may have a potentially dilutive impact, the basic and diluted loss per share is the same for the year-ended 31 December 2019. At December 31, 2019 there were 16,442,000 (December 31, 2018: 20,677,000) share options in issue of which none (December 31, 2018: nil) were considered to be dilutive. At December 31, 2019 there were no warrants outstanding (December 31, 2018: nil) warrants in issue of which nil were considered to be dilutive (December 31, 2018: nil).

20. Trade and other payables

	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
Trade payables	9,025	8,314
Other payables	759	1,022
Accrued expenses	1,683	1,859
	11,467	11,195

Other payables include payroll taxes and social contribution in relation to Rambler Metals and Mining Canada Limited

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 24.

	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
Non-current liabilities		
Finance lease liabilities	706	2,047
Sandstorm loan	-	790
Advance purchase agreement	1,252	1,094
Government assistance	891	777
	2,849	4,708
Current liabilities		
Finance lease liabilities	1,483	1,660
Sandstorm loan	862	715
Government assistance	96	19
Advance Purchase Facility	3,059	2,770
Loan from related party	7,348	1,733
	12,848	6,897

Sandstorm Loan

In December 2018, Company received a loan of US$1.5 million carrying interest rate of 9.5% per annum. The loan is repayable by twenty-one monthly instalments of US$ 69,000 including interest after the first interest payment of US$ 0.2m which was paid on 1 April 2019.

Government Assistance

During the year the Company received US$0.4 million in interest free repayable contributions from a Canadian government agency. Contributions to a total of US$1.6 million are available in support of the Phase II expansion project for the mine. The contributions are repayable over eight years from May 2019.

The fair value of the contributions received calculated at a market interest rate of 10% have been classified as a financial liability with the difference between the fair value and the amount received credited against the cost of assets under construction.

Related party loan

CE Mining III Rambler Limited

In November 2018 the Company received a convertible loan of US$2 million from CE Mining III Rambler Limited with the maturity of one year. The loan is unsecured, convertible at the option of CE Mining III Rambler Limited on or before November 26, 2019 at share price of C$0.05. It carries interest at 10.0% per annum. Expenses worth US$0.3 million were spent with regards to the loan, these expenses have been classified as deferred expenses and will be amortised during the loan term. At 31st December 2019 the balance was US$2.2 million including interest of US$0.2 million. The fair value of the conversion option was calculated line to be immaterial with reference to a normal loan without conversion option.

In September 2019, the company received a convertible loan of US$2.5 million from CE Mining III Rambler Limited with a maturity of one year. It carries interest at 7% per annum. The loan is unsecured, convertible at the option of CE Mining III Rambler Limited at a share price of £0.014.

21. Interest-bearing loans and borrowings (continued)

CE Mining II Rambler Limited

In October 2017 the company received a loan of US$1 million from CE Mining II Rambler Limited. The loan was unsecured and carried interest at 9.5% per annum. In June 2018 Company repaid U$1.0 million including interest.

Lombard Odier Asset Management (Europe) Limited

In August 2019 the company received a loan of US$2.5 million from Lombard Odier Asset Management (Europe) Limited. The loan was unsecured and carried interest at 7% per annum. The loan is unsecured, convertible at the option of CE Mining III Rambler Limited at a share price of £0.014.

Advance Purchase Facility

During the year 2017 the Company repaid the balance of the advance purchase facility originally signed in July 2015 and in December 2017 the Group entered into another amended and restated purchase agreement with Transamine Trading S.A. ("Transamine").

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

At December 31, 2019 the balance was US$2.3 million (2018: US$3.8 million). The loan was repayable by eighteen monthly instalments of US$222,000 including interest at 6.75% per annum, but a grace period of 6 months was provided by Transamine from June'19, so the loan is payable by instalments of US$130,000 starting December 2019.

Additionally, Transamine has extended an amount of US$2 million in December 2019. This loan shall be repaid from July 2020 by monthly instalments of US$222,000 per month plus accrued interest at 7% per annum.

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Minimum lease Payments	**Interest**	**Principal**	Minimum lease Payments	Interest	Principal
	Dec 31, 2019	**Dec 31, 2019**	**Dec 31, 2019**	**Dec 31, 2018**	**Dec 31, 2018**	**Dec 31, 2018**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Less than one year	1,556	73	1,483	1,791	131	1,660
Between one and five years	714	8	706	2,118	71	2,047
	2,270	81	2,189	3,909	202	3,707

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

22. Gold streaming

	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
Fair Value of Gold Loan liability opening balance	10,343	13,476
Movement in fair value of gold loan	269	(1,323)
Gold payment for the year	(1,937)	(1,810)
Fair Value of Gold Loan liability closing balance	8,675	10,343

22. Gold streaming (continued)

In March 2010, the Company entered into an agreement ("Gold streaming") with Sandstorm Resources Ltd. ('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 Company totalling US$20 million.

For this, in each production year following the first year of production, until 175,000 oz of payable gold has been produced, the Company has agreed to sell to Sandstorm, at market price, a percentage equal to 25% x (85% divided by the actual percentage of metallurgical recovery of gold 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. The percentage of payable gold of 25% falls to 12% after 175,000 oz of payable gold has been produced and remains payable for the remainder of the period ending 40 years after the date of the agreement. After the expiry of the 40 year term, the agreement is renewable in 10 year terms at the option of Sandstorm. Rambler purchases the payable gold from the market and repayment is made in kind to Sandstorm.

At December 31, 2019, the Company has produced 51,209 payable ounces of gold of which 15,942 ounces were transferrable to Sandstorm under the agreement as follows:

Production year	Payable gold ounces produced	Ounces transferrable
Pre-production	15,429	4,937
1	4,888	1,280
2	5,945	1,904
3	5,408	1,689
4	6,905	2,069
5	3,040	955
6	3,889	1,342
7	5,049	1,569
8 (to date)	656	197
Total	**51,209**	**15,942**

The Gold streaming is accounted for as a financial liability carried at fair value through profit and loss. The liability is based on management's best estimate of the time of delivery of payable gold, the total amount of gold expected to be produced over the life of the mime, the timing of production, the Company's view on forecast gold prices and the rate implicit in the loan at the date of inception.

The movement in the fair value of the liability recognised in the income statement during the period was a charge of US$0.3 million (2018: US$1.3 million credit).
The Gold streaming is secured by a fixed and floating charge over the assets of the Group.

23. Provision

	Dec 31, 2019 US$'000	Dec 31, 2018 US$'000
Reclamation and closure provision		
Opening balance	1,855	1,961
Addition - mineral properties	99	-
Unwinding of discount (note 8)	55	50
Effect of movements in foreign exchange	97	(156)
Ending balance	2,106	1,855

23. Provision(continued)

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

24. Financial instruments

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

All of the Group's and Company's financial liabilities are measured at amortised cost with the exception of Gold streaming as described in note 22 and their financial assets are classified as loans and receivables and measured at amortised cost with the exception of equity investments and derivative financial instruments as described in notes 13 and 16 respectively.

The Group held the following categories of financial instruments at December 31, 2019:

	Dec 31, 2019 US$'000	Dec 31, 2018 US$'000
Financial assets		
Assets at fair value through profit and loss:		
Derivative financial instruments – level 2 fair value	1,654	730
Equity investments:		
Investment in quoted equity securities – level 1 fair value	128	102
Loans and receivables:		
Other receivables	533	349
Cash at bank	1,936	241
Restricted cash	3,483	3,247
	5,952	3,837
Total financial assets	7,734	4,669

24. Financial instruments (continued)

Liabilities at amortised cost or equivalent:	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
Trade payables	(9,025)	(8,314)
Other payables	(759)	(1,022)
Accrued expenses	(1,683)	(1,859)
Loans and borrowings	(15,697)	(11,605)
	(27,164)	(22,800)
Liabilities at fair value through P&L		
Gold streaming	(8,675)	(10,343)
Total financial liabilities	(35,839)	(33,143)

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

The 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 liquidity risk, credit risk and market risk which includes foreign currency risk, interest rate risk and commodity price risk each of which is discussed below.

Liquidity risk

With finite cash resources the liquidity risk is significant. This risk is managed by controls over expenditure and concentrating on achieving the payment milestones under the financing arrangement. Success will depend largely upon the outcome of on-going and future exploration and development programmes. Given the nature of the Group's current activities the entity will remain dependent on a mixture of debt and equity funding in the short to medium term until such time as the Group becomes self-financing from 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 December 31, 2019.

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:

	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
Due within one year	5,957	4,491
Due within one to two years	2,148	3,514
Due within two to three years	222	857
Due within three to four years	197	190
Due within four to five years	194	151
Due after five years	494	499
	9,212	9,702

The average fixed interest rate for the finance leases and hire purchase contracts outstanding at December 31, 2019 was 5.1% (2018: 5.1%).

24. Financial instruments (continued)

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 15). The Group maximum exposure to credit risk at December 31, 2019 was represented by receivables and cash resources.

Market risk

Foreign currency risk

The Company has a small amount of cash resources and certain liabilities including the Gold streaming and the advance purchase facility denominated in US dollars. All other assets and liabilities are denominated in Canadian dollars and GB pounds. Revenue is generated in US dollars while the majority of the expenditure is incurred in Canadian dollars and, to a lesser extent, GB pounds. The Company has a downside exposure to any strengthening of the Canadian Dollar or GB pound as this would increase expenses in US dollar terms. This risk is mitigated by reviewing the holding of cash balances in Canadian Dollars and GB pounds. Any weakening of the Canadian Dollar or GB pound would however result in the reduction of the expenses in US dollar terms. In addition movements in the Canadian dollar and GB pound/US Dollar exchange rates would affect the Consolidated Balance Sheet.

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

The Group does not hedge its exposure of foreign investments held in foreign currencies. There is no significant impact on profit or loss from foreign currency movements associated with the 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 and Canadian Dollar against the US Dollar. 10% represents management's assessment of the reasonable possible exposure.

	Equity	
	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
10% strengthening of GB pound	(73)	(199)
10% weakening of GB pound	66	181
10% strengthening of Canadian dollar	(810)	(979)
10% weakening of Canadian dollar	737	890

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

	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
Canadian $	129	105
US $	1,775	-
Sterling	31	136
	1,936	241

24. Financial instruments (continued)

Market risk (continued)

Interest rate risk

The Group's policy is to retain its surplus funds on the most advantageous term of deposit available up to twelve month's maximum duration. Details of the Group's borrowings are described in note 21.

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

Commodity price risk

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

As explained in note 3 the Group calculates the fair value of the Gold streaming 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	
	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
10% increase in the price of gold	(867)	(1,212)
25% decrease in the price of gold	2,169	3,029

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	
	Dec 31, 2019	Dec 31, 2018
	US$'000	US$'000
5% increase in the price of copper, gold and silver	877	918
5% decrease in the price of copper, gold and silver	(877)	(918)

Financial assets

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

Fair values

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

25. 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:

	Dec 31, 2019 US$'000	Dec 31, 2018 US$'000
Salary – executive		
N Williams*	60	255
A Booyzen	165	-
Fees – non-executive		
B A Mills	19	21
B Labatte	19	21
M V Sander	79	86
T I Ackerman	79	21
G Poulter	15	17
E C Chen	19	21
	455	442

Share options held by directors were as follows:	**Dec 31, 2019 No. '000**	Dec 31, 2018 No. '000
A Booyzen[1]	5,000	-
N Williams*	-	7,800
	5,000	7,800

1 5,000,000 options at an exercise price of US$0.02 expiring on April 17, 2024

	Dec 31, 2019 $'000	Dec 31, 2018 $'000
Short term employee benefits	610	585
Social security costs	25	27
Share based payments	140	116
	775	728

**Norman Williams resigned as a director from 31st March 2019.*

25. Related parties (continued)

Subsidiaries

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

CE Mining II Rambler Limited is a controlling shareholder of the Company. Details of related party transactions with CE Mining II Rambler Limited are included in note 21.

Ultimate and controlling party

CE Mining II Rambler had shareholding of 60% as of 31st December 2019.

26. Subsequent events

- In March 2020 the Company signed a non-binding Letter of Intent (LOI) with Maritime Resources ("Maritime"). The non-binding LOI includes an exclusivity period of twelve months for Maritime to evaluate Rambler's Nugget Pond Gold Plant for the purpose of processing feed from the Hammerdown gold project and to complete a feasibility study with the option to negotiate a purchase agreement during that time.

- The impact of the Covid-19 pandemic has been significant in the resource industry. Most notably in the way work is being done using physical distancing guidelines. Also significant has been the impact on the copper price. As such Rambler has scaled back production and reduced staff numbers. Rambler is also taking advantage of the Canadian Government wage subsidy scheme. Production will slowly ramp up again as the copper price improves, with the aim to be at 1,500 mtpd by Q4 2020.

- In April 2020 the Company, via its wholly-owned subsidiary, Rambler Metals and Mining Canada Limited, received a bridge loan from CE Mining III Rambler Limited ("CEIII") of US$830,000 bearing interest of 10% per annum in support of short-term working capital requirements at its Canadian operation;

COMPANY STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2019

(EXPRESSED IN US DOLLARS)	**Year to December 31, 2019 U$'000**	**Year to December 31, 2018 U$'000**
(Loss)/profit for the period	(1,229)	(4,591)
Other comprehensive income		
Items that may be reclassified into profit or loss		
Exchange differences on translation into presentation currency	2,539	(4,271)
Other comprehensive profit/(loss) for the year	2,539	(4,271)
Total comprehensive profit/(loss) for the year	1,310	(8,862)

COMPANY STATEMENT OF FINANCIAL POSITION

As at December 31, 2019
(EXPRESSED IN US DOLLARS)

	Note	**December 31, 2019 U$'000**	December 31, 2018 U$'000
Assets			
Investments	C2	1,499	1,449
Loans	C2	86,988	73,509
Total non-current assets		88,487	74,958
Trade and other receivables	C4	24	13
Cash and cash equivalents		47	136
Total current assets		71	149
Total assets		88,558	75,107
Liabilities			
Loan	C5	2,219	1,733
Trade and other payables	C5	501	334
Total current liabilities		2,720	2,067
Total liabilities		2,720	2,067
Net current assets		(2,649)	(1,918)
Net assets		85,838	73,040
Equity			
Issued capital	18	17,872	9,524
Share premium		99,059	95,999
Translation reserve		(8,331)	(10,870)
Retained profit		(22,762)	(21,613)
Total equity		85,838	73,040

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the company is not presented as part of these financial statements. The company's total comprehensive profit for the financial year was US$1.3 million (2018: loss of US$8.9 million).

ON BEHALF OF THE BOARD:

A A Booyzen
Director
Approved and authorised for issue by the Board on May 10, 2020.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Warrants reserve	Translation reserve	Accumulated losses	Total
(EXPRESSED IN US DOLLARS)	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at January 1, 2018	8,061	89,309	859	(6,599)	(17,134)	74,496
Comprehensive income						
Loss for the year	-	-	-	-	(4,591)	(4,591)
Foreign exchange translation differences	-	-	-	(4,271)	-	(4,271)
Total other comprehensive income	-	-	-	(4,271)	(4,591)	(8,862)
Total comprehensive loss for the year	-	-	-	(4,271)	(4,591)	(8,862)
Issue of share capital	1,463	5,847	-	-	-	7,310
Warrants exercised	-	859	(859)	-	-	-
Share issue expenses	-	(16)	-	-	-	(16)
Share based payments	-	-	-	-	112	112
Transactions with owners	1,463	6,690	(859)	-	112	7,406
Balance at December 31, 2018	9,524	95,999	-	(10,870)	(21,613)	73,040
Balance at January 1, 2019	9,524	95,999	-	(10,870)	(21,613)	73,040
Comprehensive income						
Loss for the year	-	-	-	-	(1,229)	(1,229)
Foreign exchange translation differences	-	-	-	2,539	-	2,539
Total other comprehensive income	-	-	-	2,539	(1,289)	1,310
Total comprehensive loss for the year	-	-	-	2,539	(1,289)	1,310
Issue of share capital	8,348	3,340	-	-	-	11,688
Share issue expenses	-	(280)	-	-	-	(280)
Share based payments	-	-	-	-	80	80
Transactions with owners	8,348	3,060	-	-	80	11,488
Balance at December 31, 2019	17,872	99,059	-	(8,331)	(22,762)	85,838

COMPANY STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019
(EXPRESSED IN US DOLLARS)

	Year to December 31, 2019 U$'000	Restated* Year to December 31, 2018 U$'000
Cash flows from operating activities		
Operating loss	(1,956)	(2,796)
Share based payments	80	112
Foreign exchange losses	(47)	1,747
Finance cost	(2)	-
(increase)/decrease in debtors	(8)	15
Increase/(decrease) in creditors	161	(150)
Cash generated from operations	(1,772)	(1,072)
Interest paid	-	(55)
Net cash utilised in operating activities	(1,772)	(1,127)
Cash flows from investing activities		
Advances to subsidiaries	(11,221)	(8,879)
Loans repaid by subsidiaries	1,493	839
Net cash utilised in investing activities	(9,728)	(8,040)
Cash flows from financing activities		
Proceeds from the issue of share capital (note 18)	11,408	7,294
Loan received	-	2,000
Net cash generated from financing activities	11,408	9,294
Net decrease/(increase) in cash and cash equivalents	(92)	127
Cash and cash equivalents at beginning of period	136	15
Effect of exchange rate fluctuations on cash held	3	(6)
Cash and cash equivalents at end of period	47	136

*Operating loss and loans repaid by subsidiaries of 2018 have been restated to show the correct amounts

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. Investments and loans

	Investment in subsidiary	Loans	Total
	$'000	$'000	$'000
Cost			
Balance at January 1, 2018	1,532	71,458	72,990
Advances	-	8,879	8,879
Repayments	-	(839)	(839)
Effect of movements in foreign exchange	(83)	(5,989)	(6,072)
Balance at December 31, 2018	1,449	73,509	74,958
Balance at January 1, 2019	1,449	73,509	74,958
Advances	-	11,221	11,221
Repayments	-	(1,493)	(1,493)
Effect of movements in foreign exchange	50	3,751	3,801
Balance at December 31, 2019	1,499	86,988	88,487

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

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

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

The loans to the subsidiary undertakings are interest free.

C3. Deferred tax

The Company has incurred losses which will be available for offset against future taxable profits. Given the Company does not generate any income to set off against the available losses the Company has completely written off the deferred tax asset of Nil (2018: 1.7 million) in current year. Therefore, deferred tax asset as at 31 December 2019 was Nil (2018: Nil)

C4. Trade and other receivables

	December 31, 2019 $'000	December 31, 2018 $'000
Sales taxes recoverable	18	10
Prepayments and accrued income	6	3
	24	13

C5. Trade and other payables

	December 31, 2019 $'000	December 31, 2018 $'000
Loan	2,219	1,733
Trade payables	141	100
Accrued expenses	360	234
	2,720	2,067

C6. Related party transactions

The Company has a related party relationship with its subsidiaries (see note C2) and with its directors and executive officers (see note 25).

Transactions with subsidiary undertakings
Details of loans advanced to subsidiary undertakings are included in note C2.

Other related parties
Transactions with other related parties are detailed in note 25.