

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities before taking any action. If you have sold or transferred all your Existing Ordinary Shares in the Company, you should send this document, together with the accompanying form of proxy, to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

This document is an admission document, which has been drawn up in accordance with the AIM Rules and has been issued in connection with the Company's application for Readmission. This document does not constitute a prospectus for the purposes of the Prospectus Rules of the Financial Services Authority and a copy of it has not been, and will not be, reviewed by the Financial Services Authority or the UK Listing Authority.

The Company, the Existing Directors and the Proposed Directors whose names appear on page 4 of this document, accept responsibility for the information contained in this document including collective and individual responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company, the Existing Directors and the Proposed Directors, who have taken reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Readmission will become effective and that dealings will commence on 23 November 2009. It is emphasised that no application has been made, or is being made, for admission of these securities to the Official List of the UK Listing Authority or to trading on the London Stock Exchange's market for listed securities. The Existing Ordinary Shares are not dealt in on any regulated market other than AIM and, apart from the application for admission to AIM, no application has been or is intended to be made for the Enlarged Share Capital to be admitted to trading on any such market.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. London Stock Exchange plc has not itself examined or approved the contents of this document.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ AND IN PARTICULAR, YOUR ATTENTION IS DRAWN TO THE SECTION HEADED "RISK FACTORS" IN PART IV OF THIS DOCUMENT.

NORTH RIVER RESOURCES PLC

(Incorporated in England and Wales under the Companies Act 1985 with Registered Number 5875525)

Proposed Acquisition of West Africa Gold Exploration (Namibia) (Proprietary) Limited and Craton Diamonds (Proprietary) Limited

Placing of 233,333,333 Ordinary Shares at 3 pence per Placing Share

Readmission to trading on AIM

Notice of Extraordinary General Meeting

Nominated Adviser
Astaire Securities plc

Joint Brokers
**Astaire Securities plc, Ambrian Partners Limited
and Ocean Equities Limited**

Enlarged Share Capital immediately following Readmission

<i>Authorised</i>		<i>Ordinary Shares of</i>	<i>Issued and Fully Paid</i>	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£10,000,000	5,000,000,000	£0.002 each	£1,188,000	594,000,000

The New Ordinary Shares will, on issue, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after the issue of the New Ordinary Shares.

Astaire Securities plc, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is the Company's nominated adviser and joint broker for the purposes of the AIM Rules. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any director or to any other person in respect of his reliance on any part of this document. Astaire Securities plc is acting for the Company and no one else and will not be responsible to any other person for providing the protections afforded to customers of Astaire Securities plc nor for providing advice in relation to the contents of this document or any matter referred to herein. No liability whatsoever is accepted by Astaire Securities plc for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

Ambrian Partners Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is the Company's joint broker for the purposes of the AIM Rules. Ambrian Partners Limited is acting for the Company and no one else and will not be responsible to any other person for providing the protections afforded to customers of Ambrian Partners Limited nor for providing advice in relation to the contents of this document or any matter referred to herein. No liability whatsoever is accepted by Ambrian Partners Limited for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

Ocean Equities Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is the Company's joint broker for the purposes of the AIM Rules. Ocean Equities Limited is acting for the Company and no one else and will not be responsible to any other person for providing the protections afforded to customers of Ocean Equities Limited nor for providing advice in relation to the contents of this document or any matter referred to herein. No liability whatsoever is accepted by Ocean Equities Limited for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

The Placing described in this document is only being addressed to and directed at:

- (a) in the United Kingdom, persons who are: (i) a "qualified investor" ("**Qualified Investor**") within the meaning of Section 86(7) of the Financial Services and Markets Act; and (ii) a "professional client" ("**Professional Client**") or an "eligible counterparty" ("**Eligible Counterparty**") within the meaning given in COBS 3.5.1 and COBS 3.6.1, respectively, of the FSA Conduct of Business Sourcebook as at 1 November 2007; and (iii) who have professional experience in matters relating to investments falling within Article 19(5) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "**Order**") or are high net worth companies, unincorporated associations etc. falling within Article 49(2) of the Order; or
- (b) in other member states of the European Economic Area ("**EEA**"), persons who are: (i) a Qualified Investor within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC); and (ii) a Professional Client or an Eligible Counterparty within the meaning of Article 4(1)(11) and Article 24 (2), (3) and (4), respectively, of Directive 2004/39/EC ("**MiFID**") as MiFID is implemented into national law of the relevant EEA state; or
- (c) in any other country, territory or possession, persons to whom it is otherwise lawful to address it to and direct it at, (together, "**Relevant Persons**").

This document contains no offer to the public within the meaning of section 102B of the Financial Services and Markets Act 2000, the Companies Act 2006 or otherwise. This document does not constitute an offer to sell, or solicitation of an offer to buy, shares in any jurisdiction in which such an offer or solicitation is unlawful and is not for distributing in or into Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or the United States of America or to any resident, national or citizen of such countries. The Existing Ordinary Shares, the Consideration Shares and Placing Shares have not been, and will not be registered under the applicable securities laws of Australia, Canada, Japan, the Republic of South Africa, the Republic of Ireland or the United States and no regulatory clearance in respect of the Existing Ordinary Shares, the Consideration Shares and Placing Shares has been, or will be, applied for in any jurisdiction other than the UK. The Existing Ordinary Shares, the Consideration Shares and Placing Shares may not be offered, sold, resold, delivered or distributed, directly or indirectly, in, into or from the United States of America, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan or to, or for the account or benefit of, any US persons or resident of the United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa or Japan absent an exemption from, or not subject to, registration or an exemption under the US Securities Act or other relevant securities law. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any jurisdiction.

In making any investment decision in respect of the Placing, no information or representation should be relied upon in relation to the Placing or in relation to the Placing Shares other than as contained in this document. No person has been authorised to give any information or make any representation other than as contained in this document, and if given or made, any such information or representation must not be relied upon as having been authorised.

A notice convening an Extraordinary General Meeting of the Company to be held at Sprecher Grier Halberstam LLP, 5th Floor, One America Square, Crosswall, London EC3N 2SG at 11.15 a.m. on 20 November 2009 is set out at the end of this document. To be valid, the Form of Proxy accompanying this document must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars as soon as possible but, in any event, not later than 48 hours before the time fixed for the meeting. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered in the register of members in order to have the right to attend and vote at the meeting is 48 hours prior to the time of the meeting. Completion of a Form or Proxy will not preclude a member from attending the meeting and voting in person.

If you have any questions about this document, the Extraordinary General Meeting or are in any doubt as to how to complete the Form of Proxy, please call Capita Registrars on 0871 664 0300. Calls cost 10p per minute plus network extras – lines are open from 8.30 a.m. to 5.30 p.m. Monday to Friday. If you are calling from outside the UK, please call +44 20 8639 3399. Capita Registrars cannot provide financial advice or advice on the merits of the Acquisition.

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DIRECTORS, SECRETARY AND ADVISERS

Existing Directors prior to Readmission:	Glenn Ross Whiddon (<i>Non-Executive Chairman</i>) David Christian Steinepreis (<i>Managing Director</i>) Patrick Nicolas Burke (<i>Executive Director</i>) Martin Stephen French (<i>Non-Executive Director</i>)
Directors following Readmission:	David Christian Steinepreis (<i>Managing Director</i>) Mark Ainsworth Hohnen (<i>Non-Executive Chairman</i>) Glyn Michael Tonge (<i>Non-Executive Director</i>) Martin Stephen French (<i>Non-Executive Director</i>)
Company Secretary:	John Bottomley
Principal Office and Business Address of the Directors:	1B, First Floor 38 Jermyn Street London SW1Y 6DN
Office in Australia:	Level 1, 33 Ord Street West Perth Western Australia 6005 Australia
Registered Office:	One America Square Crosswall London EC3N 2SG
Nominated Adviser and Joint Broker:	Astaire Securities Plc 30 Old Broad Street London EC2N 1HT
Financial Adviser to the Company:	Pursuit Capital Pty Limited Suite 11, 38 Colin Street West Perth WA 6005 Australia
Joint Broker:	Ambrian Partners Limited Old Change House 128 Queen Victoria Street London EC4V 4BJ
Joint Broker:	Ocean Equities Limited 3 Cophall Avenue London EC2R 7BH
Solicitors to the Company as to English law:	Watson, Farley & Williams LLP 15 Appold Street London EC2A 2HB
Solicitors to the Company as to Namibian law:	Theunissen, Louw & Partners Schützen Street PO Box 3110, Windhoek Namibia
Solicitors to the Company as to Mozambique law:	KPMG – Auditores e Consultores, SA Rua 1.233, Número 72C Maputo, Mozambique

Solicitors to the Company as to Australian law:	Peter Walker Level 8, NT House 22 Mitchell Street Darwin NT 0800 Australia
Solicitors to the Nominated Adviser and Joint Brokers:	Field Fisher Waterhouse LLP 35 Vine Street London, EC3N 2AA
Auditors and Reporting Accountants:	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W1YW
Competent Person as to Namibian Licences:	MSA Geoservices (Pty) Ltd. PO Box 81 356 Parkhurst 2120 South Africa
Competent Person as to Australian Licence and Mozambique Licences:	Al Maynard & Associates Pty Ltd 9/280 Hay Street Subiaco WA 6008 Western Australia
Principal Bankers:	Barclays Bank Plc 50 Pall Mall London SW1A 1QF
Registrars:	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0GA
Financial PR Advisers:	St Brides Media & Finance Ltd Chaucer House 38 Bow Lane London EC4M 9AY
Website:	www.northriverresources.com

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	28 October 2009
Last time and date for receipt of Forms of Proxy	18 November 2009
Extraordinary General Meeting	20 November 2009
Readmission effective and dealings in the Ordinary Shares to commence on AIM	23 November 2009
CREST accounts credited	23 November 2009
Share certificates in respect of the New Ordinary Shares expected to be despatched by	30 November 2009

EXCHANGE RATES

Throughout this document, save where otherwise indicated, the following exchange rates have been used:

£1: N\$12.5

£1: MZN45

READMISSION STATISTICS

Placing Price per Placing Share	£0.03
Number of Existing Ordinary Shares in issue prior to the Acquisition and the Placing	94,000,000
Number of Options in issue prior to the Acquisition and the Placing ⁺	84,000,000
Number of Consideration Shares	266,666,667
Number of Placing Shares	233,333,333
Number of Ordinary Shares in issue following the Acquisition and the Placing [*]	594,000,000
Consideration Shares as a percentage of the Enlarged Share Capital	44.9%
Placing Shares as a percentage of the Enlarged Share Capital	39.3%
Number of Options in issue following the Acquisition and the Placing ⁺	99,000,000
Gross Proceeds of the Placing to be received by the Company	£7 million
Net Proceeds of the Placing to be received by the Company (excluding VAT)	£6.3 million
Market capitalisation of the Company at Readmission at the Placing Price [*]	£17.8 million
AIM Symbol	NRRP
ISIN	GB00B3XGRQ09

* excluding the CD Royalty Shares

+ excluding the Clarion Loan Conversion Shares

DEFINITIONS

In this document, unless the context requires otherwise, the words and expressions set out below shall bear the following meanings (technical terms are included in the glossary to each of the Competent Person's Reports set out in Parts V, VI and VII of this document):

“1985 Act”	the Companies Act 1985, as amended
“2006 Act”	the Companies Act 2006
“Acquisition”	the proposed acquisition of the entire issued share capital of, and Shareholder Loans to, WAGE and CD by the Company
“AIM”	the market of that name operated by London Stock Exchange
“AIM Rules”	the AIM Rules for Companies as published by London Stock Exchange, as amended from time to time
“Ambrian”	Ambrian Partners Limited, joint Broker (as defined in the AIM Rules) to the Company
“Articles”	the articles of association of the Company
“Ascent Capital”	Ascent Capital Holdings Pty Ltd, ACN 118 292 238, a company registered in Australia
“Astaire”	Astaire Securities plc, Nominated Adviser and Joint Broker (as defined in the AIM Rules) to the Company
“ASX”	Australian Stock Exchange Limited, ACN 008 624 691
“Australia Competent Person”	Al Maynard & Associates Pty Ltd, Australia
“Australia Competent Person's Report”	the report by the Australia Competent Person on the Australian Licences set out in Part VII of this document
“Australian Farm-in Agreement”	the farm-in agreement dated 26 July 2006, as amended on 24 July 2009, between the Company and Segue, details of which are contained in paragraph 6.4(c) of Part XI
“Australian Licence”	Exploration Licence no 10004 in the Northern Territory of Australia
“Board”	the board of directors of the Company from time to time
“CD”	Craton Diamonds (Proprietary) Limited
“CD Royalty Shares”	the 2,200,000 Ordinary Shares to be issued at the Placing Price as described in paragraph 6.9(d) of Part XI of this document
“Christiadore”	means the project details of which are set out in section 3.3.5.1 of the Namibia Competent Person's Report
“Clarion Loan Conversion”	any Ordinary Shares arising on conversion of the loan Shares described in paragraph 6.10(c) of Part XI of this document
“Code” or “City Code”	the City Code on Takeovers and Mergers
“Combined Code”	the Combined Code on Corporate Governance published in July 2003 by the Financial Reporting Council, as amended in June 2008
“Company” or “North River”	North River Resources plc, a company incorporated in England

“Completion”	completion of the Acquisition in accordance with the Share Purchase Agreement
“Conditions”	the Conditions to Completion, as set out in the Share Purchase Agreement, details of which are set out in paragraph 6.8 of Part XI of this document
“Consideration Shares”	the 245,000,000 new Ordinary Shares to be allotted and issued to Kalahari Gold and the 21,666,667 new Ordinary Shares to be allotted and issued to Kalahari Diamonds pursuant to the Share Purchase Agreement
“Convertible Loan Agreements”	the £100,000 convertible loan agreements described in paragraph 6.10(a) of Part XI of this document
“Coronet Hill”	means the project details of which are set out in the Australian Competent Person’s Report
“CREST”	the relevant system (as defined in the CREST Regulations) to facilitate the transfer to title of shares in uncertificated form, in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
“Directors”	the Existing Directors and the Proposed Directors
“Dordabis”	means the project details of which are set out in section 3.2 of the Namibia Competent Person’s Report
“Enlarged Group”	the Company and its subsidiary undertakings on Readmission
“Enlarged Share Capital”	the Existing Ordinary Shares and New Ordinary Shares in issue immediately following Readmission
“EPL”	Exclusive Prospecting Licence
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales, and the Operator (as defined in the Crest Regulations) of CREST
“Existing Ordinary Shares”	the 94,000,000 Ordinary Shares in issue at the date of this document
“Existing Directors”	David Steinepreis, Patrick Burke, Glenn Whiddon and Martin French
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at 11.15 a.m. on 20 November 2009, notice of which is attached to this document
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000
“Gemsbockvley”	means the prospect details of which are set out in section 3.3.5.5 of the Namibia Competent Person’s Report
“Kalahari”	Kalahari Minerals plc
“Kalahari Diamonds”	Kalahari Diamonds Limited, a wholly owned subsidiary of Kalahari and vendor of CD

“Kalahari Gold”	Kalahari Gold Limited, a wholly owned subsidiary of Kalahari and vendor of WAGE
“Koperberg”	means the prospect details of which are set out in section 3.2.5.1 of the Namibia Competent Person’s Report
“London Stock Exchange”	London Stock Exchange plc
“Malachite Pan”	means the prospect details of which are set out in section 3.3.5.3 of the Namibia Competent Person’s Report
“Mavuzi”	means the project details of which are set out in section 3 of the Mozambique Competent Person’s Report
“Memorandum”	the memorandum of association of the Company
“Mining Act”	Mining Act 1980 (Northern Territory of Australia)
“Mozambique Competent Person”	Al Maynard & Associates Pty Ltd, Australia
“Mozambique Competent Person’s Report”	the report by the Mozambique Competent Person on the Mozambique Licences set out in Part VI of this document
“Mozambique Licences”	the licences in Mozambique purchased by the Company under the Mozambique Licences Purchase Agreement details of which are set out in paragraph 1(c) of Part III of this document
“Mozambique Licences Purchase Agreement”	the agreement dated 24 July 2009, as amended on 25 September and 12 October 2009, between Omega and the Company regarding, <i>inter alia</i> , the purchase of the Mozambique Licences
“Murrupula”	means the project details of which are set out in section 4 of the Mozambique Competent Person’s Report
“Namib Lead” or “Namib Lead Zinc”	means the project details of which are set out in section 3.4 of the Namibia Competent Person’s Report
“Namibia Competent Person”	MSA Geoservices (Pty) Ltd., Australia
“Namibia Competent Person’s Report”	the report by the Namibia Competent Person on the Namibian Licences set out in Part V of this document
“Namibian Licences”	the licences in Namibia owned by WAGE and CD details of which are set out in paragraph 6 of Part II of this document
“New Ordinary Shares”	the Consideration Shares and the Placing Shares
“NNTT”	National Native Title Tribunal established under the NTA
“North River Group” or “Group”	North River and its wholly owned subsidiaries, NRPL, NRIOM1 and NRIOM2
“NRIOM1”	North River Minerals Limited, a wholly owned subsidiary of North River, registered in the Isle of Man
“NRIOM2”	North River Resources Limited, a wholly owned subsidiary of North River, registered in the Isle of Man
“NRPL”	North River Resources Pty Ltd, ACN 120 719 306, a wholly owned subsidiary of North River, registered in Australia

“Ocean”	Ocean Equities Limited, joint Broker (as defined in the AIM Rules) to the Company
“Official List”	the Official List of the United Kingdom Listing Authority
“Okasewa”	means the project details of which are set out in section 3.3.5.2 of the Namibia Competent Person’s Report
“Omega”	OmegaCorp Minerais Limitada
“Onverwacht”	means the project details of which are set out in section 3.2.5.4 of the Namibia Competent Person’s Report
“Option Agreements”	the agreements of the Company which constitute the Options, further details of which are set out in paragraphs 3.13 to 3.16 of Part XI of this document
“Option holders”	a holder of Options from time to time
“Options”	the 99,000,000 options to subscribe for Ordinary Shares pursuant to the Option Agreements and Option Schemes, details of which are set out in paragraphs 3.13 to 3.32 of Part XI of this document
“Option Schemes”	the Company’s option schemes described in paragraph 6.6 of Part XI of this document
“Ordinary Shares”	ordinary shares of £0.002 each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Placing”	the conditional placing by the Company of the Placing Shares at the Placing Price
“Placing Price”	the price at which each Placing Share is placed, being £0.03 per Placing Share
“Placing Shares”	the 233,333,333 new Ordinary Shares to be issued pursuant to the Placing
“Proposals”	the Acquisition, the Placing and Readmission
“Proposed Directors”	Mark Hohnen and Glyn Tonge
“Readmission”	admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules
“Remaining Directors”	David Steinepreis and Martin French
“Resolution”	the resolution to be proposed at the Extraordinary General Meeting
“RK Zone”	means the project details of which are set out in section 3.2.5.2 of the Namibia Competent Person’s Report
“Rules”	the rules made by the FSA pursuant to Sections 73A(1) and (4) of FSMA
“Segue”	Segue Resources Limited ACN 112 609 846, a company listed on ASX
“Shareholder Loans”	means the loans to WAGE and CD described in paragraphs 6.17 and 6.18 of Part XI of this document
“Shareholders”	holders of Ordinary Shares from time to time

“Share Purchase Agreement”	the share purchase agreement dated 5 October 2009 between Kalahari Gold, Kalahari Diamonds, the Company and Kalahari relating to the Acquisition, details of which are set out in paragraph 6.8 of Part XI of this document
“Swartberg”	means the project details of which are set out in section 3.2.5.3 of the Namibia Competent Person’s Report
“Ubib”	means the project details of which are set out in section 3.5 of the Namibia Competent Person’s Report
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“United Kingdom Listing Authority	a division of the FSA acting in its capacity as the competent authority for the purpose of Part VI of FSMA
“US” or “United States”	the United States of America (including the states of the United States and the District of Columbia), its possessions and territories and all areas subject to its jurisdiction
“US Person”	as defined in Regulation S
“US Securities Act”	the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“WAGE”	West Africa Gold Exploration (Namibia) (Proprietary) Limited
“Witvlei”	means the project details of which are set out in section 3.3 of the Namibia Competent Person’s Report
“Witvlei Pos”	means the project details of which are set out in section 4 of the Namibia Competent Person’s Report
“£ or “pound”	UK pounds Sterling, the lawful currency of the UK
“N\$” or “Nambian dollars”	Namibian dollars, the lawful currency of Namibia
“US\$” or “United States dollars”	United States dollars, the lawful currency of the United States
“MZN” or “Metical”	Mozambique metical, the lawful currency of Mozambique

A glossary of terms in relation to the Namibia Licences is set out in the Namibia Competent Person’s Report in Part V of this document

A glossary of terms in relation to the Mozambique Licences is set out in the Mozambique Competent Person’s Report in Part VI of this document

A glossary of terms in relation to the Australian Licence is set out in the Australia Competent Person’s Report in Part VII of this document

FORWARD LOOKING STATEMENTS

This document includes “forward-looking statements” which includes all statements other than statement of historical facts, including, without limitation, those regarding the Enlarged Group’s financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words “targets”, “believes”, “estimates”, “expects”, “aims”, “intends”, “can”, “may”, “anticipates”, “would”, “should”, “could”, or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Enlarged Group’s control that would cause the actual results, performance or achievements of the Enlarged Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Enlarged Group’s present and future business strategies and the environment in which the Enlarged Group will operate in the future. Among the important factors that could cause the Enlarged Group’s actual results, performance or achievements to differ materially from those in forward-looking statements include those factors in Part IV of this document entitled “Risk Factors” and elsewhere in this document. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, the events described in the forward-looking statements in this document may not occur either partially or at all.

PART I

LETTER FROM THE MANAGING DIRECTOR OF NORTH RIVER

NORTH RIVER RESOURCES PLC

Incorporated in England & Wales under the Companies Act 1985 with registered number 5875525

Directors:

Glenn Whiddon (*Non-Executive Chairman*)

David Steinepreis (*Managing Director*)

Patrick Burke (*Executive Director*)

Martin French (*Non-Executive Director*)

Registered Office

One America Square

Crosswall

London EC3N 2SG

To the holders of Existing Ordinary Shares and, for information only, to Option holders

Dear Shareholder

**Proposed Acquisition of WAGE and CD
Placing of 233,333,333 New Ordinary Shares at 3 pence per Placing Share
Readmission to trading on AIM
and
Notice of Extraordinary General Meeting**

1. Introduction

On 5 October 2009, the Company announced that it had conditionally agreed to acquire the entire issued share capital of, and Shareholder Loans to, WAGE and CD and intended to place Ordinary Shares to raise not less than £5 million to fund its exploration and development programme and provide general working capital.

WAGE owns a number of EPLs containing copper and gold prospects in Namibia whilst CD owns EPL 2902 which contains the Namib Lead Mine, a lead zinc project, also in Namibia. A significant amount of exploration work, including extensive drilling, has been undertaken on these projects which the Directors believe warrant further work, focus, appraisal and development with the potential for mid term production.

The Board, in conjunction with Kalahari, believes that using North River as a separate quoted AIM company with a dedicated technical and corporate team concentrating on the potential already demonstrated for these assets and future acquisitions is the correct strategy for the future.

The purchase consideration for the shares of, and Shareholder Loans to, WAGE is £7.35 million which shall be satisfied by the allotment and issue of 245,000,000 new Ordinary Shares to Kalahari Gold at an issue price of 3 pence per new Ordinary Share.

The purchase consideration for the shares of, and Shareholder Loans to, CD is £650,000 which shall be satisfied by the allotment and issue of 21,666,667 new Ordinary Shares to Kalahari Diamonds at an issue price of 3 pence per New Ordinary Share.

The Board has formed the view that the Acquisition offers the following benefits:

- WAGE and CD's projects are all located within renowned geological settings in Namibia;
- Kalahari has spent approximately £8 million to date on the Namibian Licences being acquired which all warrant future work;

- further upside potential exists by upgrading the current resources through further exploration and drilling;
- feasibility studies to bring one or more projects into production could start within 12 months;
- by having a foothold within Namibia's resource rich country, it is likely that opportunities will present themselves to add further to the current portfolio of assets; and
- the support of a large shareholder in Kalahari.

The Directors believe that the Acquisition and future strategy for North River will transform the Company with the aim of becoming a producer in the mid term. The support of Kalahari, which intends to maintain its shareholding in the Company, together with Kalahari's success in Namibia will be a solid base for North River to grow in its own right. A cooperative bid has already been made on a substantial gold acquisition in Namibia and the Company was informed that it was shortlisted on 16 October 2009.

The acquisition of the Mozambique Licences announced on 28 July 2009 signalled the beginning of the Company's intention to grow a portfolio of resource projects across various commodities and the acquisition of WAGE and CD is an important second step in this strategy. Following completion of the Acquisition, the Company intends to continue its growth by the acquisition of or investment in additional projects, assets and companies across southern Africa and by pursuing organic growth within the group.

Further information on WAGE and CD's projects is set out below in Part II of this document and in the Namibia Competent Person's Report in Part V of this document.

In conjunction with the Acquisition, the Company has raised £7 million (before expenses) through the issue of 233,333,333 Placing Shares at the Placing Price. The Placing is conditional upon, *inter alia*, completion of the Acquisition and Readmission.

In addition, Glenn Whiddon and Patrick Burke have agreed to step down from the Board and Mark Hohnen and Glyn Tonge will be appointed to the Board with effect from Readmission. Further details of the Board are set out in paragraph 5 of this Part I.

Due to the size of the Acquisition in relation to the Company, the Acquisition is classified as a reverse takeover of the Company under the AIM Rules and therefore requires the approval of Shareholders at the EGM.

Upon publication of this document, the suspension from trading on AIM of the Existing Ordinary Shares has been lifted. If the Resolution is duly passed at the EGM, trading in the Existing Ordinary Shares will be cancelled and it is expected that the Enlarged Share Capital will be admitted to trading on AIM on 23 November 2009.

The purpose of this document, which comprises an admission document prepared under the AIM Rules, is to provide you with information on the Acquisition, the Placing and Readmission and to explain why the Board considers that the Proposals are in the best interests of the Company and why they recommend that Shareholders vote in favour of the Resolution.

2. Background to and reasons for the Proposals

North River was admitted to trading on AIM on 27 December 2006 for the purpose of earning an initial 20 per cent. interest in Coronet Hill in the Northern Territory of Australia which has the geological potential to host tin, tungsten, base metals and other precious metals.

It had always been the Board's intention to add other resource projects to Coronet Hill and on 28 July 2009 the Company announced that it had entered into an agreement with Omega to acquire the Mozambique Licences. These projects have the potential to host uranium, precious and base metals and originally comprised 32 licences.

Since 28 July 2009, the Company has conducted a data acquisition and review exercise covering all the Mozambique Licences and has now rationalised certain licences. A work programme for the remaining five

licences is currently being developed. Further details of this and the licences are set out in the Mozambique Competent Person's Report in Part VI of this document.

The acquisition of the Mozambique Licences signalled the first step in the Company's intention to grow a portfolio of resources projects across various commodities. Through further investigation and research, the Company is identifying other appropriate mining opportunities for acquisition, which the Board believes can add shareholder value over the long term. The acquisition of WAGE and CD is an important second step in this strategy.

The Board has reviewed the work undertaken to date by WAGE and CD in relation to the Namibian Licences and considers that these projects contain significant potential value. The Board believes this view is supported by the Namibia Competent Person's Report contained in Part V of this document. Accordingly, the Board have formed the view that the Acquisition will offer the potential for creation of shareholder value.

3. The Acquisition

Overview

WAGE and CD have been evaluating a portfolio of properties that covers an area of approximately 2,121 km² in Western and Central Namibia, which includes licences on the Kalahari Copper Belt. These areas make up the Dordabis, Witvlei and Ubib project areas and the Namib Lead Zinc Mine project. The projects have focused on copper, lead, zinc and gold. Exploration work completed to date has focused primarily on the Dordabis (Copper), Witvlei (Copper) and Namib Lead Zinc Mine projects. All projects are owned by WAGE, except the Namib Lead Zinc Mine area which is owned by CD, on the terms of the Namibian Licences. A JORC compliant Inferred Resource has been calculated for the Koperberg Prospect (Dordabis Project). WAGE and CD have also completed non code compliant in-house resource estimates over the RK Zone Prospect (Dordabis Project), Malachite Pan, Okasewa and Christiadore Prospects (Witvlei Project) and the Namib Lead Zinc Project. (*Source: Namibia Competent Person's Report, page i*)

WAGE

At the Dordabis project area exploration work carried out since 2006 has focused on delineating and defining existing historical targets within the project area including drill testing. This has resulted in the release of a JORC compliant Inferred Resource of 1.74 Mt grading 0.9 per cent. Cu (17,000 t *in situ* metal) for the Koperberg Prospect in mid 2007. (*Source: Namibia Competent Person's Report, Sections 3.2.6.1 and Table 4.1*)

All of the prospects investigated to date at Dordabis exhibit similar geology and are generally associated with the western margins of a strongly laminated package of magnetic metavolcanic rocks that are folded along a northeast trending axis. Until 2009, the focus of exploration had been centred on the Koperberg, RK Zone and nearby Swartberg Prospects (as well as the Balfour, Klein Koperberg and Koperberg South Prospects). Emphasis has now shifted to the Onverwacht Prospect where recent encouraging results from an ongoing regional soil geochemical programme, targeting potential volcanic hosted mineralisation, have been received. The Koperberg and RK Zone Prospects have the potential to host small, but potentially exploitable, oxide resources amenable to open pit extraction. Diamond drilling as well as additional metallurgical test work is required in order to confirm these potential oxide resources. (*Source: Namibia Competent Person's Report, Section 3.2.7*)

At the Witvlei project area, widespread sediment hosted copper mineralisation has been evaluated by several operators, resulting in non code compliant resource estimates containing up to 200,000 t copper. WAGE's exploration efforts to date have focused on validating these historical results and have to date completed in-house non code compliant resource estimates over the Okasewa, Malachite Pan and Christiadore Prospects have been completed. (*Source: Namibia Competent Person's Report, page ii*)

A conceptual scoping study, environmental baseline studies and metallurgical test work have been initiated over the Witvlei project area in order to assess all techno-economic parameters required to exploit WAGE's estimated existing resource of 135,000 t of contained copper (defined by in-house estimates over Okasewa,

Malachite Pan and Christiadore). Completion of this work has been suspended since December 2008, although limited metallurgical test work is ongoing. (Source: *Namibia Competent Person's Report*, page ii)

CD

Since acquisition of the Namib Lead Zinc Mine Project by CD, CD has completed a detailed diamond and reverse circulation (RC) drilling programme designed to validate underground and tailings resources. RC and diamond drilling has confirmed historical grade intercepts and thicknesses and have been used to calculate non code compliant mineral resource estimates for the N20/North orebodies as well as tailings. Initial metallurgical test work carried out by MINTEK has demonstrated the feasibility of producing saleable lead and zinc concentrates with good recoveries being obtained. (Source: *Namibia Competent Person's Report*, page ii)

Potential exists at the Namib Lead Zinc Mine Project to increase the resource base through additional drilling over the N20 and North orebodies as well as deep drilling to test depth continuity under the South and Junction orebodies. The possibility of short term exploitation of open pit/near surface ore resources will be investigated over the North orebody. Additional data, coupled with more detailed metallurgical test work and rigorous capital and operating cost estimates should satisfy the criteria required to re-develop/re-open the mine. (Source: *Namibia Competent Person's Report*, page ii)

Previous non-JORC compliant mine studies indicate surface tailings and *in situ* underground reserves of 1.65 mt @ 5.7 per cent. Zn, 1.6 per cent. Pb and 40.2 g/t Ag. (Source: *Namibia Competent Person's Report*, Section 3.4.4)

Further information on WAGE and CD's projects are set out in Part II of this document and in the Namibia Competent Person's Report in Part V of this document.

Principal Terms of the Acquisition

Under the terms of the Share Purchase Agreement:

- (a) the Company has conditionally agreed to acquire the entire issued share capital of, and Shareholder Loans to, WAGE for a total consideration of £7,350,000 to be satisfied by the issue to Kalahari Gold of 245,000,000 Consideration Shares credited as fully paid, at an issue price of 3p per Consideration Share;
- (b) the Company has conditionally agreed to acquire the entire issued share capital of, and Shareholder Loans to, CD for a total consideration of £650,000, to be satisfied by the issue to Kalahari Diamonds of 21,666,667 Consideration Shares, credited as fully paid, at an issue price of 3 pence per Consideration Share;
- (c) Completion is conditional on the Conditions (details of which are set out in paragraph 6.8 of Part XI of this document) being satisfied; and
- (d) the consideration is payable on Completion.

Further information in respect of the Share Purchase Agreement is provided in paragraph 6.8 of Part XI of this document.

Details of the Consideration Shares

The Consideration Shares will be issued credited as fully paid and, immediately following Readmission, will represent approximately 44.9 per cent. of the Enlarged Share Capital. Paragraphs 11 and 13 of this Part I of this document provide further details of the related City Code implications and Lock-in and orderly market arrangements.

The Consideration Shares will, upon issue, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive any dividends and other distributions declared, made or paid following Readmission and will be issued credited as fully paid.

Financial effects of the Acquisition

An unaudited pro forma statement of consolidated net assets of the Enlarged Group, prepared for illustrative purposes only, showing the effect of the Acquisition is set out in Part X of this document.

4. The Placing

The Company has raised £7 million, before expenses, through the issue of 233,333,333 Placing Shares at the Placing Price. The Placing is conditional on the conditions contained in the Share Purchase Agreement and the conditions in the Placing Agreement being satisfied.

Pursuant to the terms of the Placing Agreement, further details of which are set out in paragraph 6.2 of Part XI of this document, each of Ambrian and Ocean has agreed to use its reasonable endeavours to place the Placing Shares. The Placing Shares will represent approximately 39.3 per cent. of the Enlarged Share Capital immediately following Readmission.

The Placing Shares will, upon issue, rank *pari passu* in all respects with the Existing Ordinary Shares and the Consideration Shares, including the right to receive any dividends and other distributions declared, made or paid following Readmission and will be issued credited as fully paid.

Use of Proceeds

The proceeds of £7 million gross (£6.3 million net of expenses of approximately £0.7 million) from the proposed Placing will be used to fund the Company's work programmes for the Namibian Licences, Mozambique Licences and Australian Licence as set out in Parts II and III of this document and for general working capital purposes. The expenditure proposals are based on the current intentions and estimates of the Company and remain subject to reassessment.

Related Party Participation

Certain of the Directors or their associated parties are participating in the Placing, subscribing for an aggregate 17,666,667 Ordinary Shares as follows:

<i>Director</i>	<i>Number of shares subscribed for in the Placing</i>	<i>Percentage of Placing Shares</i>
David Steinepreis	11,666,667	5.00%
Glyn Tonge	666,666	0.29%
Martin French	3,333,333	1.43%
Pat Burke	1,000,000	0.43%
Luke Bryan	1,000,000	0.43%

For further details please see paragraph 5.1 of Part XI of this document.

Participation by certain of the Directors in the Placing is classified as a related party transaction under the AIM Rules. Glenn Whiddon, being the only Existing Director not participating in the Placing, has considered the Participation by certain of the Directors in the Placing and, having taken note of the Directors' commercial assessment and consulted Astaire, considers that participation of the other Directors' in the Placing to be fair and reasonable insofar as Shareholders are concerned. Participation by the Directors in the Placing is classified as a related party transaction under the AIM Rules.

5. Existing Directors and Proposed Directors

With effect from Readmission, Glenn Whiddon and Patrick Burke will resign as Directors of the Company and Mark Hohnen and Glyn Tonge will be appointed as Directors of the Company. The new Board will comprise:

David Steinepreis, *Managing Director*, aged 52

Mark Hohnen, *Non-Executive Chairman*, aged 59

Glyn Tonge, *Non-Executive Director*, aged 62

Martin French, *Non-Executive Director*, aged 47

Existing Directors:

David Christian Steinepreis (Managing Director) (Age 52)

David Steinepreis is a Chartered Accountant and former partner of an International accounting firm where he specialised in strategic corporate advice and taxation for listed companies. He entered commerce as a director, adviser and major shareholder of a number of listed companies in the gold, diamonds, oil and new mining technology sectors. Mr. Steinepreis has been a resident of the United Kingdom since 2006. He is a non-executive director of Norseman Gold plc which is listed on AIM and the ASX. He is also a director of Monto Minerals Limited and Atom Energy Limited, companies listed on the ASX. Mr. Steinepreis is also non-executive chairman of Ascent Capital, a company in which a trust associated with his family interests has a 50 per cent. beneficial shareholding.

Patrick Nicolas Burke (Executive Director) (Age 40)

Patrick Burke holds a Bachelor of Laws degree from the University of Western Australia. He has approximately fifteen years experience working in law firms and companies in Australia and Ireland. His expertise is in corporate, commercial and securities law with an emphasis on capital raisings and mergers and acquisitions. Mr. Burke will resign from the Board with effect from Readmission.

Glenn Ross Whiddon (Non Executive Chairman) (Age 45)

Glenn Whiddon was Chief Executive of Grove Energy Ltd which he built up from September 1996 until January 2007 and which he sold to Stratic Energy Corp for C\$123 million. Mr. Whiddon has an extensive background in banking and corporate advisory services having worked for the Bank of New York in Sydney, Melbourne, Geneva and Moscow. In Moscow, he established a boutique merchant bank providing corporate advice and undertaking direct investments. Now a resident of Monaco, Mr. Whiddon holds a number of board positions for resource companies and has regular dealings with investors in Europe, Canada and Australia. Current directorships include Statesman Resources Limited and Segue Resources Limited. Mr. Whiddon will resign from the Board with effect from Readmission.

Martin Stephen French (Non-Executive Director) (Age 47)

Martin French started his career at Merrill Lynch and has 25 years experience in international capital markets and the junior resource sector. He was a journalist at Euromoney magazine and the launch editor of Euroweek and later Asiamoney magazine in Hong Kong. In 1991 he joined and later became a partner of Credit Lyonnais Securities Asia (CLSA) for eight years, running their operations in Thailand, Malaysia/Singapore, then Chinese Corporate Finance and launching CLSA's business in Latin America. Martin has built a career in start up operations and raising funds.

Proposed Directors:

In addition to David Steinepreis and Martin French, who will remain on the Board, the Proposed Directors are:

Mark Ainsworth Hohnen (Non-Executive Chairman) (Age 59)

Mr Hohnen has been involved in the mineral business since the late 1970s and is currently Executive Chairman of AIM listed Kalahari. He has had extensive international business experience in a wide range of industries including mining and exploration, property, investment, software and agriculture. He has held a number of directorships in both public and private companies and was founding Chairman of Cape Mentelle and Cloudy Bay wines, as well as the oil and coal company Anglo Pacific Resources plc.

Glyn Michael Tonge (Non-Executive Director) (Age 62)

Professor Tonge is currently on the board of Kalahari Minerals plc and on the board of its Isle of Man subsidiaries Kalahari Uranium Limited, Kalahari Gold and Kalahari Diamonds. He has international business, finance and management experience across a broad range of industries and for a number of years was a director of Baring Brothers & Co Ltd where he worked in corporate finance. He is Pro Chancellor at Southampton Solent University. He is also a Fellow of the Royal Institution in London, a Fellow of the Society of Biology and a Fellow of the Royal Society of Medicine.

Key Management

In addition to the Proposed Directors, the key management of the Group will be:

Luke Bryan – Chief Operations Officer

Mr Bryan holds a BE in Mining Engineering and a BA in economics, both from Auckland University. His experience encompasses construction, software, manufacturing and mining. He has been involved in the mining industry in Australia, Africa and Russia, holding senior operational and management positions, as well as a number of consulting roles.

WAGE has the following key personnel working on the WAGE and CD projects in Namibia.

Sadike Nepela – General Manager

Mr Nepela is a graduate of the Institute for Namibia, Lusaka, Zambia as well as the University of Connecticut's Institute of Public Service International, West Hartford, USA. For a number of years he served as an assistant to the Minister in the Namibian Ministry of Mines & Energy before being appointed the General Manager for Westport Resources, a subsidiary of Forsys Metals Corp. He is currently General Manager of both WAGE and Swakop Uranium. He has close governmental ties in Namibia.

Keith Webb – Regional Exploration Manager

Mr Webb holds a BSc Honours in Applied Geology from the University of Strathclyde, Scotland. He has been involved in mining and exploration geology for the past 23 years and has extensive experience within West, East and Southern Africa. Keith has overseen Kalahari's exploration programme in Namibia for the last three and a half years.

6. Financial Information on the Enlarged Group

On 21 October 2009, the Company released its preliminary results for the year ended 30 June 2009 and published its Annual Report and Accounts. Copies of the 2009 Annual Report and Accounts can also be obtained from the Company's website, www.northriverresources.com.

WAGE and CD are subsidiaries of Kalahari, which announced its interim results for the 6 months ending 30 June 2009 on 30 September 2009. Financial information on WAGE and CD for this period is set out in Part IX of this document. Audited financial information on WAGE and CD for the three financial years ended 31 December 2008 is set in Part IX of this document.

7. Current Trading and Prospects

Details on the Company's current trading and prospects are set out in paragraph 3 of Part III of this document.

Details on WAGE and CD's current trading and prospects are set out in paragraph 8 of Part II of this document.

Following completion of the Acquisition, the Company's primary focus will be on the development of WAGE and CD's copper, lead zinc and gold projects as well as the review and appraisal of further acquisitions in southern Africa.

8. Corporate Governance

Due to the size and nature of the Company, it does not currently comply with the provisions of the Combined Code. However, the Directors recognise the importance of sound corporate governance and intend, where practicable for a company of North River's size and nature, to comply with the main provisions of the Combined Code.

The Board has established an Audit Committee, Remuneration Committee and a Nominations Committee with formally delegated duties and responsibilities. On Readmission, Mark Hohnen, Glyn Tonge and David Steinepreis will be the initial members of the Audit Committee, with Mark Hohnen as chairman. Mark Hohnen and Glyn Tonge will be the initial members of the Remuneration Committee, with Mark Hohnen as

chairman. Mark Hohnen and Glyn Tonge will be the initial members of the Nominations Committee, with Glyn Tonge as chairman.

The Audit Committee will receive and review reports from management and the Company's auditors relating to annual and interim accounts and the accounting and internal controls in place throughout the Enlarged Group. It will meet at least twice a year and will have unrestricted access to the Enlarged Group's auditors.

The Remuneration Committee will set the terms and amount of the remuneration payable to Directors and members of the Company's management. It will be empowered to obtain advice from external consultants on appropriate levels of compensation. In addition, it will administer the Company's share option arrangements (see paragraphs 3.13 to 3.32 of Part XI of this document).

The Nominations Committee will regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes. In addition, it will give full consideration to succession planning for Directors and other senior executives, and be responsible for identifying, evaluating and nominating Board candidates. It will also review annually the time required from non-executive directors.

The Board has also formed a committee, comprising of David Steinepreis and Martin French, with effect from Readmission, to deal with decisions relating to Kalahari and its subsidiaries, including Kalahari Gold and Kalahari Diamonds, in order to avoid potential conflicts of interest.

The Company has adopted a share dealing code in order to ensure compliance with Rule 21 of the AIM Rules on a similar basis to that set out in the "Model Code" annexed to the Listing Rules.

The Company has also adopted an AIM Compliance Code in order to ensure compliance with the AIM Rules generally.

9. Dealings and Trading

Application will be made to the London Stock Exchange for the Existing Ordinary Shares to be re-admitted to trading on AIM and for the Consideration Shares and Placing Shares to be admitted to trading on AIM. Admission of the Enlarged Share Capital to trading on AIM is expected to take place on or around 23 November 2009. The Ordinary Shares are in registered form.

10. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles contain provisions concerning the transfer of shares which are consistent with the transfer of shares in dematerialised form under the CREST Regulations. Accordingly, settlement of transactions in the Ordinary Shares following Readmission may continue to take place within the CREST system if Shareholders so wish. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

11. The City Code

The Acquisition gives rise to certain considerations in relation to the City Code. Brief details of the City Code, the protections it affords and its application to the Company are described below.

The City Code is issued and administered by the Panel. The City Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a public company which has its registered office in the UK, the Channel Islands or the Isle of Man and which is considered by the Panel to have its place of central management and control in the UK, the Channel Islands or the Isle of Man. The Panel has confirmed that the Company is not currently subject to the Code and therefore, its Shareholders are not currently entitled to the protections afforded by the City Code.

However, the Articles provide that, if at any time when the City Code does not apply to the Company, a person (together with any persons held to be acting in concert with him) acquires any interest in shares in

the Company which would have obliged them to extend an offer (a “mandatory offer”) to the holders of all other shares in the Company had the City Code applied, the Directors have the discretion to disenfranchise such person until a compliant mandatory offer is made. Further details of these provisions of the Articles are set out in paragraph 4.3 of Part XI of this document.

As the Acquisition requires Shareholder approval at the Extraordinary General Meeting for the purposes of the AIM Rules (as described in paragraph 1 of this Part I), the Directors have resolved not to exercise this discretion if such Shareholder approval is obtained.

Assuming Shareholder approval for the Acquisition is obtained at the Extraordinary General Meeting, the Remaining Directors and Proposed Directors will be the Board of the Company effective upon Readmission. The Panel has confirmed that it will thereafter regard the Company as having its central management and control in the UK so that the Shareholders will then be entitled to the protections of the City Code.

Under Rule 9 of the City Code where (i) any person acquires shares which, when taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company subject to the City Code and such person, or persons acting in concert with him, acquires any additional shares which increase his percentage of the voting rights, such persons are normally obliged to make a general offer to all the remaining shareholders to purchase, in cash, their shares at the highest price paid by him, or any person acting in concert with him, within the preceding 12 months.

Following Completion, Kalahari, through Kalahari Gold and Kalahari Diamonds, will hold more than 30 per cent. but not more than 50 per cent. of the Enlarged Share Capital and, for as long as they continue to be treated as acting in concert, any further increase in their aggregate shareholding will be subject to the provisions of Rule 9 of the City Code.

12. Dividend Policy

The Company has not paid any dividends since incorporation. The Directors intend to devote the Company’s cash reserves to development activities in the short to medium term and intend to commence the payment of dividends only when they consider it commercially prudent to do so, having regard to the availability of the Company’s distributable profits and the retention of funds required to finance future growth.

13. Lock-ins and Orderly Market Agreements

In respect of their Ordinary Shares and Options, the Remaining Directors, Proposed Directors, Pat Burke, their related parties and applicable employees (as defined in the AIM Rules), as well as Kalahari Gold and Kalahari Diamonds, who in aggregate will be interested in 301,165,333 Ordinary Shares at Readmission, have undertaken to the Company, Astaire, Ambrian and Ocean:

- (a) not to dispose of any interest in their Ordinary Shares for a period of 12 months following the date of Readmission, except in very limited circumstances (in accordance with AIM Rule 7); and
- (b) not to dispose of them for a further 12 months other than through one of the Company’s joint brokers from time to time (except in very limited circumstances) provided that such disposal is effected at a competitive price and that the relevant commission and fee to be charged is competitive with those charged by other reputable brokers.

Glenn Whiddon, who will be interested in 6,375,000 Ordinary Shares at Readmission, has undertaken not to sell or otherwise dispose of, or agree to sell or otherwise dispose of, any of his interests in the Ordinary Shares or Options held by him for the twelve month period commencing on the date of Readmission (and to procure that his associated persons do not do so) except where he has given prior written notice to the Company’s Chairman.

Further details of the Lock-in and Orderly Market Deed containing these arrangements are set out in paragraph 6.3 of Part XI of this document.

14. Further Information

Your attention is drawn to the further information set out in the remainder of this document and, in particular, to the risk factors set out in Part IV of this document.

15. Extraordinary General Meeting

At the end of this document, you will find a notice convening the Extraordinary General Meeting, which is to be held at Sprecher Grier Halbertstam LLP, 5th Floor, One America Square, Crosswall, London EC3N 2SG on 20 November 2009 at 11.15 a.m.

The Resolution, to be proposed as an ordinary resolution at the Extraordinary General Meeting, will be to approve the Acquisition as a reverse takeover for the purposes of Rule 14 of the AIM Rules.

The passing of the Resolution is a condition of the Proposals and the Proposals will only proceed if the Resolution is passed.

16. Action to be taken

You will find enclosed with this document a Form of Proxy for use in connection with the Extraordinary General Meeting. Whether or not you intend to be present at the EGM, you are asked to complete the Form of Proxy in accordance with the instructions printed on it so as to be received by Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but in any event not later than 11.15 a.m. on 18 November 2009. Completion of the Form of Proxy will not preclude you from attending and voting at the meeting should you so wish.

If you have any questions about this document, the Extraordinary General Meeting or are in any doubt as to how to complete the Form of Proxy, please call Capita Registrars on 0871 664 0300. Calls cost 10p per minute plus network extras lines are open from 8.30 a.m. to 5.30 p.m. Monday to Friday. If you are calling from outside the UK, please call +44 208 639 3399. Capita Registrars cannot provide financial advice or advice on the merits of the Acquisition.

17. Recommendations

The Existing Directors recommend that you vote in favour of Resolution, as they intend to do in respect of their own beneficial and non-beneficial holdings amounting, in aggregate, to 21,206,999 Existing Ordinary Shares, representing 22.56 per cent. of the Existing Ordinary Shares.

Yours faithfully

David Steinepreis
Managing Director

PART II

INFORMATION ON WAGE AND CD

1. Introduction

Kalahari, which through its wholly owned subsidiaries owns WAGE and CD, was admitted to trading on AIM in March 2006.

WAGE and CD's projects in copper, lead-zinc and gold cover an area of approximately 2,121km² in Western and Central Namibia. The properties cover two metallurgical provinces and are prospective for sediment hosted copper mineralisation (Witvlei Project), SEDEX type Pb/Zn mineralization (Namib Lead/Zinc mine), iron oxide copper gold (IOGC), style mineralisation (Dordabis) as well as shear hosted gold mineralisation (Ubib). The location of WAGE and CD's projects is shown below: (Source: Namibia Competent Person's Report, section 3.1)

PROJECT LOCATIONS - NAMIBIA



North River Map showing approximate locations of the EPLs

2. Namibia Overview

Namibia is an independent, democratically governed republic that lies on the southwestern coast of Africa and forms part of the southern Africa region. Namibia is bounded to the south by South Africa, to the east by Botswana and to the north by Angola. It also shares a border with Zambia and Zimbabwe through the

Caprivi Strip. The Atlantic Ocean forms the western boundary. (Source: *Namibia Competent Person's Report, section 2.1*)

Namibia is generally arid to semi-arid, is dominated by a 2,000 m high plateau in the central parts that is flanked to the west by the Namib Desert and to the east by the Kalahari Desert. Windhoek, the capital city, is located in the centre of the country with other major towns being Tsumeb and Keetmanshoop as well as the ports of Luderitz and Walvis Bay. (Source: *Namibia Competent Person's Report, section 2.1*)

Namibia has a population of 2,008,669 (2008 census). With a total land area of 825,418 km² this makes it one of the least densely populated countries in the world. HIV and malaria continue to be major pandemics with an estimated 15 per cent. of the adult population infected with HIV/AIDS (2007). (Source: *Namibia Competent Person's Report, section 2.1*)

The official language is English but German and Afrikaans and a variety of local languages (Oshivambo, Herero and Nama) are also spoken. (Source: *Namibia Competent Person's Report, section 2.1*)

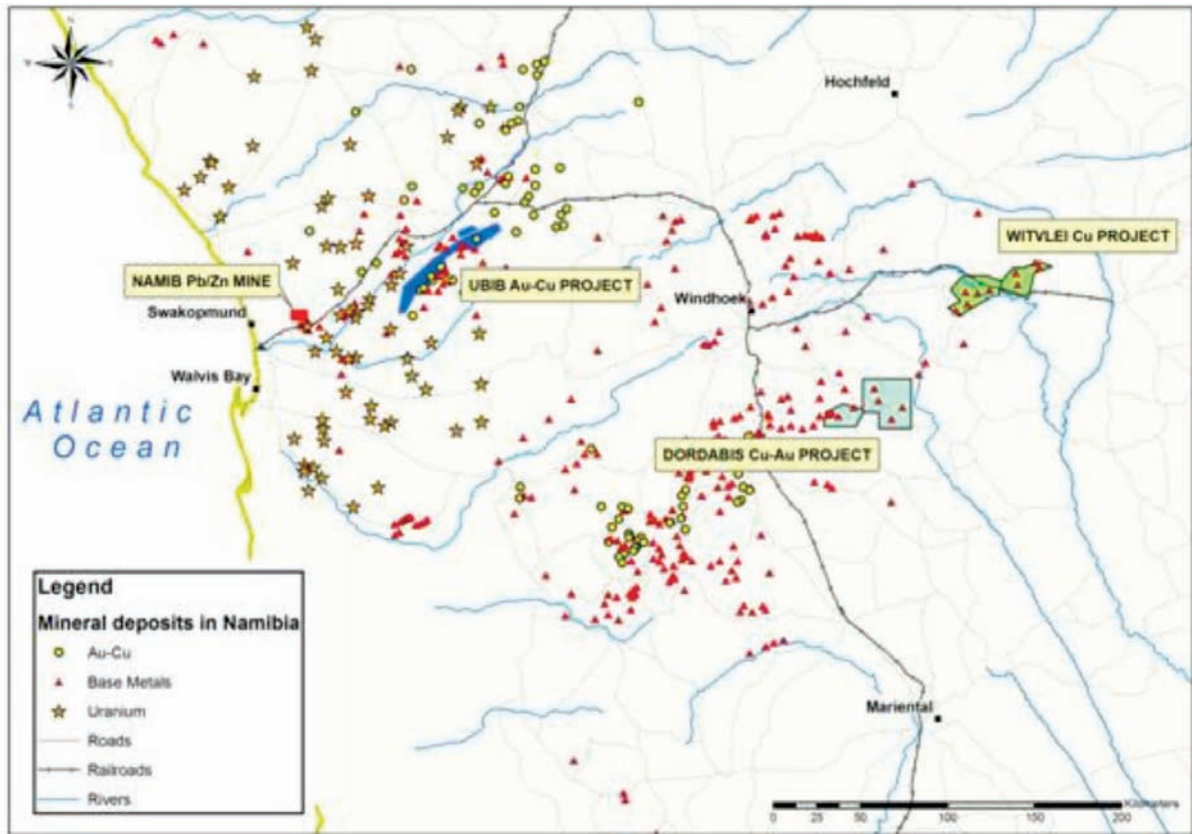
All major towns are linked via a network of sealed roads with regional access through maintained gravel roads. Rail networks provide vital transport routes from South Africa as well as a local network serving the smelter complex at Tsumeb and ports of Walvis Bay and Luderitz. (Source: *Namibia Competent Person's Report, section 2.2*)

An international airport is located at Windhoek. (Source: *Namibia Competent Person's Report, section 2.2*)

Namibia gained its independence from South Africa in 1990 following multi-party elections and the establishment of a constitution. President Hifikepunye Pohamba replaced Sam Nujoma in 2005 following peaceful elections. (Source: *Namibia Competent Person's Report, section 2.3*)



Map showing the location of Namibia (Source: *Namibia Competent Person's Report, Fig.2.1*)



Map showing Mineral deposits in Namibia (Source: Namibia Competent Person's report, Fig.2.1)

3. Mineral Tenure

In Namibia, all mineral rights are vested in the state. The Minerals (Prospecting and Mining) Act of 1992 regulates the mining industry in the country. Policy has been designed to facilitate and encourage the private sector to evaluate and develop mineral resources. The Directorate of Mines endeavours to promote the optimal exploitation of Namibia's mineral resources and integrate the mining industry with other sectors of the economy for the socio-economic development of the country. Several types of mining and prospecting licenses exist, outlined briefly below: (Source: Namibia Competent Person's Report, section 2.5)

Non-Exclusive Prospecting Licences (NEPL)

These licences permit prospecting non-exclusively in any open ground not restricted by other mineral rights and are valid for 12 months. The Mining Commissioner must be provided with all details relating to samples removed from the NEPL area. (Source: Namibia Competent Person's Report, section 2.5)

Exclusive Reconnaissance Licences (ERL)

The ERL is valid for six months (renewal under certain circumstances) and allows the holder to carry out regional remote sensing techniques. A geological evaluation and work plan needs to be submitted to the Mining Commissioner prior to grant of the ERL. (Source: Namibia Competent Person's Report, section 2.5)

Exclusive Prospecting Licence (EPL)

Individual EPL's cannot cover areas exceeding 1,000 km² and are valid for three years, plus two renewals of two years each. A reduction in area is required for each renewal, although exceptions can be considered (upon application) with sufficient justification. A geological evaluation and work plan (including estimated expenditure commitments) are required prior to issuing of the EPLs. (Source: Namibia Competent Person's Report, section 2.5)

Mineral Deposit Retention Licences (MDRL)

These allow successful prospectors to retain rights to mineral deposits which are uneconomical to exploit immediately. MDRL's are valid up to five years and can be renewed subject to limited work and expenditure obligations. (Source: *Namibia Competent Person's Report, section 2.5*)

Mining Licences

Mining Licences can only be awarded to Namibian citizens and companies registered in Namibia and are valid for the life of the mine or an initial 25 years, renewable up to 15 years at a time. Applicants must have the financial and technical resources to mine effectively and safely. (Source: *Namibia Competent Person's Report, section 2.5*)

Apart from NEPL's and ERL's, all applicants are required to complete an environmental contract with the Department of Environment and Tourism. Environmental impact assessments must be made with respect to air pollution, dust generation, water supply, drainage/waste water disposal, land disturbance and protection of fauna and flora. (Source: *Namibia Competent Person's Report, section 2.5*)

4. Minerals in Namibia

The economy is heavily dependent on the extraction and processing of minerals for export. Mining accounts for 8 per cent. of GDP, but provides more than 50 per cent. of foreign exchange earnings.

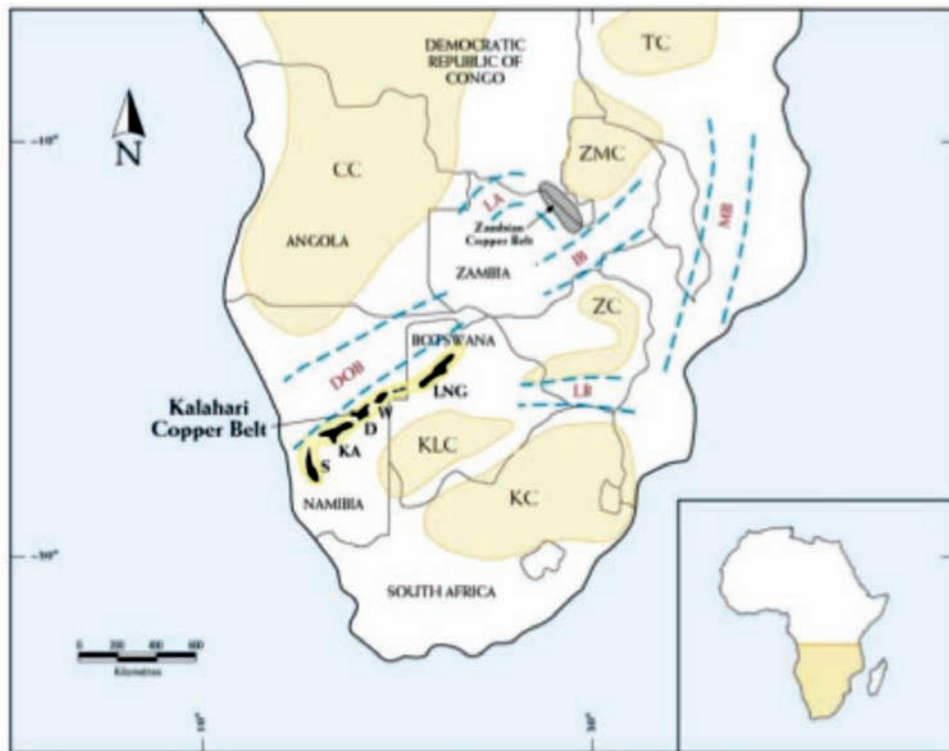
Rich alluvial diamond deposits make Namibia a primary source for gem-quality diamonds. Namibia is the fourth-largest exporter of nonfuel minerals in Africa, the world's fifth-largest producer of uranium, and the producer of large quantities of lead, zinc, tin, silver, and tungsten. The mining sector employs only about 3 per cent. of the population while about half of the population depends on subsistence agriculture for its livelihood.

5. Geology and Copper in Namibia

The Kalahari Copperbelt (KCB) is broadly analogous to the Zambian Copperbelt with respect to the style and host of mineralisation. The belt comprises of several discrete, structurally preserved volcano sedimentary horizons that are located along a northeast trending suture zone between the southern margins of the Damara Orogen and the northern margin of the Kalahari Craton. (Source: *Namibia Competent Person's Report, section 2.6.2*)

The KCB extends from the Sinclair region in central Namibia to northwestern Botswana over a distance of some 800 km. The generalised location of the KCB is shown on the map below.

Principal Mobile Belts and Cratonic Areas of Southern Africa showing the location of Kalahari and Zambian Copper Belts (after Borg & Maiden)



Key

Cratonic Areas	Mobile Belts	Kalahari Copperbelt
KC Kaarivaal Craton	DOB Damaran Orogenic Belt	S Sinclair Sequence
CC Congo Craton	LA Lufilian Arc	LNG Lake N'Gami (Botswana)
KLC Kalahari Craton	MB Mozambique Belt	KA Klein Aub
TC Tanzanian Craton	IB Irumide Belt	D Dordabis
ZC Zimbabwe Craton	LB Limpopo Belt	W Witvlei
ZMC Zambian Craton		

(Source: Namibia Competent Person's Report, Figure 2.3)

WAGE's Witvlei and Dordabis Projects are located within the KCB. Copper mineralisation is generally associated with volcanic rocks and clastic red bed sequences, with the Klein Aub Mine in Namibia being an example of such a deposit (mined continuously between 1966 and 1987), which produced 5.5 Mt at an average grade of 2 per cent. Cu. (Source: Namibia Competent Person's Report, section 2.6.2)

The coastal and intracontinental arms of the Neoproterozoic Damara Orogen (800 to 500 Ma) underlie large parts of northwestern and central Namibia, and comprise stable platform carbonates in the north and a variety of metasedimentary rocks (describing variable depositional conditions) to the south. (Source: Namibia Competent Person's Report, section 2.6.3)

The volcano sedimentary Gariiep Belt is located along the southwestern coast and has been interpreted as the southern extension of the Damara Orogen. Shallow marine clastic sediments of the Nama Group were derived from the uplifted Damara and Gariiep Belts and cover much of central southern Namibia. Damaran rocks represent more than 60 per cent. of Namibia's bedrock outcrop and as such have been extensively explored. As a result, most of Namibia's major hard rock mines (Au, base metals, uranium) are located within the Damara Orogen. (Source: Namibia Competent Person's Report, section 2.6.3)

WAGE's Ubib and Namib Lead Zinc Projects are located within the Damara Orogen. Mineralisation is associated with successive phases of intracontinental rifting, spreading and formation of passive continental margins, subduction and continental collision. (Source: Namibia Competent Person's Report, section 2.6.3)

6. Namibian Licences (Source: Namibia Competent Person's Report, Table 1-1)

A summary of WAGE and CD's Namibian Licences is set out below:

<i>EPL No.</i>	<i>Status</i>	<i>Project Name</i>	<i>Holder's Name</i>	<i>Prospect Name</i>	<i>Interest</i>	<i>License Expiry Date</i>	<i>Area (km²)</i>
2902	Exploration	Swakopmund	Craton Diamonds (Pty) Ltd	Namib Lead	100% ¹	18/4/2010	45
3257	Exploration	Dordabis	West African Gold Exploration (Namibia)(Pty) Ltd	Dordabis	100% ²	01/06/2010	631
3617	Exploration	Dordabis	West African Gold Exploration (Namibia)(Pty) Ltd	Hamis	100%	18/01/2010	200
3258	Exploration	Witvlei	West African Gold Exploration (Namibia)(Pty) Ltd	Christiadore	100%	15/05/2010	385
3261	Exploration	Witvlei	West African Gold Exploration (Namibia)(Pty) Ltd	Okatjirute	100%	Pending Renewal	266
3139	Exploration	Erongo	West African Gold Exploration (Namibia)(Pty) Ltd	Ubib	100% ³	Pending Renewal	546
3681	Exploration	Erongo	West African Gold Exploration (Namibia)(Pty) Ltd	Ubib	100%	09/04/2010	48

Notes (see paragraph 6.9 of Part XI for further details)

1. There is an outstanding obligation to pay an amount totalling 10 per cent. of the value of CD (now fixed at £66,000 by reference to the Company's acquisition of CD), which liability is to be satisfied by the issue of the CD Royalty Shares.
2. WAGE is party to (a) a letter of intent granting (i) a 2.5 per cent. interest in EPL 3257 and (ii) a right to participate further through the sale of a further 2.5 per cent. interest at a price determined by an independent valuation at the time of procuring the development and (b) an offer to acquire the land the subject of EPL 3257 at fair market value with an option of first refusal to the current owner to buy it back when the development has been completed.
3. WAGE is party to an agreement granting a royalty of 1.75 per cent. of the gross revenue derived from EPL 3139 and any other land that was part of the previous exclusive prospecting licences (excluding certain such land).
4. A nuclear fuels addition covering the Ubib licence area EPL 3139 was applied for on 27 March 2006.

The anticipated expenditure on the Namibian Licences is approximately £4,400,000.

Two of the Namibian Licences, EPL 3139 and EPL 3261, have expired and renewal documentation has been submitted. EPL 3139 contains the Erongo Project and EPL 3261 contains the Witvlei Project.

The Namibian Minerals Act provides that a licence shall not expire pending a renewal application, and the Namibian Minister of Mines and Energy shall not refuse to grant an application for renewal if the holder has complied with the terms and conditions of licence, the proposed programme of prospecting and has expended the promised amount of expenditure.

Consideration of applications for renewal in practice take up to two years due to verification of the execution of prospecting and expenditure programmes. Exclusive Prospecting Licences (EPL's) are initially issued for a maximum period of three years and may be renewed by the Namibian Minister of Mines and Energy for further periods not exceeding two years at a time, provided that an EPL shall not be renewed on more than two occasions, unless the Namibian Minister of Mines and Energy deems it desirable in the interests of the development of the mineral resources in Namibia.

EPL 3139 was granted on 28 April 2004 and has been previously renewed on one occasion. The current renewal application was lodged late on 4 March 2009 and no determination has yet been made by the Namibian Minister of Mines and Energy. The Company has been advised by WAGE that it has complied with the terms and conditions of licence, the proposed programme of prospecting and has expended the promised amount of expenditure and that renewal has been approved in principle.

EPL 3261 was granted on 26 July 2006. The current renewal application was lodged late on 28 April 2009 and no determination has yet been made by the Namibian Minister of Mines and Energy. The Company has been advised by WAGE that it has complied with the terms and conditions of licence, the proposed programme of prospecting and has expended the promised amount of expenditure and that renewal has been approved in principle.

Whilst this is not expected, the Share Purchase Agreement and related documents provide that, if confirmation of non-renewal is received prior to Completion, this would be a material event permitting termination of the Share Purchase Agreement.

EPL 2902 is currently in its third two year extension period and expires on 17 April 2010. Further renewal is therefore dependent on the same being deemed desirable as noted above.

7. The Projects

Namibia Project Overview

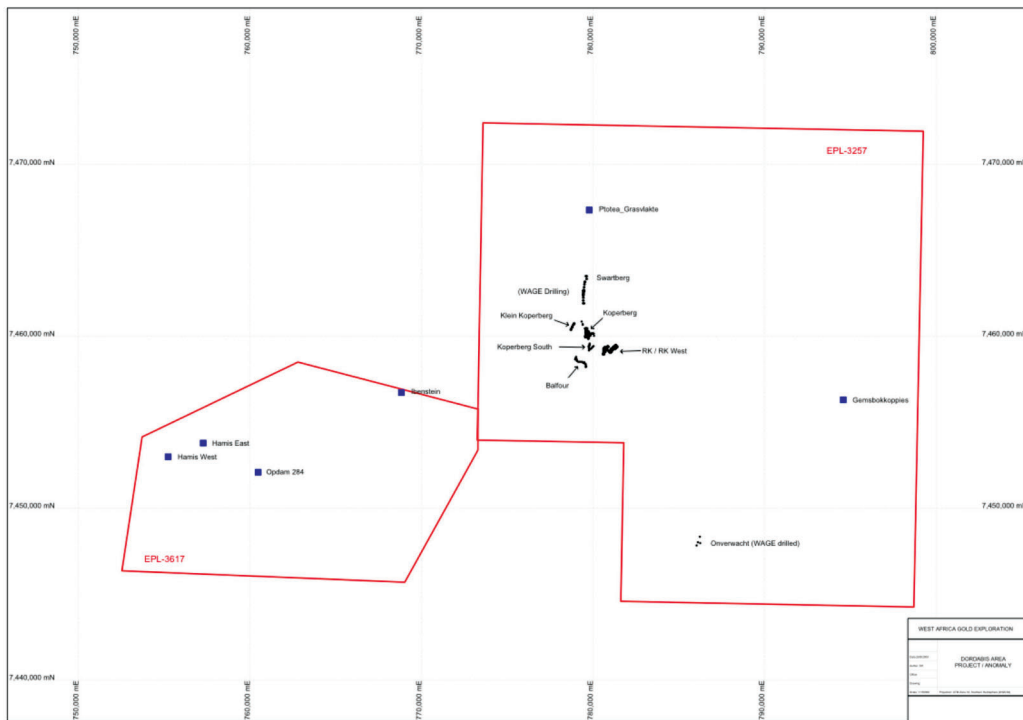
Through two wholly owned subsidiaries, WAGE and CD, North River will control a portfolio of exploration properties that covers approximately 2,121 km² in Western and Central Namibia.

The properties cover two metallogenic provinces and are prospective for sediment hosted copper mineralisation (Witvlei Project), SEDEX type Pb/Zn mineralisation (Namib Lead/Zinc mine), iron oxide copper gold (IOCG) style mineralisation (Dordabis Project) as well as shear hosted gold mineralisation (Ubib). (*Source: Namibia Competent Person's Report, section 3.1*)

Dordabis Base Metals Project

Location

The Dordabis Project is located approximately 90 km southeast of Windhoek and covers an area of 831 km². Topographically the area is dominated by flat lying plains with minor scattered hills. Access to the project is via sealed roads to the town of Dordabis. (*Source: Namibia Competent Person's Report, section 3.2.1*)



(Source: diagram created by WAGE)

History

Fedswa Prospekteerders (FEDSWA) evaluated the Koperberg prospect between 1968 and 1969. A total of 3,394m (19 holes) were drilled covering a strike of 1,500m and this was used to estimate a resource of 290,000 t grading 1.7 per cent. Cu to a depth of 50m. (Source: *Namibia Competent Person's Report, section 3.2.4*)

In 1999, Straits Resources Ltd, in joint venture with Kalahari Copper and Gold (Pty) Ltd drilled 8 RC holes for 937m. The company was unable to demonstrate continuity of mineralisation. Best results were 14m averaging 2.46 per cent. Cu and 5m averaging 1.36 per cent. Cu. (Source: *Namibia Competent Person's Report, section 3.2.4*)

A private prospector, Mr JJ Joubert completed 397m (24 holes) during 2003. Drilling identified shallow oxide mineralisation with grades over 1 per cent., however mineralisation continuity could not be demonstrated. Results from bench scale hydrometallurgical test work carried out on oxide ores indicated 80 per cent. recoveries with acceptable acid consumption. Commercial scale studies need to be carried out to confirm this result. (Source: *Namibia Competent Person's Report, section 3.2.4*)

Between 2005 and 2008 WAGE completed 23,223 metres of RC drilling (239 holes) initially on a 40m x 20m grid which was then infilled to 20m x 20m. Several regional targets at Klein Koperberg, Balfour and Koperberg South were also drilled. (Source: *Namibia Competent Person's Report, section 3.2.5.1*)

An Induced Polarisation survey completed over Koperberg and RK Zone in 2006 detected a strong chargeability anomaly proximal to the existing Koperberg target. (Source: *Namibia Competent Person's Report, section 3 2.5.1*)

A total of 1,949 soil samples have been collected over the Koperberg and RK prospects. (Source: *Namibia Competent Person's Report, section 3.2.5.1*)

The work completed by WAGE since 2006 resulted in the release of a JORC compliant Inferred Resource of 1.74Mt grading 0.97 per cent. Cu (representing 17,000 t *in situ* metal) for the Koperberg Prospect in mid 2007. MSA has audited and verified the methodology and calculation of the Koperberg resource statement and found it to be acceptable according to JORC guidelines. (Source: *Namibia Competent Person's Report, sections 3.2.6.1, 4 and 5.1.1.8*)

North River Work Plan

North River plans to conduct a review of the results obtained by WAGE in order to identify and prioritise all heap leach production opportunities. Once the project potential is understood and order of priority is clear, North River will start work on the highest priority prospect.

The Koperberg project at Dordabis has been drilled on a 20 x 20 pattern and a block model has been completed. Koperberg combined with RK and RK West is thought to have potential for a heap leach production operation as they are approximately 1,500m apart.

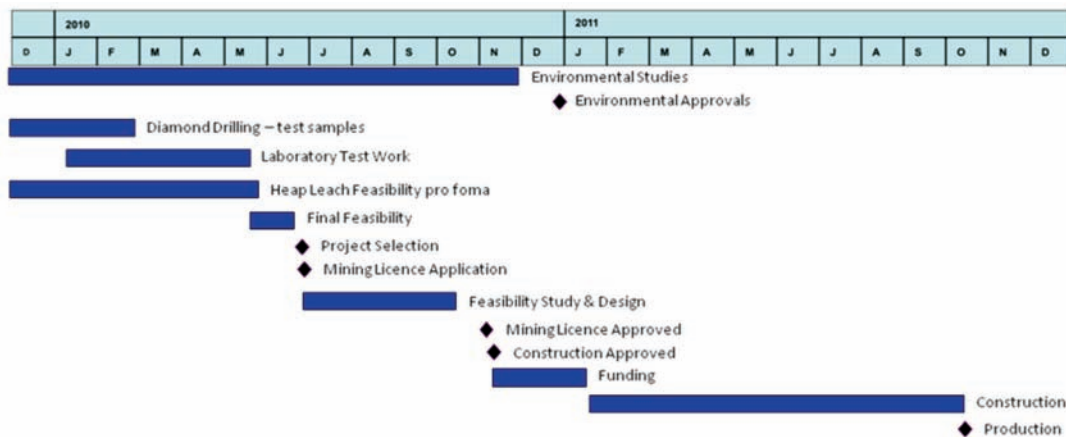
This potential project will be assessed alongside the Witvlei projects and the most financially robust project will be advanced into development.

With this aim a diamond drilling programme will be completed over the potential projects in order to collect samples for mineralogical and metallurgical testwork.

Early stage pit shells will be produced to assist in comparison studies.

The expenditure at Dordabis through to delivery of a feasibility study in November 2010 is budgeted by the Board at £1.17 million. If one of the Witvlei projects reveals better potential these funds will be diverted to that project.

Dordabis and Witvlei Project Timeline



(Source: North River)

Witvlei Project

Location

The Witvlei Project is located approximately 150km east of Windhoek and covers an area of 651 km². Access to the project is via the Trans Kalahari highway and other sealed roads to the small town of Witvlei located in the south eastern part of the project area. (Source: Namibia Competent Person’s Report, section 3.3.1)

History

Most of the work targeting sedimentary hosted copper in the Eskadon Formation was initiated in 1968 and extended into the early 1970’s. Work was completed by Sigma Mining and Prospecting Company (Pty) Ltd, Anglo American Prospecting Services and FEDSWA. Exploration work by these companies, including extensive drilling, resulted in non-compliant resource estimates being calculated over several small stratabound deposits. (Source: Namibia Competent Person’s Report, section 3.3.4)

Historic Non-Compliant Resource Estimates

<i>Prospect Name</i>	<i>Tonnes</i>	<i>Grade per cent.</i>	<i>Contained Copper (T)</i>
Gemsbockvley	400,000	1.8	7,200
Christiadore	1,200,000	1.6	19,950
Okasewa	4,600,000	1.14	52,380
Malachite Pan	4,860,000	1.31	63,650
Witvlei Pos	1,200,000	2.3	27,600
Total			170,780

(Source: table created using WAGE data)

Since 2006, WAGE has embarked on a focused exploration programme targeting historic copper occurrences in order to delineate a minimum 250,000 t contained copper resource. Work carried out to date has included geochemical soil sampling, trenching, diamond drilling, RC drilling, metallurgical test work, environmental baseline studies as well as in-house resource modelling and estimation. WAGE is currently completing a regional soil-sampling programme. *(Source: Namibia Competent Person's Report, section 3.3.5)*

Mineralogy and metallurgical test work will be completed on sample material from the prospects in 2010. These tests will aim to identify the most economical processing route or routes. Acid and ammonia leach as well as oxide floatation will be investigated.

It is intended that diamond drilling to recover core for mineralogy and metallurgical test work will take place in the first quarter of 2010.

North River Work Plan

North River plans to conduct a review of the results obtained by WAGE in order to identify and prioritise all heap leach production opportunities. Once the project potential is understood and order of priority is clear North River will start work on the highest priority prospect.

North River has budgeted to continue the ongoing soil-sampling programme and to complete diamond drilling to obtain metallurgical samples from the prospects. These are expected to be Koperberg, Malachite Pan and Okasewa.

Development funds have been budgeted to move one of the heap leach projects forward to final feasibility study. Currently those funds are allocated to the Koperberg/RK project area however, if after testing and analysis either Malachite Pan or Okasewa are preferred then the funds will be diverted from Koperberg and invested in the more robust project.

The total budgeted expenditure to end June 2011 is budgeted by the Board at £717,000.

Namib Lead Zinc Mine

Location

The Namib Lead Zinc Project is located approximately 25 km east northeast of Swakopmund and covers an area of 45 km². Access is via the sealed highway between Swakopmund and Windhoek. *(Source: Namibia Competent Person's Report, section 3.4.1)*

History

The Namib Lead Zinc Mine operated from 1965 to 1992 when it was placed on care and maintenance. It was subsequently abandoned and the infrastructure has been stripped and scrapped. The base of mining at closure was approximately 200 metres below surface. *(Source: Namibia Competent Person's Report, Section 3.4.1 and 3.4.4)*

Production records indicate that from 1986 to 1991, 356,300t were milled at the old mine with yield grades of 5.3 per cent. zinc and 1.6 per cent. lead. *(Source: Namibia Competent Person's Report, Section 3.4.4)*

Since acquisition of the Namib Lead Zinc Mine Project, CD has completed a focused diamond and RC drilling programme designed to validate underground and tailings resources as well as test additional ore resources located along strike and beneath existing workings. Ground and down hole electromagnetic geophysical surveys have been used successfully to identify and confirm conductors outlining potential continuity and attitude of ore bodies at depth over most of the known ore bodies at the Namib project. (Source: Namibia Competent Person's Report, section 3.4.5)

Previous non-JORC mine studies indicate surface tailings and underground resources totalling 1.65mt @ 5.7 per cent. Zn, 1.6 per cent. Pb, 40.2 g/t Ag. (Source: Namibia Competent Person's Report, section 3.4.4)

Between April and June 2007, CD completed 17 drillholes totalling 3,057 m. These holes were drilled in order to test strike and depth continuity of each of the known ore bodies (South, Junction, North and N20), with a focus on the N20 Orebody which has had no/little previous work carried out over it. Widths and grades obtained from drilling compare well with historical mine production and all four zones tested remain open at depth. (Source: Namibia Competent Person's Report, section 3.4.5)

RC drilling (September – December 2008) on a 40 m x 30 m grid was completed over the North and N20 ore bodies, and due to the short strike and strong plunge of mineralization, infill holes were then collared on 15 m x 40 m spacing. Based on these results, CD has calculated a non code compliant in-house mineral resource. A total of 108 holes or 15,929 m has been drilled. (Source: Namibia Competent Person's Report, section 3.4.5)

Initial metallurgical test work carried out by MINTEK has demonstrated the feasibility of producing saleable lead and zinc concentrates with good recoveries being obtained. (Source: Namibia Competent Person's Report, section 3.4.7)

North River Work Plan

North River intends to adopt a phased approach to development at Namib Lead Zinc Mine.

Phase 1 will utilise surface drill rigs to target mineralisation below the base of mining in the range of 250 to 400 metres below surface. Phase 1 may be expanded dependant on results achieved. A full underground survey will be completed prior to drilling to assist in designing the surface holes such that they intersect mineralisation.

The target of Phase 1 is demonstration of continuity supporting an exploration target of 1mt below the current base of mining.

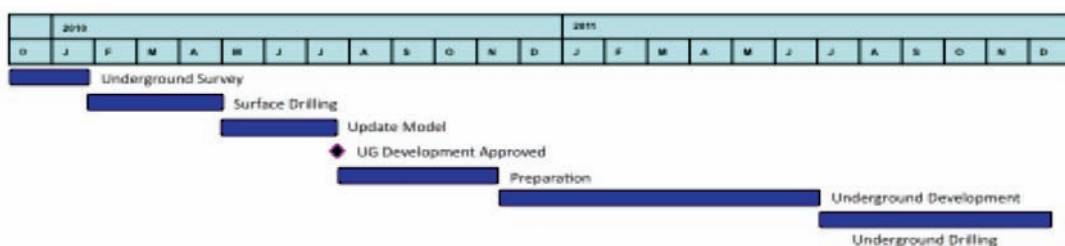
It is expected that Phase 1 drilling will commence in February 2010 and extend over approximately three months using two drill rigs.

The second phase of development, following positive results from Phase 1, will be to develop underground drill positions to allow resource definition drilling to be completed from underground.

The Phase 2 development is expected to commence in August 2010 with underground drilling starting in June 2011.

The total budgeted expenditure to end June 2011 is budgeted by the Board at £1.96 million.

Namib Lead Project Timeline



(Source: North River)

Ubib

Location

The Ubib Project is located south of the town of Usakos and covers an area of 594 km². The terrain is rugged with hills elevated 600 m above the valley floors. Access to the project is via gravel roads from either Karibib or Usakos. (Source: *Namibia Competent Person's Report, section 3.5.1*)

History

Several Au, Cu-Au and CU occurrences are known to exist throughout the area. Historic exploration over the Ubib project area has been carried out by Anglo American Prospecting and subsequently Kalahari Copper and Gold. The Ubib copper occurrence was tested by Erongo Mining Pty Ltd via drilling that returned anomalous copper and zinc with rock chip assays reporting maximum assays of 25.4 g/t Ag and 2.6 g/t Au. (Source: *Namibia Competent Person's Report, section 3.5.4*)

Since 2006, WAGE has embarked on a grassroots exploration programme comprising remote sensing, stream sediment and soil sampling targeting exposed AMC lithologies located in the northeastern parts of the project area. Results from the soil survey delineated a 1.4 km long continuous gold anomaly that is associated with a ferruginous shear zone. Values ranged from 52 ppb to 1077 ppb Au with rock chip samples from target areas returning 10 g/t Au and 1.6 g/t Ag. (Source: *Namibia Competent Person's Report, section 3.5.5*)

North River Work Plan

The Ubib licences are relatively under-explored and have a number of historic copper workings noted. North River has budgeted expenditure of £265,000 for locating the historic workings, mapping, rock chip and soil sampling through to December 2011. A nuclear fuels addition covering the Ubib licence area EPL 3139 was applied for on 27 March 2006.

8. WAGE and CD's current trading and prospects

In the year ended 31 December 2008, WAGE had net liabilities of approximately £7.55 million and reported a loss of approximately £5.78 million on revenue of £nil for the year. At the same point CD had net liabilities of approximately £636,000 and reported a loss of approximately £740,000 for the year on revenue of £nil.

PART III

INFORMATION ON THE NORTH RIVER GROUP

1. Mozambique

(a) *Mozambique Overview*

The Republic of Mozambique covers an area of 801,590 km² and extends from latitude 10°28' S at the mouth of the Rovuma River in the north to latitude 26°52' in the far south of the country. Mozambique is bordered to the north by Tanzania, to the west by Malawi, Zambia and Zimbabwe, and in the southwest, by South Africa and Swaziland. Its Indian Ocean seaboard stretches over a length of 2,470 km. The country's total area is made up of 788,590 km² of dry land and 13,000 km² of inland lakes and rivers. (*Source: Mozambique Competent Person's Report, section 2.1*)

The capital city and main port of Mozambique is Maputo. Coastal cities are Beira, Inhambane, Nacala, Quilemane, Pemba and Xai-Xai. Provincial capitals include the major towns of Tete, Chimoio, Nampula and Lichinga. (*Source: Mozambique Competent Person's Report, section 2.1*)

Mozambique in 2009 has a population estimated at 22.9 million, comprising several major tribal groupings with diverse languages, dialects, cultures, and histories. Many are linked to similar ethnic groups living in neighbouring countries. The north-central provinces of Zambezia and Nampula are the most populous, with about 45 per cent. of the population. Portuguese is the official language, with English also being widely spoken. (*Source: Mozambique Competent Person's Report, section 2.1*)

Mozambique's geology is highly varied: the southwestern, central and northeastern provinces consist mainly of Precambrian terrains (ranging from Archaean to Upper Proterozoic rocks) covered predominantly in the south and east by Phanerozoic (ranging from Jurassic through to Tertiary) sedimentary rocks. (*Source: Mozambique Competent Person's Report, section 2.1*)

Mozambique is located over the eastern margin of the African continent. The terrain alongside the western border with Zimbabwe is an extension of the Zimbabwe Craton, dominated by Archaean granitic gneiss complexes, with subordinate 'greenstone' belts and widely separated, shallow Palaeo-Proterozoic sedimentary basins. The eastern margin of these rocks was re-tectonised during the Meso-Proterozoic Era (approximately 1,700-1,350 Ma). (*Source: Mozambique Competent Person's Report, section 2.1*)

(b) *Mozambique Mining Law*

The Mozambique Government is firmly committed to encouraging foreign investment in developing Mozambique's mining industry. To this end, a new mining and geological policy has been implemented with the revision of the Mining Law (2002) and Mining Regulations (2003) of Mozambique. (*Source: Mozambique Competent Person's Report section 2.4*)

The revision was funded by the World Bank and a new cadastral system implemented. The new Act and Regulations have streamlined the licensing procedure and introduced reasonable minimum constraints on prospecting and mining activities, which has provided security of tenure and created a more favourable investment and exploration environment. There have been further changes to mining policy in 2007 which include increases in certain royalties. (*Source: Mozambique Competent Person's Report, section 2.4*)

(c) **Mozambique Licences**

A summary of the Mozambique Licences is set out below:

Project	Licence	Holder	Interest	Status	Licence Expiry	Area (ha)
Mavuzi	890L	Omega	100%	Exploration	6/5/2010	20,800
	1054L	Omega	100%	Exploration	28/7/2010	20,760
	1119L	Omega	100%	Exploration	8/8/2010	13,020
Murrupula	1829L	Omega	100%	Exploration	13/8/2012	23,840
	1830L	Omega	100%	Exploration	30/7/2012	23,040

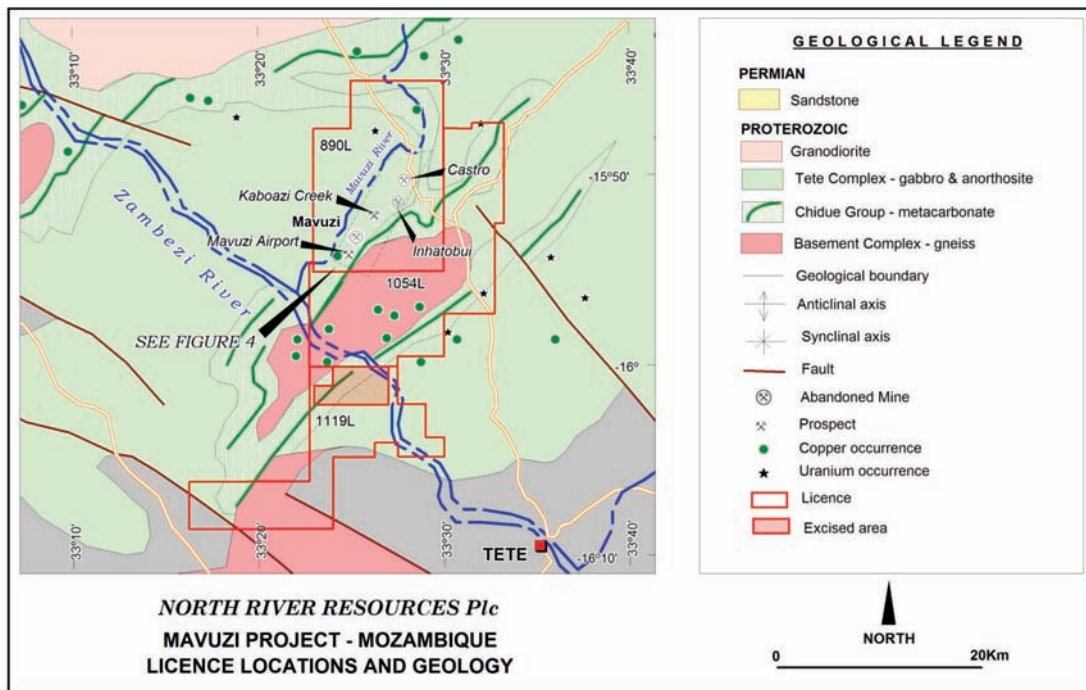
(Source: Mozambique Competent Person's Report, Table 1).

Registered title for the Mozambique Licences is expected to be transferred to the Company in 2010, subject to Government consent.

The anticipated expenditure on the Mozambique Licences is approximately £270,000.

(d) **Mavuzi**

Location



(Source: Mozambique Competent Person's Report, Figure 3)

History

The historical Mavuzi uranium mine and a second old production centre, the Castro mine, constitute the Mavuzi Prospect, where the initial discovery of uranium in 1948 resulted in the reported production of 50 tonnes of U₃O₈ between 1948 and 1950 with uranium mining continuing until 1974. (Source: Mozambique Competent Person's Report, section 3.4 – summary)

The style of the recognised Mavuzi uranium prospects are shear-hosted, late stage, potassic, carbonate silica replacement and disseminated uranium-iron oxide mineralisation. The deposits form in crosscutting relationships to a variety of host lithologies, including anorthosites, gabbros, calc-silicate rocks and gneisses. (Source: Mozambique Competent Person's Report, section 3.4.1)

Drilling conducted by Omega at three of the five Mavuzi prospects indicates vein style davidite-carbonate-calc-silicate-albite alteration along the seven km long Mavuzi to Castro trend. Further potential remains along the northern extent of this trend, particularly in the vicinity of the Castro and Inhatobui prospects

where drilling has not as yet been conducted. (*Source: Mozambique Competent Person's Report, section 3.4.3*)

Gold mineralisation at the Boa Viseau Project was identified through gold anomalies in soil and is broadly associated with east northeast trending meta-carbonates and occurs as relatively narrow, hydrothermal quartz veins. Gold mineralisation was found to be associated with the footwall of a silicified zone associated with narrow milky quartz veins in carbonatite host rock. The gold mineralisation appears related to moderately silicified coarsely grained ferroan dolomite and a fine disseminated pyrite alteration zone. (*Source: Mozambique Competent Person's Report, section 3.5.1*)

North River Work Programme

North River intends to focus on the Castro and Inhatobui prospects as well as the Boa Viseau gold prospect. Initially work will be limited to data review followed by infill mapping and soils as required. Should results justify a drilling program North River intends to seek to farm out its interest in the Mavuzi.

(e) ***Murrupula***

Location

The Murrupula Project is located in Numpula Province, 600km east of the Mavuzi Project and 70km south west of the regional city, Nampula. (*Source: Mozambique Competent Person's Report, section 4.0*)

History

The record of historical exploration activity in the Murrupula licence area has been limited to a few scattered eluvial and shallow, hard-rock pegmatite occurrences recorded on regional mapping. (*Source: Mozambique Competent Person's Report, section 4.6*)

Field work completed by Omega has included reconnaissance phase exploration of the regional and project geology, a review and interpretation of the regional radiometrics and aeromagnetic data, car and foot-borne reconnaissance geological mapping of the Murrupula licence area at 1:50,000 scale and a 416, -80 mesh, regional stream sediment sampling programme. (*Source: Mozambique Competent Person's Report, section 4.6*)

A total of 1516 soil samples were also collected in the Murrupula Licence area during the period September-October 2008. (*Source: Mozambique Competent Person's Report, section 4.6*)

First and second pass reconnaissance exploration has identified two anomalies considered worthy of further investigation. (*Source: Mozambique Competent Person's Report, section 4.7*)

The major target is a gold anomaly defined by stream and soil sampling with a peak value of 26,900ppb gold (26.9g/t gold). Alluvial gold workings were also noted coinciding with calc-silicate alteration along a contact between biotite schists and gneiss. The anomaly is approximately 2 km long by 300 m wide and open to the west. The anomaly is certainly very encouraging and warrants further detailed geological mapping as well as infill soil sampling to determine the prospects for a possible drilling programme. (*Source: Mozambique Competent Person's Report, section 4.7*)

The second target contains alluvial tantalum workings and anomalous Bi-Pb-As and REE as identified by stream sediment and soil sampling. This anomaly requires further work which would likely involve infill soil sampling. (*Source: Mozambique Competent Person's Report, section 4.7*)

North River Work Programme

North River will complete reconnaissance over the Murrupula anomalies prior to commencing infill soil sampling. Following the results of the soil sampling and data review North River intends to seek to farm out the development of these projects.

2. Coronet Hill

NRPL is party to the Australian Farm-In Agreement with Segue, the holder of the Australian Licence and an exploration licence application (ELA 27332).

The Australian Licence is situated 220 kilometres south east of Darwin in the Northern Territory of Australia.

A significant programme of work has been conducted by NRPL over the past three years. This exploration included geochemical and geophysical techniques to identify priority targets for drilling. A programme of gradient-array induced polarisation (IP) has highlighted zones of high chargeability indicative of massive to disseminated sulphide mineralization along the fault that will require further geochemical sampling and detailed geological mapping.

The work programme for Coronet Hill will include some or all of the following:

- Ongoing review and completion of all previous data into a GIS database, thus increasing exploration efficiency to generate targets in the future.
- Regional and local geological reconnaissance/mapping to gain a better understanding of the structural and stratigraphic nature of the mineralization.
- Further surface rock chip and/or soil sampling to identify areas of geochemical anomalism.
- Geophysical surveying using multiple techniques, including initially both gradient array and dipole-dipole induced polarisation to assist with the identification of near surface massive and disseminated sulphides for drill targeting Auger, RAB, RC and/or diamond drilling to test generated targets.

The anticipated expenditure on Coronet Hill is approximately £60,000.

3. North River's Current Trading and Prospects

In the year ended 30 June 2009, North River had net liabilities of approximately £197,686 and reported a loss of approximately £299,220 on revenue of £nil for the year.

PART IV

RISK FACTORS

Prospective investors should be aware that an investment in the Company involves a high degree of risk and should only be made by those with the necessary expertise to appraise the investment. The following are considered by the Directors to be the risk factors which are specific to the Company and the Enlarged Group and its industry and which are material to taking investment decisions in the Ordinary Shares and should be read in conjunction with the other information contained in this document. Such factors are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known to the Directors, or which they currently believe to be immaterial, may also have an adverse effect on the Company and the Enlarged Group.

An investment in the Company is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested). There can be no certainty that the Company will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future performance of the Company and there can be no assurance that the Company will achieve its objectives.

COMPANY SPECIFIC RISKS – EXPLORATION, DEVELOPMENT AND PRODUCTION RISKS

The Enlarged Group's mining operations are subject to the normal risks of mining, and its profits are subject to numerous factors beyond the Enlarged Group's control. Certain of these risk factors are discussed below.

Mineral reserves and resources estimates

The estimating of mineral reserves and mineral resources is a subjective process and the accuracy of reserve and resource estimates is a function of the quantity and quality of available data and the assumptions used and judgments made in interpreting engineering and geological information. There is significant uncertainty in any reserve or resource estimate and the actual deposits encountered and the economic viability of mining a deposit may differ materially from the Enlarged Group's estimates. The exploration of mineral rights is speculative in nature and is frequently unsuccessful. The Enlarged Group may be unable to successfully discover and/or exploit reserves. The Enlarged Group has, for example, recently relinquished certain licences in Mozambique which were not regarded as warranting further exploration expenditure. In addition, certain projects, such as the Witvlei prospects, are likely to depend on their combination with other projects to be or become viable.

Estimated mineral reserves or mineral resources may have to be recalculated based on changes in metals prices, further exploration or development activity or actual production experience. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis the estimates may change. This could result in alterations to development and mining plans which may, in turn, adversely affect the Enlarged Group's operations. It could also have a material adverse effect on estimates of the volume or grade of mineralisation, estimated recovery rates or other important factors that influence reserve or resource estimates. There can be no assurance that any resources recovered can be brought into profitable production. Market price fluctuations, increased production costs or reduced recovery rates, or other factors may render the present estimated or inferred resources of the Enlarged Group uneconomical or unprofitable to develop at a particular site or sites.

Exploration, project development and mining risks

Exploration for mineral resources involves many risks and hazards including environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents, occupational and health hazards, unscheduled plant shutdowns or other processing problems, technical failures, labour force

disruptions, the unavailability of materials and equipment or exploration production or supply infrastructure, unusual or unexpected rock formations, pit slope failures, changes in the regulatory environment, weather conditions, cave-ins, rock bursts, water conditions and stock losses. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine. The Enlarged Group may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

Ability to exploit successful discoveries

It is possible that the Enlarged Group may not be able to exploit commercially viable discoveries in which it holds an interest. Exploration may require external approvals or consents from relevant authorities and the granting of these approvals and consents is beyond the Enlarged Group's control. The granting of such approvals and consents may be withheld for lengthy periods, not given at all, or granted subject to the satisfaction of certain conditions which the Enlarged Group cannot or may consider impractical or uneconomic to seek to meet. As a result of such delays, the Enlarged Group may incur additional costs, losses or revenue or part or all of its equity in a licence.

Production estimates

If the Enlarged Group develops any projects it will need to prepare estimates of future production for its operations. The Enlarged Group cannot give any assurance that it will achieve its production estimates. The failure of the Enlarged Group to achieve its production estimates could have a material and adverse effect on any or all of its future cash flows, results of operations and financial condition. These production estimates will be dependent on, among other things, the accuracy of mineral reserve and resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions and physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics and the accuracy of estimated rates and costs of mining and processing.

The Enlarged Group's actual production may also vary from its estimates for a variety of reasons, including, adverse operating conditions (such as unexpected geological conditions, fire, weather, accidents), compliance with governmental requirements, labour and safety issues, delays in installing or repairing plant and equipment, inability to complete, or lack of success of, capital development and exploration drilling.

Future capital requirements

Further funds will be required to develop the Enlarged Group's projects, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Enlarged Group may incur. The Enlarged Group may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Enlarged Group's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Enlarged Group's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Enlarged Group and might involve substantial dilution to Shareholders.

Acquisitions and additional financing for acquisitions

The Enlarged Group plans to acquire interests in additional exploration properties and has already made certain bids and licence applications. However, there can be no assurance that any such bids or applications can be concluded on acceptable terms or at all.

Any such acquisitions may also require acquisition payments to be made and exploration expenditures to be incurred. The only potential sources of funding currently available to the Enlarged Group are through the issue of additional equity and/or debt capital or through bringing in a farm-in partner to fund the exploration and development costs on investments it may acquire. There is no assurance that the Enlarged Group will be

successful in raising sufficient funds or attracting a suitable farm-in partner to enable it to meet its obligations under its agreements. Any funds incurred on investigating or pursuing new projects may adversely affect the Enlarged Group's ability to meet its obligations.

Title

All of the tenements or licences in which the Enlarged Group has, or may earn, an interest will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each tenement or licence is usually at the discretion of the relevant government authority. If a tenement or licence is not renewed or granted, the Enlarged Group may suffer significant economic and reputational damage through loss of the opportunity to develop and discover any mineral resources on that tenement. As noted in paragraph 6 of Part II of this document, two of the Namibian Licences, EPL 3139 and EPL 3261, have expired and renewal documentation has been submitted. EPL 3139 contains the Erongo Project and EPL 3261 contains the Witvlei Project. All other Namibian Licences require renewal applications to be made during 2010 and, as also noted in paragraph 6 of Part II of this document, further renewal of EPL 2902 is dependent on the same being deemed desirable by the Namibian Minister of Mines and Energy. The Mozambique Licences expire between 2010 and 2012 and will require renewal at that time. Whilst the Company anticipates that renewal is likely to occur in due course, if then considered appropriate, there can be no assurance that this will be the case.

Environmental regulation

The Enlarged Group's operations are subject to existing and possible future environmental and health and safety legislation, regulations and actions which could impose significant costs and burdens on the Enlarged Group (the extent of which cannot be predicted) both in terms of compliance and potential penalties, liabilities and remediation or decommissioning costs. Breach of any environmental obligations could result in penalties and civil liabilities and/or suspension of operations, any of which could adversely affect the Enlarged Group.

Mining operations have inherent risks and liabilities associated with damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. Laws and regulations involving the protection and remediation of the environment are constantly changing and are generally becoming more restrictive. Approval is required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

Equipment and availability

The current and foreseeable levels of global exploration activity are such that equipment utilisation rates are high, and the Enlarged Group will be in a competitive environment in relation to sourcing appropriate equipment. If it is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

Volatility of prices for mineral and other commodities

The supply, demand and prices for commodities are volatile and are influenced by factors beyond the Enlarged Group's control. These factors include global demand and supply, exchange rate, interest and inflation rates and political events. A significant prolonged decline in commodity prices could impact the viability of some of the Enlarged Group's exploration activities. Additionally, production from geographically isolated countries may be sold at a discount to current market prices.

COMPANY SPECIFIC RISKS – RISKS RELATING TO THE BUSINESS

Black empowerment risk

In terms of the Namibian Constitution, the Namibian Parliament may enact legislation providing for the advancement of persons within Namibia who have been disadvantaged by past discriminatory laws or

practices or for the implementation of policies and programmes aimed at redressing such imbalances. There is currently no such enactment of Namibian Parliament which compels black empowerment in the mining sector. It is however generally perceived that empowerment of indigenous Namibians in respect of shareholding, management and employment will be regarded as beneficial to the public interest and may alleviate the onus on application for or renewal or conversion of mineral rights. The Chamber of Mines in Namibia has confirmed that the Chamber is working on a draft Black Economic Empowerment Charter in liaison with the prime minister's office to be adopted voluntarily by the mining industry but no particulars of such charter have yet been published. The Company welcomes this potential development but there can be no assurance as to its likely implications for the Enlarged Group.

Insurance Risk

The Company proposes to take out insurance to protect its assets. However, the insurance coverage may prove inadequate to satisfy potential claims and losses. Further, the Enlarged Group may become subject to liabilities that cannot be insured against or against which it may elect not to be insured fully or at all because of high premium costs.

Litigation Risk

Legal proceedings may arise from time to time in the course of the Enlarged Group's business. The Company cannot preclude the possibility that litigation may be brought against it or other companies in the Enlarged Group.

WAGE is subject to an existing claim. Whilst such claim has not been actively pursued, and is the subject of an indemnity from Kalahari under the Share Purchase Agreement, there can be no assurance that such claim, or other future claims will not be successful or give rise to losses or expenses for the Enlarged Group.

Legal systems

Some of the countries the Enlarged Group may operate in could have legal systems that are less well developed than or different to those in the UK. This could result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulation, decrees, orders and resolutions; (v) relative inexperience of the judiciary and courts in such matters; and (vi) difficulty in the interpretation and enforcement of licences and other contracts. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangement in these jurisdictions cannot be assured.

Joint Ventures

Members of the Enlarged Group may in the future hold interests in joint ventures, including through the Australian Farm-in Agreement. Joint ventures may involve special risks associated with the possibility that the joint venture partners may: (i) have economic or business interests or targets that are inconsistent with those of the Group; (ii) take action contrary to the Enlarged Group's policies or objectives with respect to their investments, for instance by veto of proposals in respect of joint venture operations; (iii) be unable or unwilling to fulfill their obligations under the joint venture or other agreements; or (iv) experience financial or other difficulties. Any of the foregoing may have a material adverse effect on the results of operations or financial condition of the Enlarged Group. In addition, the termination of certain of these joint venture agreements, if not replaced on similar terms, could have a material adverse effect on the results of operations or financial condition of the Enlarged Group.

Economic and political risks

It is anticipated that all or the majority of the Enlarged Group's activities will be outside the UK and, accordingly, there are a number of risks over which it has little control. Whilst the Enlarged Group will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that the Enlarged Group's activities may be adversely impacted by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences, expropriation, war, terrorism, insurrection and changes to laws governing mineral exploration and operations. There is also the possibility that the terms of any licence the Enlarged Group holds (including any favourable tax provisions) may be changed.

Currency risk

The Company will report its results in Sterling, whilst it is expected that a majority of its costs and revenues will be denominated in currencies outside of its reporting currency. This may result in additions to the Company's reported costs or reductions in the Company's reported revenues.

Dependence on key personnel

There can be no assurance that the Enlarged Group will be able to manage effectively the expansion of its operations or that the Enlarged Group's current personnel, systems, procedures and controls will be adequate to support the Enlarged Group's operations. Any failure of management to manage effectively the Enlarged Group's growth and development could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

The Group's business is dependent on retaining the services of a small number of key personnel of the appropriate calibre as the business develops. The success of the Enlarged Group is, and will continue to be to a significant extent, dependent on the expertise and experience of the Directors and senior management. Whilst the Enlarged Group has entered into contractual arrangements with the aim of securing the services of the existing management team, the retention of their services cannot be guaranteed. Accordingly, the loss of key personnel could have an adverse effect on the Enlarged Group.

Investment risk

The value of an investment in the Company could, for a number of reasons go up or down. There is also the possibility that the market value of an investment in the Company may not reflect the true underlying value of the Company.

No profit to date

The North River Group has limited trading history and the proposed Acquisition will result in a fundamental change in its business. It is therefore not possible to evaluate its prospects based on past performance.

There can be no certainty that the North River Group will achieve or sustain profitability or achieve or sustain positive cash flows from its activities.

Taxation Risk

Any change in the Enlarged Group's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Enlarged Group, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon tax law and practice at the date of this document, which is subject to change.

Share Purchase Agreement

The Share Purchase Agreement contains limited warranties given by Kalahari in connection with WAGE and CD and their businesses offering limited protection to the Company. Completion of the Acquisition Agreement depends, *inter alia*, on Readmission and receipt of the Placing proceeds. As noted in paragraph 6

of Part II, of this document the Share Purchase Agreement permits termination if confirmation of non-renewal of certain Namibian Licences is received before Completion, as well as in other circumstances. Should this occur, the decision to terminate will depend on prevailing circumstances but, if the Acquisition proceeds, the use of proceeds will alter accordingly.

Major shareholders and conflicts of interest

As noted in paragraph 11 of Part I of this document, Kalahari will, through its subsidiaries Kalahari Gold and Kalahari Diamonds, hold a major shareholding in the Company. Whilst the Company believes that Kalahari will continue to support the Enlarged Group, there can be no assurance that this will be the case. Further, whilst the Board has set up a committee to deal with potential conflicts of interest as noted in paragraph 8 of Part I of this document, there can be no assurance that conflicts will not arise or that, if they do, they can be successfully overcome.

Title matters

The Enlarged Group has acquired all of its mining tenements through acquisition. Although the Enlarged Group has investigated title to all of its mining tenements, the Enlarged Group cannot give any assurance that title to such tenements will not be challenged or impugned. The tenements may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects.

Government regulations

The Enlarged Group's mining operations and exploration and development activities are subject to extensive laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of aboriginal heritage sites, protection of endangered and protected species and other matters. The Enlarged Group generally requires permits from regulatory authorities to authorize the Enlarged Group's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and the Enlarged Group cannot predict whether necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Enlarged Group from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Enlarged Group's activities or forfeiture of one or more of the mining tenements.

GENERAL RISKS – INVESTMENT AND AIM RISKS

The activities of the Enlarged Group are also subject to the usual commercial risks and factors such as competition and economic conditions may generally affect the Enlarged Group's ability to generate income or achieve its objectives.

Trading and Liquidity in the Ordinary Shares and AIM

An investment in the Ordinary Shares is highly speculative and subject to a high degree of risk. The price of publicly quoted securities can be volatile and is dependent upon a number of factors, some of which are general market or sector specific and others that are specific to the Company. Only those who can bear the risk of the loss of their entire investment should invest.

Application has been made for the Ordinary Shares to be traded on AIM. AIM is a market designed primarily for emerging or smaller companies. The Ordinary Shares will not be quoted on the Official List. The rules of AIM are less demanding than those of the Official List. Investments in shares traded on AIM carry a higher degree of risk than investments in shares quoted on the Official List. Neither the London Stock Exchange nor the UK Listing Authority have examined this document for the purposes of the Readmission.

Notwithstanding the fact that an application will be made for the Ordinary Shares to be traded on AIM, this should not be taken as implying that there will be a “liquid” market in the Ordinary Shares particularly as, on Readmission, the Company will have a limited number of Shareholders. An investment in the Ordinary Shares may therefore be difficult to realise. In addition, the price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Enlarged Group and its operations and some which may affect quoted companies generally.

The market for shares in smaller public companies, such as the Company, is less liquid than for larger public companies. The Enlarged Group is aiming to achieve capital growth and, therefore, Ordinary Shares may not be suitable as a short-term investment; a prospective investor should not consider such purchase unless he is certain he will not have to liquidate his investment for an indefinite period of time. The share price may be subject to greater fluctuation on small volumes of shares, and thus the Ordinary Shares may be difficult to sell at a particular price. The value of the Ordinary Shares may go down as well as up. The market price of the Ordinary Shares may not reflect the underlying value of the Company’s net assets. Investors may therefore realise less than their original investment or sustain a total loss of their investment.

Force Majeure

The Enlarged Group’s projects now or in the future may be adversely affected by risks outside the control of the Enlarged Group including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

General Economic Conditions

Market conditions, particularly those affecting resource companies, may affect the ultimate value of the Company’s share price regardless of operating performance. The Company could be affected by unforeseen events outside its control, including, natural disasters, terrorist attacks and political unrest and/or government legislation or policy. Market perception of resource companies may change which could impact on the value of investors’ holdings and impact on the ability of the Company to raise further funds by an issue of further shares in the Company. General economic conditions may affect exchange rates, interest rates and inflation rates. Movements in these rates will have an impact on the Company’s cost of raising and maintaining debt financing.

Investment risk

The value of an investment in the Company could, for a number of reasons go up or down. There is also the possibility that the market value of an investment in the Company may not reflect the true underlying value of the Company.

No Takeover Protection

The City Code is expected to apply to the Company following Readmission on the basis that the Company’s place of central management and control is expected to be in the UK, the Channel Islands or the Isle of Man. Should this not be the case, or should the position change subsequently, any takeover offer for the Company or consolidation of control in the Company will not be regulated by the City Code or any other takeover regime. The Articles contain certain limited takeover protections (summarised in paragraph 4.3 of Part XI of this document) in such circumstances but they do not provide the full protections afforded by the City Code.

Forward Looking Statements

This document contains forward looking statements, including, without limitation, statements containing the words “believe”, “anticipated”, “expected” and similar expressions. Such forward looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Enlarged Group, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Factors that might cause such a difference include, but are not limited to, those discussed in this Part IV of this document.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. To the extent lawfully permitted, the Company disclaims any obligations to update any such forward looking statements in this document to reflect future events or developments.

PART V

NAMIBIA COMPETENT PERSON'S REPORT



J 1591 North River Resources plc/Astaire Securities

Competent Persons Report for North River Resources plc

Prepared by MSA Geoservices (Pty) Ltd on behalf of:
North River Resources plc & Astaire Securities plc

Author(s): Mike Venter Regional Consulting Geologist Pr.Sci.Nat, MSEG, MGSSA
Mike Hall Consulting Geologist MAusIMM, MGSSA

Date: 28 October 2009

Project Code: J1591

Copies: North River Resources plc & Astaire Securities plc (2)
MSA Geoservices (Pty) Ltd (2)

Primary Author
Mike Venter

Resources Author
Mike Hall

Supervising Principal
Mike Robertson



Independent Geologist's Report

28 October 2009
The Directors
North River Resources plc
15 Stratton Street
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W1J8LQ

Astaire Securities plc
30 Old Broad Street
London
EC2N 1HT

Dear Sirs

MSA Geoservices (Pty) Ltd ("MSA") has been commissioned by North River Resources plc and Astaire Securities plc ("NRR/Astaire") to provide a Competent Persons' Report ("CPR") on Kalahari Resources plc's ("Kalahari") subsidiaries, West African Gold Exploration (Namibia) (Proprietary) Limited ("WAGE") and Craton Diamonds (Proprietary) Limited ("CD"). NRR intend acquiring the entire issued share capital, and related shareholder loans, of each WAGE and CD from Kalahari through a reverse takeover on AIM. As per AIM requirements, a CPR is to be completed over the assets of WAGE and CD relating to this transaction.

MSA has not been requested to provide an Independent Valuation, nor have we been asked to comment on the Fairness or Reasonableness of any vendor or promoter considerations, and we have therefore not offered any opinion on these matters.

MSA has based its review of the WAGE and CD projects on information provided by Kalahari, along with technical reports by Government agencies and previous tenements holders, and other relevant published and unpublished data. Information pertaining to exploration properties released by Kalahari to the AIM since 2006 has been used and these reports are listed with other principal sources of information in the references section. A site visit was undertaken to the Dordabis and Namib Lead Mine projects by Mike Venter during the period 17 to 21 August 2009. This follows earlier visits to certain of the projects (Witvlei and Namib Lead) during September 2008 that formed part of a Material Change CPR completed for Kalahari in October 2008. Information and data relating to the projects were provided and reviewed whilst on site in Namibia. A final draft of this report was also provided to NRR/Astaire, along with a written request to identify any material errors or omissions prior to lodgement.

The projects consist of seven granted Exclusive Prospecting Licences covering an area of approximately 2 121 km². The legal status of the exploration tenements is the subject of a separate Legal Due Diligence Report, and these matters have not been independently verified by MSA. The present status of tenements listed in this report is based on information provided by Kalahari, and the report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation.

The mineral properties, in which WAGE and CD have an interest, are considered to be "Exploration Projects" which are inherently speculative in nature. MSA considers, nonetheless, that since Kalahari's admission to AIM in 2006, the projects have continued to be managed and driven on the basis of sound technical merit. The properties are also considered to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential, consistent with existing and proposed programmes.

MSA accepts responsibility for this report for the purposes of a Competent Person's Report under the AIM Rules. Having taken all reasonable care to ensure that such is the case, MSA confirms that to the best of its knowledge, the information contained in the report is in accordance with the facts, contains no omission likely to affect its import, and no change has occurred from 17 August 2009 to the date hereof that would require any amendment to the report.



MSA also confirms that where any information contained in the report has been sourced from a third party, such information has been accurately reproduced and, so far as we are aware and are able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Work carried out by the Competent Person has been subject to an internal peer review carried out by Mr. Mike Robertson, Principal Consulting Geologist at MSA.

MSA is an exploration and resource consulting firm, which has been providing services and advice to the international mineral industry and financial institutions since 1983. This report has been compiled by Mike Venter, who is a professional geologist with 16 years experience in the exploration and evaluation of mineral properties within Africa. Mike Venter is Regional Consulting Geologist of MSA Geoservices' Consulting Division and a Member of the South African Council for Natural Scientific Professions (SACNASP), the Society for Economic Geologists (SEG), and the Geological Society of South Africa (GSSA). Mike Venter has the appropriate relevant qualifications, experience, competence and independence to be considered a "Competent Person" under the definitions provided in the SAMREC Reporting Code.

Neither MSA, nor the authors of this report, have or have previously had any material interest in NRR or the mineral properties in which WAGE and CD have an interest. Our relationship with NRR is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

Yours faithfully
MSA Geoservices (Pty) Ltd

Mike Venter Pr.Sci.Nat MSEG MGSSA
Regional Consulting Geologist



EXECUTIVE SUMMARY

At the request of North River Resources plc (NRR) and Astaire Securities plc (Astaire), The MSA Group (MSA) has prepared this Competent Persons Report covering WAGE and CD's base and precious metal mineral exploration properties located in Namibia since Kalahari's Alternative Investment Market (AIM) admission in March 2006. NRR intend acquiring the entire issued share capital, and related shareholder loans, of both WAGE and CD from Kalahari through a reverse takeover on AIM. As per AIM requirements, a CPR is to be completed over the assets of WAGE and CD relating to this transaction.

WAGE and CD have been evaluating a portfolio of exploration properties that covers an area approximately of 2 121 km² in Western and Central Namibia. The projects have focused on copper, lead, zinc and gold. Exploration work completed to date has focused on the Dordabis (Copper), Witvlei (Copper) and Namib Lead Zinc Mine projects. A JORC compliant Inferred Resource has been calculated for the Koperberg Prospect (Dordabis Project). WAGE and CD have also completed non code compliant in-house resource estimates over the RK & RK West Zone Prospects (Dordabis Project), Malachite Pan, Okasewa and Christiadore Prospects (Witvlei Project) and Namib Lead Zinc Project. Additional work is required in order to declare these in house estimates as JORC compliant.

Grassroots exploration continues over the Ubib Au-Cu Project following an extensive geochemical survey and initial drilling.

At the Dordabis Project, exploration work carried out since 2006 has focused on delineating and defining existing historical targets within the project area. This has resulted in the drill testing and release of a JORC compliant Inferred Mineral Resource of 1.74 Mt grading 0.97% Cu (17 000 t *in situ* metal) for the Koperberg Prospect in mid 2008. MSA has audited and verified the methodology and calculation of the Koperberg resource statement and found it to be acceptable according to JORC guidelines.

All of the prospects investigated to date at Dordabis exhibit similar geology and are generally associated with the western margins of strongly laminated packages of magnetic metavolcanic rocks that are folded along a northeast trending axis. Until 2009, the focus of exploration has been centred on the Koperberg, RK Zone and nearby Swartberg Prospects (as well as Balfour, Klein Koperberg and Koperberg South Prospects). Emphasis has shifted to the Onverwacht Prospect where encouraging results from an ongoing regional soil geochemical program targeting potential volcanic hosted mineralisation has been received. The Koperberg and RK Zone Prospects have the potential to host small, but potentially exploitable resources amenable to open pit extraction. Diamond drilling as well as additional metallurgical test work is required in order to confirm these potential resources.



NRR has outlined a work program designed to continue ongoing regional exploration as well as focus on the near term production potential of the Koperberg and RK Zone prospects. NRR have allocated an estimated budget of GBP 1.12 Million through to November 2010 to achieve this.

At the Witvlei Project, widespread sediment hosted copper mineralisation has been evaluated by several operators, resulting in non code compliant resource estimates containing up to 200 000 t copper. Exploration efforts to date have focused on validating these historical results and have to date completed in-house non code compliant resource estimates over the Okasewa, Malachite Pan and Christiadore Prospects.

A conceptual scoping study, environmental baseline studies and metallurgical test work have been initiated over the Witvlei Project in order to assess all techno-economic parameters required to exploit the estimated existing resource of 135 000t of contained copper (defined by in-house estimates over Okasewa, Malachite Pan and Christiadore). Completion of this work has been suspended since December 2008, although limited metallurgical test work is ongoing.

There is potential for WAGE to increase its existing copper inventory through ongoing regional exploration efforts at Gemsbockvley, where a significant copper in soil anomaly has been delineated as well as at Copper Causeway and Daheim, where follow up work is required.

NRR has outlined a work program designed to continue ongoing regional exploration as well as focus on the near term production potential of the Malachite Pan and Okasewa prospects. NRR have allocated an estimated budget of GBP 0.621 Million through to July 2011 to achieve this.

Since acquisition of the Namib Lead Zinc Mine Project, CD have completed a detailed diamond and reverse circulation (RC) drilling programme designed to validate underground and tailings resources. RC and diamond drilling have confirmed historical grade intercepts and thicknesses and have been used to calculate non code compliant mineral resource estimates for the N20/North orebodies as well as tailings. Initial metallurgical test work carried out by MINTEK has demonstrated the feasibility of producing saleable lead and zinc concentrates with good recoveries being obtained.

Potential exists at Namib Lead to increase the resource base through additional drilling over the N20 and North orebodies as well as deep drilling to test depth continuity under the South and Junction orebodies. The possibility of short term exploitation of open pit/near surface ore resources could be investigated over the North orebody.



This additional data, coupled with more detailed metallurgical test work and rigorous capital and operating cost estimates should satisfy the criteria required to re-develop/re-open the mine.

NRR has outlined a phased drilling and evaluation program in order to confirm the potential to re open the Namib Lead mine . NRR have allocated an estimated budget of GBP 1.37 Million through to June 2011 to achieve this.

At the Ubib Au-Cu project, Kalahari has completed a detailed greenfields exploration program that has targeted Au-Cu mineralisation along a well defined structural trend identified in the northeastern parts of the project area.

Remote sensing techniques, detailed stream sediment and soil sampling have delineated a zone of anomalous gold geochemistry that has resulted in the drilling of several diamond drillholes which have confirmed gold mineralisation and provide evidence of large scale hydrothermal alteration associated with a major shear zone. Several existing Au and Cu-Au occurrences are known to exist within WAGE's Ubib Project, many of them related to amphibolitic units and pegmatitic units. Validation of all of these historic occurrences should be carried out to test these potential resources.

A nuclear fuels license over EPL 3139 has been applied for, and once granted, a desktop review and field validation is necessary in order to define follow up targets, in particular over the southern areas that are proximal to existing uranium operations/exploration.

NRR has outlined a work program designed to continue ongoing regional exploration over the Ubib Project. NRR have allocated an estimated budget of GBP 0.370 Million through to July 2011 to achieve this

Since Kalahari's admission to AIM in March 2006, WAGE and CD have successfully identified and evaluated several potentially economic base metal resources over several of its exploration projects in Namibia. Work carried out to date has been managed and driven on the basis of sound technical merit.



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Appendix 1: Glossary and definitions of any terms used

Appendix 2: QA/QC Plots and Explanations



1 INTRODUCTION

1.1 General Overview and Scope of Report

North River Resources plc (NRR) intend acquiring the entire issued share capital, and related shareholder loans, of each WAGE and CD from Kalahari through a reverse takeover on AIM. AIM rules dictate that a Competent Person's Report (CPR) be prepared for the transaction and MSA have been commissioned by NRR and Astaire Securities plc (Astaire) to provide a CPR. MSA completed a Material Change CPR over WAGE and CD's precious and base metal assets in October 2008 and that report forms the basis of this CPR.

Since October 2008, WAGE and CD have finalised their drilling programmes and have since embarked on regional geochemical surveys as well as completing a series of in-house (non code compliant) resource estimates over several of its prospects.

1.2 Principal Sources of Information

Technical data and information was provided to MSA by WAGE, a wholly owned subsidiary of Kalahari. Data was provided in the form of digital copies of geological reports and databases; digital maps and sections; digital photographs; digital compilation presentation files; and verbal explanations and discussions. Additional research on general information pertaining to Namibia and, where possible, published geological information on the project areas was obtained by MSA through internet searches. Project updates and results released by Kalahari to AIM were used as a basis for the report. Details of reference material utilised in the compilation of this report are included in Section 6. In addition MSA carried out a site visit to selected project areas.

1.3 Exploration Tenement Schedule

WAGE has acquired the mineral rights to six Exclusive Prospecting Licenses (EPLs) in Namibia and an additional EPL is held by CD, as outlined in Table 1-1 below.

Table 1-1
Summary Table of Assets

EPL No.	Status	Project Name	Holder's Name	Prospect Name	Interest	License Expiry Date	Area (km ²)
2902	Exploration	Swakopmund	Craton Diamonds (Pty) Ltd	Namib Lead	100% ¹	18/4/2010	45
3257	Exploration	Dordabis	West African Gold Exploration (Namibia) (Pty) Ltd	Dordabis	100% ²	01/06/2010	631



3617	Exploration	Dordabis	West African Gold Exploration (Namibia) (Pty) Ltd	Hamis	100%	18/01/2010	200
3258	Exploration	Witvlei	West African Gold Exploration (Namibia) (Pty) Ltd	Christiadore	100%	15/05/2010	385
3261	Exploration	Witvlei	West African Gold Exploration (Namibia) (Pty) Ltd	Okatjirute	100%	Pending renewal	266
3139	Exploration	Erongo	West African Gold Exploration (Namibia) (Pty) Ltd	Ubib	100% ³	Pending renewal	546
3681	Exploration	Erongo	West African Gold Exploration (Namibia) (Pty) Ltd	Ubib	100%	09/04/2010	48

¹ There is an outstanding obligation to pay

(a) an amount totalling 10% of the value of CD (now fixed by reference to NRR's acquisition of CD) and

(b) a net smelter royalty totalling 1.5% on the assumption this project progresses to production, each of which NRR has agreed to bear.

² WAGE is party to

(a) an unwritten arrangement to pay a royalty equal to 0.75% of the net smelter return generated from the sale of any minerals produced from EPL 3257,

(b) a letter of intent granting (i) a 2.5% interest in EPL 3257 and (ii) a right to participate further through the sale of a further 2.5% interest at a price determined by an independent valuation at the time of procuring the development and

(c) an offer to acquire the land the subject of EPL 3257 at fair market value with an option of first refusal to the current owner to buy it back when the development has been completed.

³ WAGE is party to an agreement granting a royalty of 1.75% of the gross revenue derived from EPL 3139 and any other land that was part of the previous exclusive prospecting licences (excluding certain such land).



1.4 Site Visit

A site visit to selected WAGE and CD assets in Namibia was undertaken by Mike Venter during the period 17 to 21 August 2009. The purpose of the visit was to obtain an update and review work completed by WAGE and CD since MSA's previous site visit in October 2008, as well as hold discussions with relevant project personnel in each project area.

During the site visits, Mike Venter was accompanied by Keith Webb, Exploration Manager and Scott Hermann, Senior Exploration Geologist for WAGE. The following activities were carried out:

- An underground visit to Namib Lead Zinc Project, where existing underground workings as well as remnant orebodies were inspected.
- A site visit was made to the Dordabis Base Metal Project, where time was spent at the Koperberg Prospect. Inspection and validation of the prospect geology, recent channel sampling and location of historical and drill sites were carried out.
- A visit was made to WAGE's exploration offices in Windhoek, where all relevant data was provided by WAGE staff.
- Digital copies of data relating to all in-house resource estimates completed by WAGE were provided to MSA.
- Discussions were also held with Keith Webb and Scott Hermann on the exploration and mining history of the region, prospectivity of the region, and issues pertaining to exploration and mining activities in Namibia regarding mineral tenure holdings, dealing with landowners and government bodies, and environmental considerations.

1.5 Compliance and Standard

The information and results reported in this CPR have followed the definitions and guidelines of the JORC Code as well as prepared in accordance with the "AIM Note for Mining and Oil & Gas Companies – June 2009".

1.6 Exclusions

- MSA did not carry out any valuation/s of WAGE or CD's assets.
- MSA did not review corporate aspects of the companies, nor legal aspects (legal tenure etc), nor other liabilities, but relied on WAGE to supply this information insofar as it was required to complete the scope of work.
- MSA did not carry out a detailed Quality Assurance/Quality Control (QA/QC) audit/assessment on WAGE's data.



1.7

Glossary of Terms

Defined and technical terms used in this document are provided in Appendix 1.

2 NAMIBIA COUNTRY REVIEW

2.1 Location and Physiography

Namibia is an independent, democratically governed republic that lies on the southwestern coast of Africa and forms part of the Southern African region. Namibia is bounded to the south by South Africa, to the east by Botswana and to the north by Angola. It also shares a border with Zambia and Zimbabwe through the Caprivi Strip. The Atlantic Ocean forms the western boundary (Figure 2-1).

**Figure 2-1
Namibia Location**



Namibia is generally arid to semi arid, is dominated by a 2 000 m high plateau in the central parts that is flanked to the west by the Namib Desert and to the east by the Kalahari Desert. Windhoek, the capital city, is located in the centre of the country, with other major towns being Tsumeb and Keetmanshoop as well as the ports of Lüderitz and Walvis Bay.

Namibia has a population of 2 008 669 (2008 census) and, with a total land area of 825 418 km², this makes it one of the least densely populated countries in the world. HIV and malaria continue to be major pandemics with an estimated 15% of the adult population infected with HIV/AIDS (2007).



The official language is English but German and Afrikaans and various local languages (Oshivambo, Herero and Nama) are also spoken.

2.2 Infrastructure

All major towns are linked via a network of sealed roads, with regional access through maintained gravel roads. Rail networks provide vital transport routes from South Africa, as well as a local network serving the smelter complex at Tsumeb and ports of Walvis Bay and Lüderitz.

An international airport is located at Windhoek, which is served by daily flights to regional destinations such as OR Tambo International Airport in South Africa that serves as a regional hub for connections to the rest of the world. Regular direct flights to London Gatwick are offered by the National Airline, Air Namibia.

Namibia has Africa's third highest electrification level at 20 percent, with power being generated and supplied by Namibia Power Corporation (NamPower). NamPower supplies electricity to the mining and industrial sectors as well as the rural parts of the country. Namibia remains highly dependent on electricity imports from South Africa with the government projected to achieve 100% of peak demand derived from locally produced power by 2010.

Existing local power generation is through the Ruacana hydroelectric station located on the Kunene River as well as a coal fired thermal generation unit in Windhoek. However, generation from these sources has become increasingly variable due to rising coal import prices and variable flow in the Kunene, making hydro generation unpredictable.

2.3 Political Status

During the 19th century Namibia was colonised by Germany and was known as German South-West Africa, apart from Walvis Bay, which remained under British control. During World War I, South Africa administered the region as a League of Nations mandate territory until after World War II, when it unilaterally annexed the territory, without international recognition. This resulted in the launch of the South-West Africa People's Organisation (SWAPO) in 1966 that initiated a war of independence against South African occupation of "Namibia". Only following UN intervention and mediation did South Africa relinquish its administration in 1988.

Namibia gained its independence in 1990 following multi party elections and establishment of a constitution. President Hifikipunye Pohamba replaced Sam Nujoma in 2005 following peaceful elections.



2.4 Industry

Namibia's chief economic sectors include mining (contributing 12.4 % of GDP in 2007) with the country being the world's fifth largest producer of uranium. Agriculture contributes 9.5 % of the country's GDP (2007) and consists mainly of cattle and sheep-raising. The country's fishing grounds are some of the world's richest and fish processing is one of the country's main industrial activities. The Namibian economy is closely linked with South Africa, with the Namibian Dollar being pegged to the South African Rand.

Namibia is a member of the Southern African Development Community (SADC), the Southern African Customs Union (SACU) as well as the Common Market for Eastern and Southern Africa (COMESA). As a signatory to the Lome IV Convention, Namibia has gained duty free and quota free access to goods on the European Market. Namibia has also been added on to the General System of Preferences (GSP) of many countries.

At present, there are no restrictions on foreign investors bringing funds into or taking investment capital, interest or dividends out of Namibia. However, there is a 10% withholding tax on dividends and no withholding tax on interest. Namibia has opened an Export Processing Zone in Walvis Bay. Namibia's major trading partners are South Africa, Germany, the United States and the United Kingdom.

2.5 Mineral Tenure

In Namibia, all mineral rights are vested in the state. The Minerals (Prospecting and Mining) Act of 1992 regulates the mining industry in the country. Policy has been designed to facilitate and encourage the private sector to evaluate and develop mineral resources. The Directorate of Mines endeavours to promote the optimal exploitation of Namibia's mineral resources and integrate the mining industry with other sectors of the economy for the socio-economic development of the country. Several types of mining and prospecting licenses exist, outlined briefly below:

- Non-Exclusive Prospecting Licenses (NEPL)

These licenses permit prospecting non-exclusively in any open ground not restricted by other mineral rights and are valid for 12 months. The Mining Commissioner must be provided with all details relating to samples removed from the NEPL area.

- Exclusive Reconnaissance Licenses (ERL)

The ERL is valid for six months (renewal under certain circumstances) and allows the holder to carry out regional remote sensing techniques. A geological evaluation and work plan needs to be submitted to the Mining Commissioner prior to grant of the ERL.



- Exclusive Prospecting License (EPL)

Individual EPL's cannot cover areas exceeding 1 000 km² and are valid for three years, plus two renewals of two years each. A reduction in area is required for each renewal, although exceptions can be considered (upon application) with sufficient justification. A geological evaluation and work plan (including estimated expenditure commitments) are required prior to issuing of the EPLs.

- Mineral Deposit Retention Licenses (MDRL)

These allow successful prospectors to retain rights to mineral deposits which are uneconomical to exploit immediately. MDRL's are valid up to five years and can be renewed subject to limited work and expenditure obligations.

- Mining Licenses

Mining Licenses can only be awarded to Namibian citizens and companies registered in Namibia and are valid for the life of the mine or an initial 25 years, renewable up to 15 years at a time. Applicants must have the financial and technical resources to mine effectively and safely.

Apart from NEPL's and ERL's, all applicants are required to complete an environmental contract with the Department of Environment and Tourism. Environmental impact assessments must be made with respect to air pollution, dust generation, water supply, drainage/waste water disposal, land disturbance and protection of fauna and flora.

2.6 Regional and Economic Geology

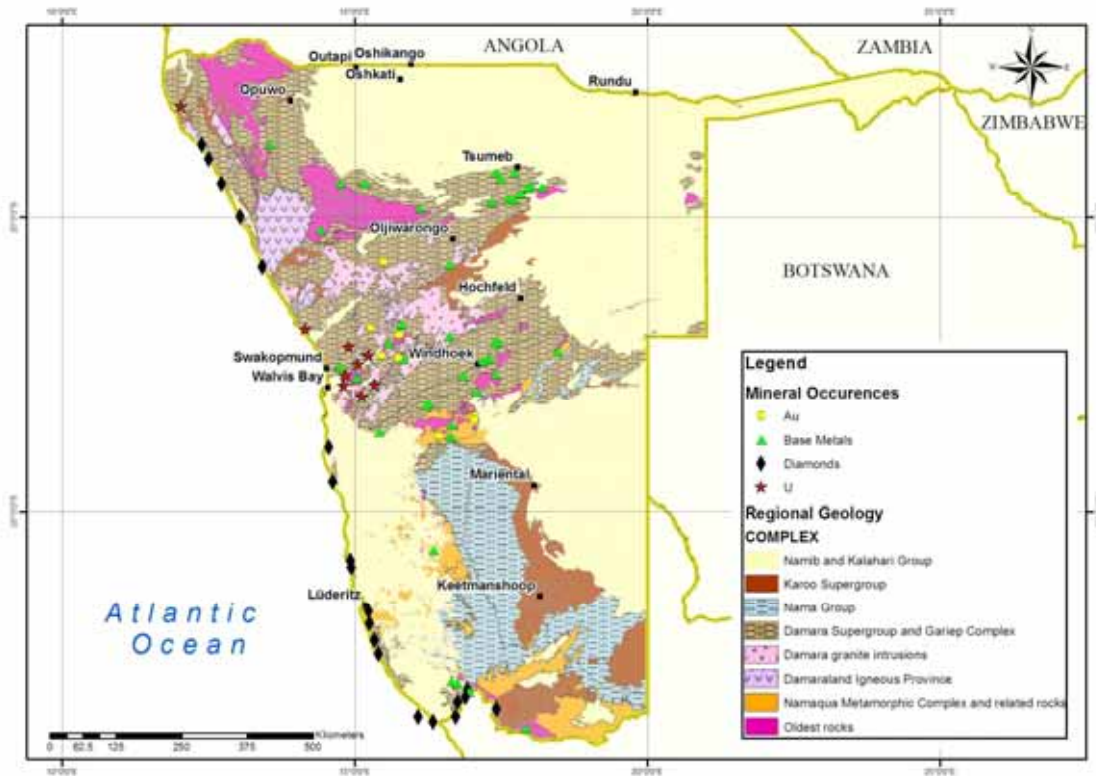
Namibia's varied geology encompasses rocks of Palaeoproterozoic to Phanerozoic in age, spanning more than 2 200 million years of Earth history. Most of the country's surface area has excellent bedrock exposure, while the remainder is covered by young surficial deposits of the Kalahari and Namib Deserts (Figure 2-2). Mineral occurrences and deposits are found throughout the stratigraphic column, but more notably among the Neoproterozoic and Tertiary age rocks.

2.6.1 Palaeoproterozoic (2 200 to 1 800 Ma)

These rocks occur in the central and northern parts of the country as metamorphic inliers consisting of highly deformed gneisses, amphibolites, metasediments and associated intrusive rocks. The Kunene and Grootfontein Igneous Complexes in the north, the volcanic Orange River Group and the Vioolsdrif Granite Suite in the south, as well as the volcano - sedimentary Khoabendus Group and Rehoboth Sequence also belong to this age group.

Extensive low grade porphyry style Cu-Mo deposits have been delineated within the Haib Group located in southern Namibia.

**Figure 2-2
Geology and Mineral Occurrences of Namibia**



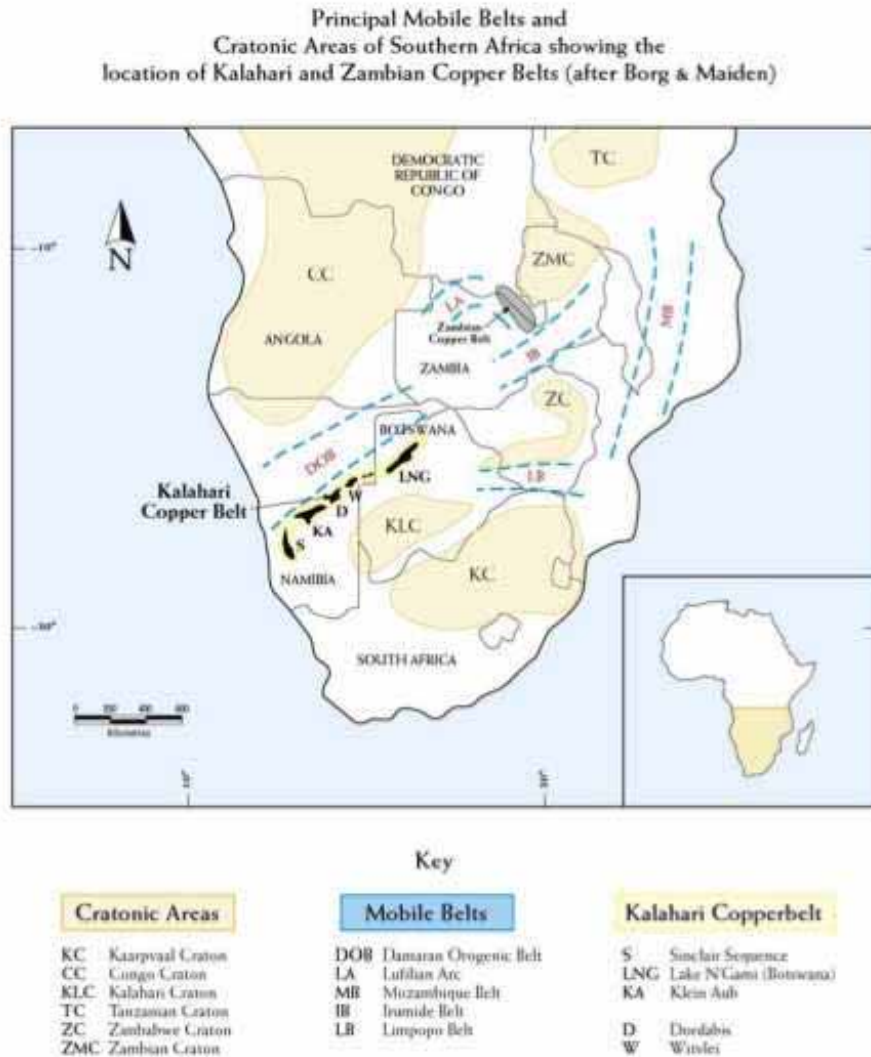
2.6.2 Mesoproterozoic (1 800 to 1 000 Ma)

Mesoproterozoic age rocks are primarily represented by the Namaqua Metamorphic Complex (NMC) in southern Namibia, which comprises granitic gneisses, metasediments and granitic/metabasic intrusions, as well as by the volcano sedimentary rocks of Sinclair and Rehoboth Sequences located in central Namibia, with its associated granites (e.g. Gamsberg Suite). These rocks locally contain extensive sedimentary/stratabound hosted red-bed copper mineralisation, while calc-alkaline granitoid intrusives of these ages have potential for porphyry and hydrothermal copper, as well as for vein-type gold mineralisation. The NMC hosts a variety of mineral occurrences including Be-Nb-Ta pegmatites, Cu, W as well potential secondary U deposits.

The Kalahari Copperbelt (KCB) is broadly analogous to the Zambian Copperbelt with respect to the style and host of mineralisation. The belt comprises of several discrete, structurally preserved volcano sedimentary horizons that are located along a northeast trending suture zone between the southern margins of the Damara Orogen and the northern margin of the Kalahari Craton.

The KCB extends from the Sinclair region in central Namibia to northwestern Botswana over a distance of some 800 km. The generalised location of the KCB is shown in Figure 2-3.

Figure 2-3



WAGE's Witvlei and Dordabis Projects are located within the KCB. Copper mineralisation is generally associated with volcanic rocks and clastic red bed sequences, with the Klein Aub Mine in Namibia being an example of such a deposit (mined continuously between 1966 and 1987), which produced 5.5 Mt at an average grade of 2% Cu.



2.6.3 Damara Sequence and related rocks (1 000 – 500 Ma)

The coastal and intracontinental arms of the Neoproterozoic Damara Orogen (800 to 500 Ma) underlie large parts of northwestern and central Namibia, and comprise stable platform carbonates in the north and a variety of metasedimentary rocks (describing variable depositional conditions) to the south.

The volcano sedimentary Gariep Belt is located along the southwestern coast and has been interpreted as the southern extension of the Damara Orogen. Shallow marine clastic sediments of the Nama Group were derived from the uplifted Damara and Gariep Belts and cover much of central southern Namibia. Damaran rocks represent more than 60% of Namibia's bedrock outcrop and as such have been extensively explored. As a result, most of Namibia's major hard rock mines (Au, base metals, uranium) are located within the Damara Orogen.

WAGE and CD's Ubib and Namib Lead Zinc Projects are located within the Damara Orogen. Mineralisation is associated with successive phases of intracontinental rifting, spreading and formation of passive continental margins, subduction and continental collision.

2.6.4 Karoo and Cretaceous Rocks (500 – 50 Ma)

Permian to Jurassic age volcanic and sedimentary rocks of the Karoo Sequence occur in the Aranos, Huab and Waterberg Basins located in the southeastern and northwestern parts of the country. The breakup of Gondwana during the Cretaceous resulted in pervasive intrusion of dolerite sills and dyke swarms as well as basaltic volcanism (e.g. Etendeka Plateau) and several alkaline sub-volcanic intrusions (e.g. Brandberg, Spitzkoppe, Erongo).

Sub-economic coal resources are hosted within Permian aged Karoo sediments, whilst Cretaceous age orogenic complexes contain a variety of semi precious stones, fluorite, apatite and iron. Kalahari's Asab Coal Project is located within Karoo age sediments. Tertiary secondary uranium mineralisation occurs within calcretes developed over uraniferous Pan African leucogranites/alaskites.

2.6.5 Kalahari Sequence and related rocks (50 Ma to present)

Tertiary to Recent aeolian and unconsolidated sediments comprising the Kalahari Sequence cover much of the southwestern and eastern parts of the country. Significant quantities of gem quality diamonds are located within Tertiary and Quaternary sediments located along marine terraces as well as offshore Namibia.



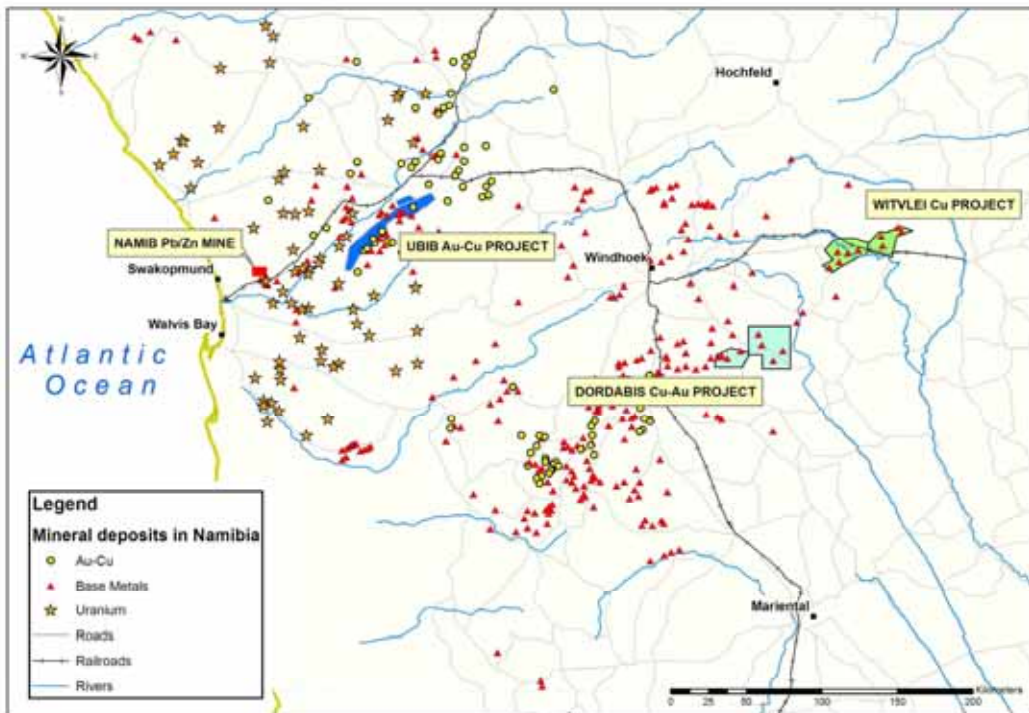
3 WAGE AND CD MINERALS PROJECTS

3.1 Introduction

WAGE and CD have acquired a portfolio of exploration properties that covers approximately 2 121 km² in Western and Central Namibia (Table 1-1 and Figure 3-1). The projects have focused on copper, lead, zinc and gold mineralisation.

The properties cover two metallogenic provinces and are prospective for sediment hosted copper mineralisation (Witvlei Project), SEDEX type Pb/Zn mineralisation (Namib Lead/Zinc Mine), iron oxide copper gold (IOCG) style mineralisation (Dordabis Project), as well as shear hosted gold mineralisation (Ubib Project).

Figure 3-1
Location of Projects





3.2 Dordabis Base Metals Project (WAGE)

3.2.1 Overview

The Dordabis Project is located approximately 90 km southeast of Windhoek and covers an area of 831 km² (Figure 3-1). Topographically the area is dominated by flat lying plains with minor scattered hills. Rainfall averages 300 mm per year and land use is dominated by cattle farming although hunting and game farming is becoming increasingly popular amongst landowners. Access to the project is via sealed roads to the town of Dordabis located in the centre of the Project Area. Local access is via gravel roads and farm tracks.

3.2.2 Mineral Tenure

The Dordabis Project comprises of two granted EPL's viz. EPL 3257 and 3617, both of which have been granted for exclusive rights to base and precious metals to WAGE. WAGE has existing third party agreements with respect to EPL 3257, whose details are outlined in Section 1.3.

3.2.3 Project Geology and Exploration Model

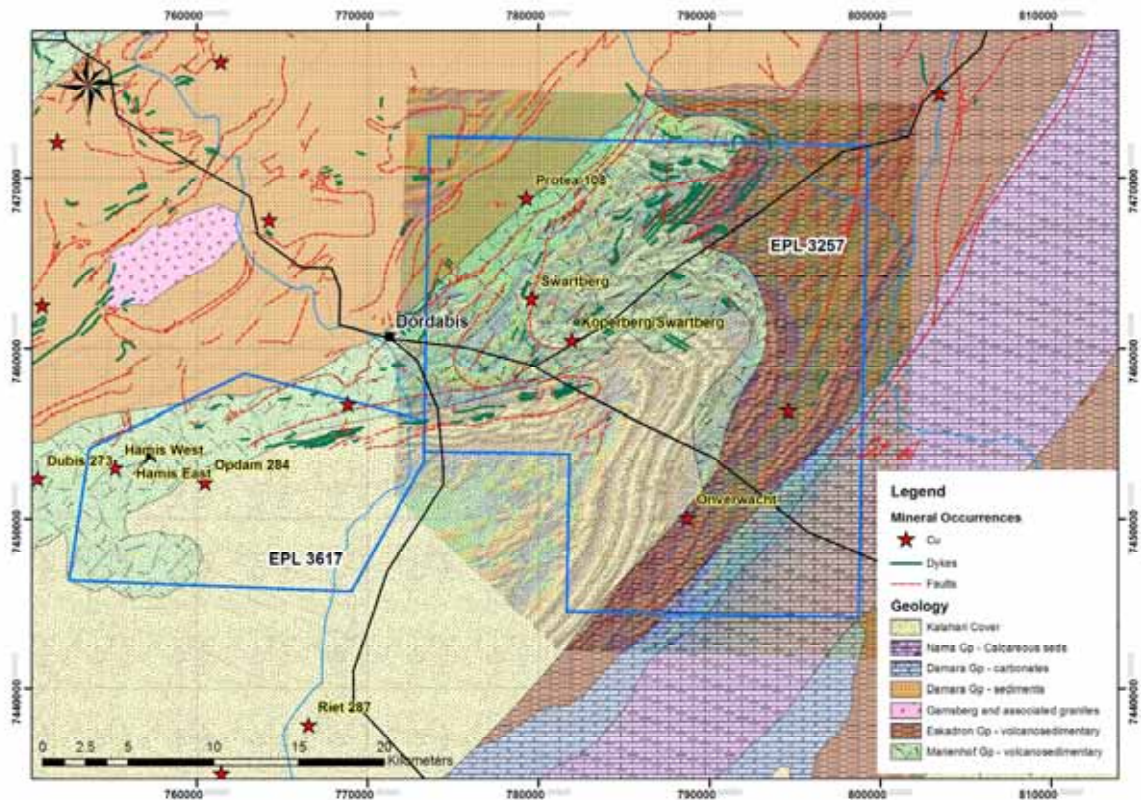
The Dordabis Project is characterised by a series of northeasterly trending belts of Proterozoic Sinclair-age volcanoclastic sediments (comprising the Marienhof and Eskadron Groups) and Damaran age metasediments (comprising Nosib and Nama Groups) that are separated by low angle northeast trending thrust faults formed during the Damaran Orogeny. The area has had varying intensities and phases of folding (dominated by northeast trending fold axes) with the Sinclair equivalents (the Marienhof Group in particular) displaying the most intense deformation, as shown by regional scale airborne magnetics (Figure 3-2). Geological mapping in the area is inconsistent due to poor exposure (in particular over the southern parts due to surficial Kalahari Sequence cover) coupled with partial coverage of regional high resolution geophysics, where only the eastern portions of WAGE's tenements are covered.

Being located within the KCB, WAGE has identified the Dordabis Project as having the potential to contain sediment hosted copper deposits as well as iron oxide copper gold (IOCG) deposits. Exploration for IOCG deposits has been the focus for many companies since the discovery of the world class Olympic Dam deposit in South Australia in 1975. WAGE has identified several characteristics supportive of an IOCG model:

- Existing sediment hosted copper mineralisation identified at the historical Koperberg Cu occurrence and others shows direct correlation of mineralisation associated with hematite altered volcanoclastic breccias.
- Major fault structures are marked by massive outcrops of quartz-iron oxide.

- The presence of several existing copper occurrences located proximal to a regional positive gravity anomaly coupled with that of strongly folded and altered magnetic host rocks representing 35 km of potential strike.

Figure 3-2
Dordabis Project geology on regional airborne magnetics



3.2.4 Previous Exploration

- Koperberg Cu Occurrence

The “Kupferberg” occurrence on the Farm Dordabis 98 was evaluated through diamond drilling by Fedswa Prospekteerders (FEDSWA) between 1968 and 1969 (Figure 3-2). FEDSWA drilled a total of 3 394 m (19 boreholes) covering a strike of 1.5 km, and this was used to estimate a resource of 290 000 t grading at an average 1.7% Cu to a depth of 50 m. Mineralisation was confined to six slate bands that average 2 m in thickness, with localised thickening up to 9 m.

In 1999, Straits Resources Ltd, in joint venture with Kalahari Gold and Copper (Pty) Ltd completed 8 RC holes for a total of 937 m (Figure 3-5); however the company was unable to show continuity of mineralisation. Best intersections from this programme were 14 m averaging 2.46% Cu (KBRC3) and 5 m averaging 1.36% Cu (KBRC1).



A preliminary mining analysis was completed, estimating a conceptual resource of 1 Mt grading at an average of 1% Cu. The study included metallurgical test work that indicated high acid consumption.

A private prospector, Mr JJ Joubert, completed 24 shallow percussion holes (totalling 397 m) during 2003 with the objective of delineating near surface oxide copper resources (Figure 3-5). As with previous operators, drilling managed to identify shallow oxide mineralisation with grades over 1%, however mineralisation continuity could not be demonstrated. Results from bench scale hydrometallurgical test work carried out on oxide ores indicated 80% recoveries with acceptable acid consumption. Commercial scale studies still need to be carried out to confirm this result.

- Swartberg Cu Occurrence

The presence of copper in hematite altered mafic lavas with a strike length of 1.5 km to 2 km was located 2 km to the north of the Koperberg occurrence (Figure 3-2). Grades averaging 0.51% (surface samples) were established by previous workers.

- Protea 103 Cu Occurrence

Copper mineralisation was identified in steeply dipping argillites belonging to the Marienhof Formation on the western parts of the Farm Protea 108 (Figure 3-2). Percussion drilling over a strike distance of 900 m was completed, with four mineralised horizons being identified. Thicknesses varied from 2 m to 4 m with grades of 0.3 – 0.8% Cu.

- Onverwacht 270 Cu Occurrence

Reports of widespread native copper occurrences hosted within mafic lavas have been reported from Onverwacht 270 located to the southeast of Koperberg. Apparently copper weighing several tons was extracted from trenches on the farm (Figure 3-2).

- Hamis 280 West and East Cu Occurrences

Outcrops of malachite stained argillite were evaluated during 1969 to 1970 and 1973 to 1975. Two occurrences, Hamis West and Hamis East, located 800 m apart, were evaluated with diamond and percussion drilling methods (Figure 3-2). The prospects are located on the northern limb of an east-northeast trending over folded synformal structure. Mineralised strike lengths of 400 m and 120 m were established for Hamis West and Hamis East respectively. Drilling delineated several small lenticular mineralised bodies occurring within a single stratigraphic horizon. Best intersections were 1.63 m (true width) grading 1.03% Cu and 15 g/t Ag.

- Opdam 284 Cu Occurrence

Several copper occurrences containing sparse malachite and chalcocite hosted within a variety of lithologies (quartzite, chlorite schist, quartz vein) were located on this farm (Figure 3-2). Each was evaluated through a series of pits and trenches; however no

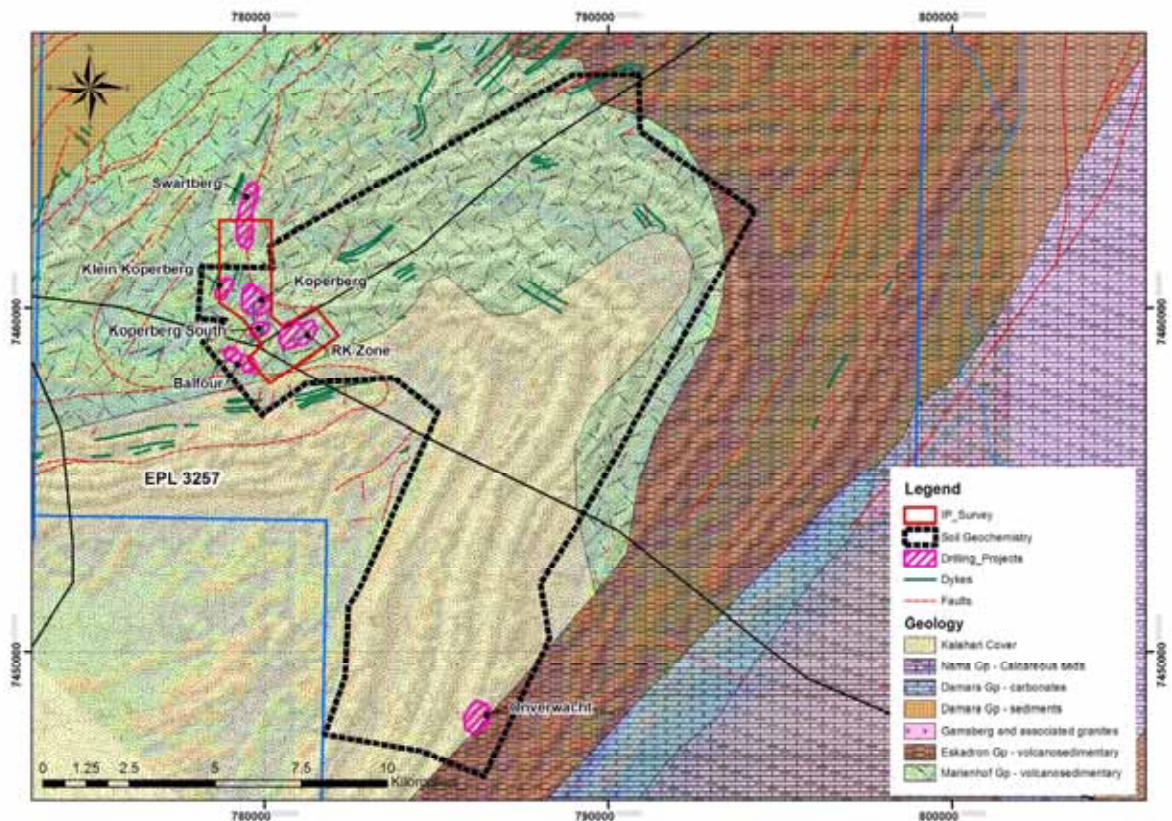
considerable continuity, strike length or width appears to have been established by previous workers.

3.2.5 Exploration carried out by WAGE

Since 2006, WAGE has embarked on a focused exploration programme targeting historic copper occurrences located on EPL 3257 (Koperberg, Swartberg and Onverwacht) as well as the evaluation of other prospects (Klein Koperberg, Koperberg South, Balfour and RK Zone) within EPL 3257. Known Cu occurrences located on EPL 3617 (Hamis and Opdam) have yet to be evaluated by Kalahari.

Work carried out to date has included RC drilling, Induced Polarisation (IP) surveys, channel sampling, metallurgical test work and geochemical soil sampling (Figure 3-3). This work has resulted in the release of a maiden JORC Compliant Inferred Mineral Resource over the Koperberg Prospect as well as an in-house non code compliant resource estimate over the RK Zone Prospect. Kalahari have also established a weather station at Koperberg as part of its baseline environmental monitoring program.

Figure 3-3
Exploration carried out to date at Dordabis





3.2.5.1 Koperberg Prospect

- RC Drilling

RC drilling was initiated at the Koperberg Prospect in December 2005 on an initial 40 m x 20 m grid designed to test the depth and strike extent of the existing Koperberg oxide copper resource to the north. An increase in drill density to 20 m x 20 m was made to increase confidence in order to calculate a JORC compliant inferred resource. Following regional mapping and soil sampling several other regional targets were also drill tested, including the Klein Koperberg, Balfour and Koperberg South Prospects. A total of 283 holes have been drilled over these prospects for a total of 27 598 m (Table 3-1).

Results from the drilling confirmed strike extensions to the north and south of the main Koperberg Prospect with mineralisation hosted within a series of stacked mineralised argillite horizons that are tightly infolded into a synform that plunges steeply to the north at 70°. Mineralisation is dominated by chalcocite with lesser chalcopyrite and bornite in sulphide zones below a depth of 25 m to 30 m. Malachite dominates secondary oxide copper mineralisation at Koperberg that can be clearly seen coating well defined axial planar cleavage surfaces (Figure 3-4). Table 3-2 and Figure 3-5 display some of the better mineralised intercepts received from the Koperberg drilling programme.

Table 3-1
Drilling Summary at Koperberg and surrounding prospects

Prospect Name	Operator	Date	Type	No of holes	Total Meters
Koperberg	Kalahari Gold & Copper	1999	RC	8	937
Koperberg	JJ Joubert	2003	OHP*	24	397
Koperberg	WAGE	2005-2008	RC	239	23 223
Klein Koperberg	WAGE	2005-2008	RC	14	1 380
Koperberg South	WAGE	2005-2008	RC	12	1 253
Balfour	WAGE	2005-2008	RC	18	1 742
	WAGE Totals			283	27 598

* OHP: Open Hole Percussion

Figure 3-4
Copper Oxide (Malachite) mineralisation at Koperberg



Figure 3-5
Koperberg Drilling and Channel Sampling

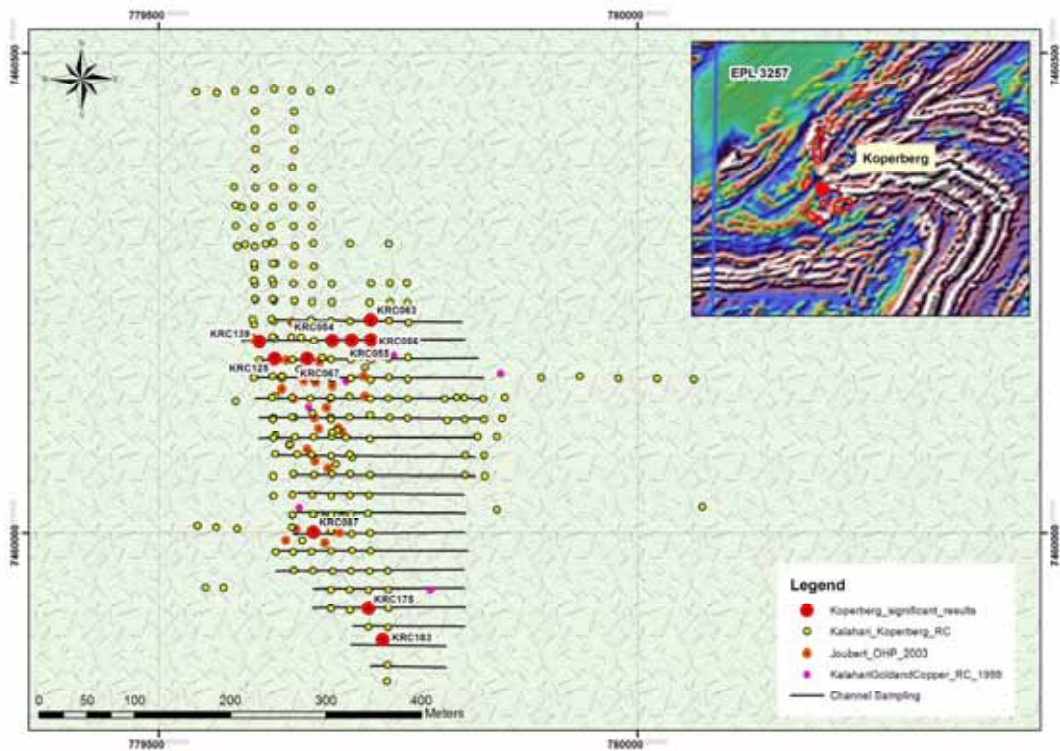




Table 3-2
Significant Intercepts – Koperberg Prospect

<i>Hole Id</i>	<i>Easting</i>	<i>Northing</i>	<i>Azi</i>	<i>Dip</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Width (m)*</i>	<i>Cu%</i>
KRC54	779683	7460199		-90	43	48	5	3.34
KRC55	779724	7460199		-90	74	87	13	2.6
KRC63 Inc.	779720	7460220		-90	79	95	16	1.05
					84	91	7	2.30
					105	143	38	1.28
Inc.					115	132	17	2.48
KRC67 Inc.	779660	7460180		-90	0	21	21	2.09
					0	6	6	3.11
					43	50	7	1.74
KRC87 Inc.	779660	7460000		-90	27	74	47	1.46
					44	54	10	2.48
KRC125	779623	7460180		-90	12	27	15	1.49
KRC139	779607	7460198		-90	3	16	13	1.81
KRC175	779721	7459920		-90	23	37	14	1.61
KRC183	779736	7459887	092	-60	0	17	17	1.58
KRC 056 Ext	779724	7460199		-90	86	113	27	1.87

* True widths yet to be determined, likely to range from 70%-90% of down hole thickness, dependant on hole and stratigraphic orientation

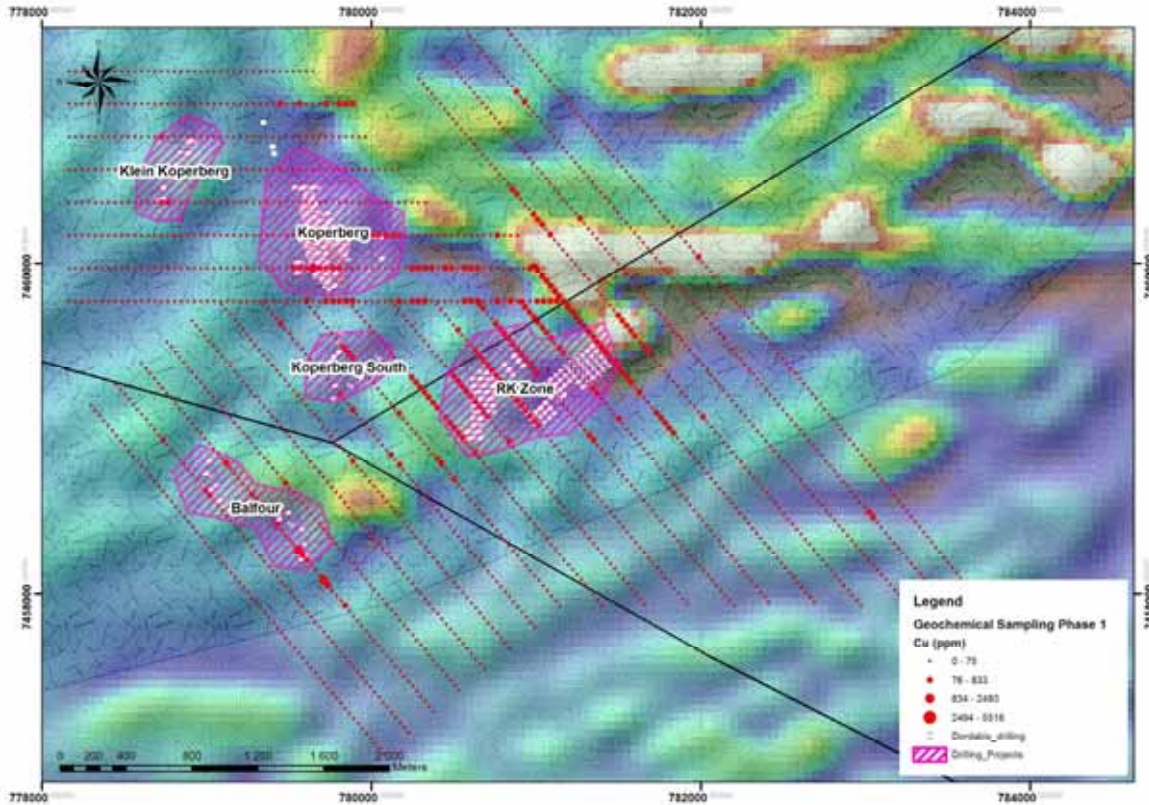
- Induced Polarisation (IP) Surveys

An orientation gradient array IP survey was completed over the Koperberg and RK Zone prospects in November 2006 in order to prove the effectiveness of utilising IP at Dordabis as well as delineate additional targets for drill testing. A strong chargeability anomaly was detected proximal to the existing Koperberg target with the anomaly weakening and extending to the north by 1 500 m coincident with the general trend of mineralisation.

- Geochemical Soil Sampling

Due to the folded nature of the target stratigraphy, a detailed soil sampling programme was completed over the entire Koperberg/RK Zone targets. A total of 1 949 samples were taken along 200 m spaced lines with samples at 40 m intervals. Samples were taken from a depth of 15 cm and sieved with the -180 µm fraction being assayed for Cu and Ag. Results from the survey confirmed the effectiveness of soils in delineating mineralisation, in particular Koperberg South and Balfour as well as extensions to known mineralisation at Koperberg and RK Zone (Figure 3-6).

Figure 3-6
Koperberg geochemical sampling on regional airborne magnetics



- Metallurgical Test Work

In March 2007, three samples of Koperberg material representative of sulphide, intermediate and oxide mineralisation were submitted to General Metallurgical Research and Services located in South Africa for standard sulphide and oxide flotation test work. In contrast to results from historical work, recoveries greater than 90% were reported for sulphide and intermediate mineralisation types, whilst oxide material recorded lower recoveries at 60%. It was recommended that gravity treatment/separation would increase the oxide material recovery.

- Trenching/Channel Sampling

In order to obtain further clarity on oxide grade distribution and local prospect structure over Koperberg, a channel sampling exercise was completed in mid 2008. A total of 19 sample lines 20 m apart were completed. Sample channels were cut 2.5 cm deep and 5 cm wide, depending on exposure and local topography (Figure 3-5 and 3-7).

Figure 3-7
Channel Sampling at Koperberg



3.2.5.2 RK Zone Project

The RK Zone Project is located 1.5 km to the southeast of the Koperberg Project (Figure 3-6).

- Drilling

In 2007, RC drilling was initiated at the RK Zone following the identification of mineralised outcrops during a regional mapping exercise. A total of 116 RC holes have been drilled for 13 255 m based on a 40 m x 40 m grid. Drilling has delineated two distinctive mineralised zones that are characterised by a change in strike from north south (“RK West”) in the west to southwest–northeast (“RK”) in the eastern parts of the prospect (Figure 3-8). Drilling tested mineralisation to depths of 100 m to 120 m below surface. Copper mineralisation occurs in several steeply dipping, narrow argillite horizons. Significant Cu intercepts are listed in Table 3-3 and Figure 3-8. Silver (Ag) was not assayed for over the RK Zone.



**Table 3-3
Significant results from RK Zone Drilling**

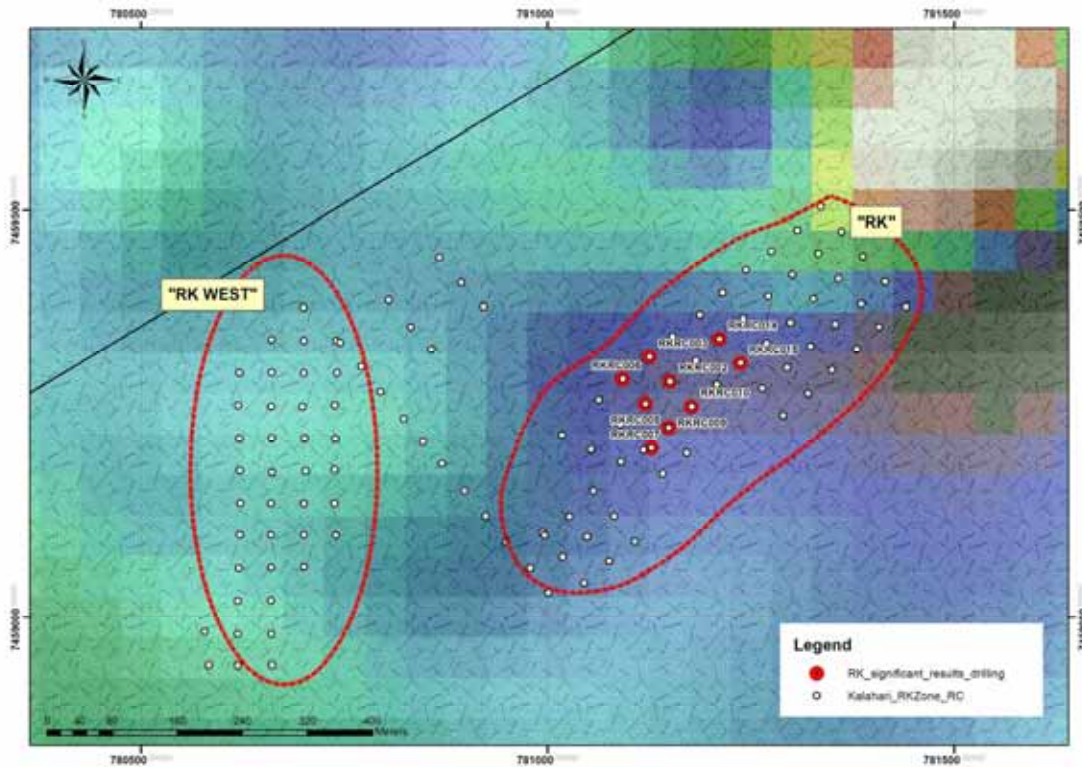
<i>Hole Id</i>	<i>Easting</i>	<i>Northing</i>	<i>Azi</i>	<i>Dip</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Width (m)*</i>	<i>Cu %</i>
RKRC02	781153	7459288	150	-60	21	33	12	1.19
					64	73	9	1.64
					56	60	4	1.45
					63	73	10	1.50
RKRC03	781125	7459319	150	-60	78	80	2	1.11
					110	118	8	2.28
RKRC05	781120	7459262	150	-60	31	36	5	1.80
					61	65	4	1.12
					72	76	4	1.06
RKRC06	781094	7459293	160	-60	94	99	5	1.20
RKRC07	781127	7459207	305	-60	9	20	11	1.19
RKRC09	781146	7459233	145	-60	13	18	5	1.20
RKRC10	781176	7459259	145	-60	4	7	3	1.67
					60	62	2	1.27
RKRC14	781211	7459342	140	-60	73	80	7	1.75
RKRC15	781237	7459311	140	-60	4	6	2	1.03
					11	15	4	1.94

* True widths yet to be determined, likely to range from 70%-90% of down hole thickness, dependant on hole and stratigraphic orientation

- Induced Polarisation (IP) Survey

An orientation gradient array IP survey was completed over the Koperberg and RK Zone prospects in November 2007 in order to prove the effectiveness of utilising IP at Dordabis as well as delineate additional targets for drill testing. A strong chargeability anomaly was detected over the RK Zone Target which was corroborated with drilling results along with potential (undrilled) extensions to the east and southeast.

Figure 3-8
RK Zone RC drilling



- **Geochemical Soil Sampling**

Due to the folded nature of the target stratigraphy, a detailed soil sampling programme was completed over the entire Koperberg/RK Zone targets. Samples were taken along 200 m spaced lines with samples at 40 m intervals. Samples were taken from 15 cm depth and sieved with the -180 μ m fraction being assayed for Cu and Ag. Results from the survey confirmed the effectiveness of soils in delineating RK Zone mineralisation, along with potential follow up areas to the east and north of the existing drill tested areas (Figure 3-6).

3.2.5.3 Swartberg Project

The Swartberg Project is located 2.5 km north of the Koperberg Project and has targeted low grade, high tonnage Cu (\pm Ag) mineralisation hosted within faulted (?) altered andesitic lithologies proximal to a north-south trending regional volcano-sedimentary contact. The prospect's proximity to a regional magnetic and gravity high is suggestive of IOCG potential. Outcrop is very poor and mapping of this important contact is difficult due to the amount of Kalahari age Quaternary cover.

- Drilling

Drilling commenced in early 2008 with 43 RC holes drilled for a total of 6 898 m. Drilling was carried out to test a north-south strike length of 1.5 km on a rough 20 m x 40 m linear grid (Figure 3-9). Mineralisation at Swartberg is dominated by fine grained chalcocite and malachite with minor chalcopyrite hosted within massive andesites. Results received to date indicate several low grade but long interval Cu intercepts. Au grades were negligible (Table 3-4).

Figure 3-9
Swartberg drilling on regional airborne magnetics

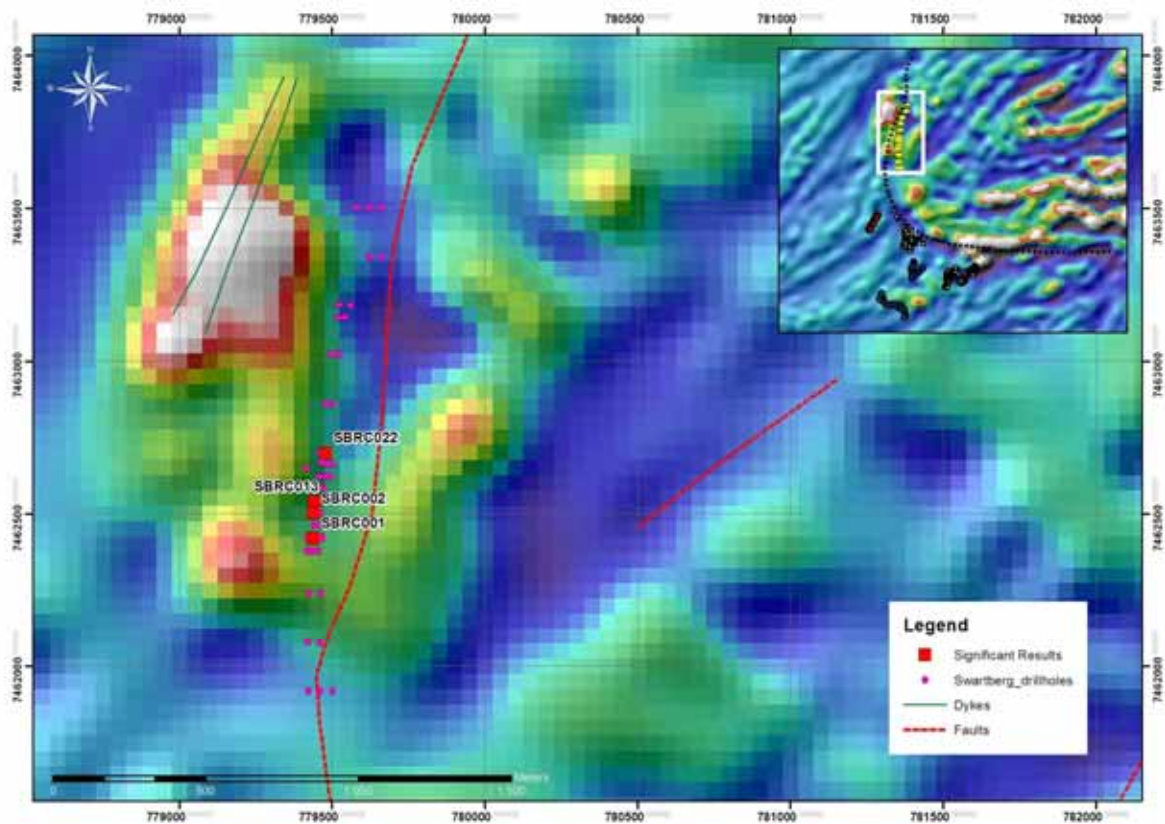


Table 3-4
Significant results from Swartberg Drilling

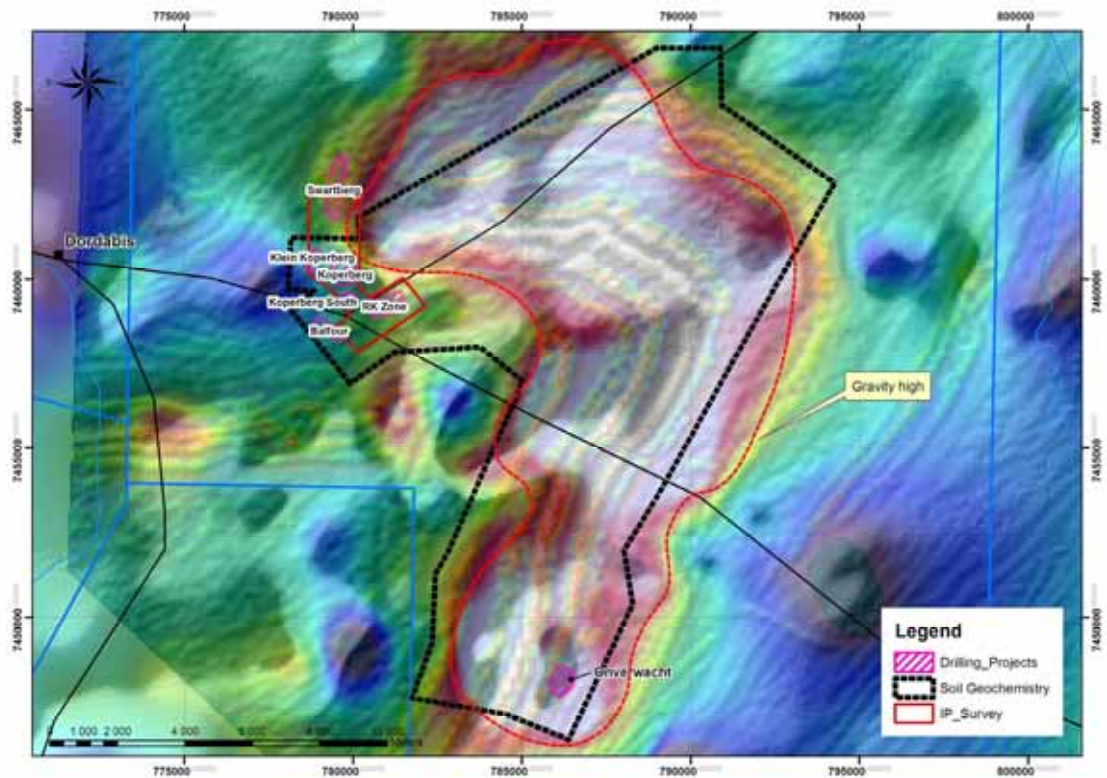
Hole Id	Easting	Northing	Azi	Dip	From (m)	To (m)	Width (m)*	Cu %	Au (g/t)
SBRC001	779 439	7 462 420	275	-60	54	100	46	0.26	0.62
SBRC002	779 439	7 462 501	272	-60	33	148	115	0.16	0.54
SBRC013	779 442	7 462 540	275	-60	22	129	107	0.16	0.45
SBRC022	779 480	7 462 699	270	-60	80	112	32	0.24	0.89
				Includes	88	101	13	0.32	1.29

* True widths yet to be determined, likely to range from 70%-90% of down hole thickness, dependant on hole and stratigraphic orientation

3.2.5.4 Onverwacht Project

The Onverwacht Project is located 14 km to the southeast of the Koperberg/RK Zone Projects and is located proximal to well defined north-northeast trending, strongly magnetic volcanic sedimentary units. These lithologies potentially form part of a similar package of folded, highly altered and magnetic lithologies that were drill tested at the Swartberg Project. The area also directly overlies a coincident magnetic and gravity anomaly, which supports the IOCG model Kalahari are utilising for this area (Figure 3-10).

Figure 3-10
Onverwacht Prospect on regional airborne and gravity



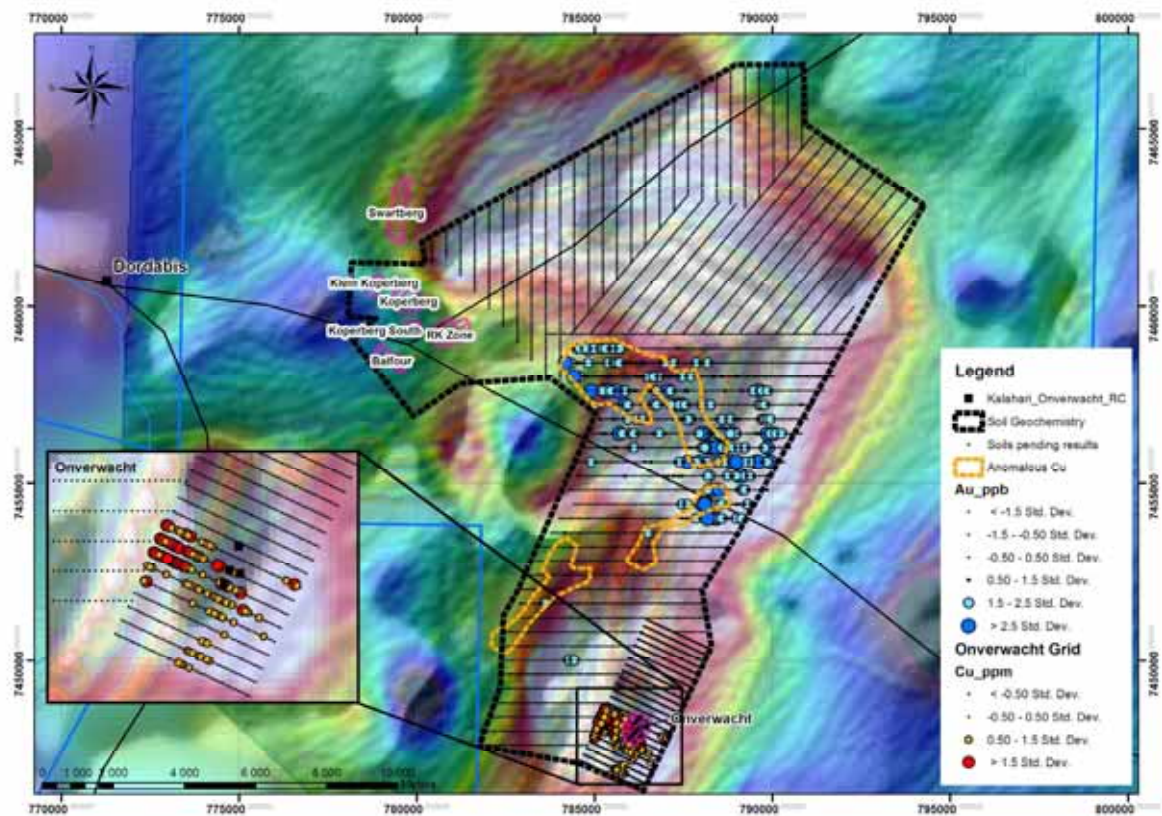
- Drilling

Four RC holes for a total of 490 m were completed to replicate historical holes drilled to test the Onverwacht copper occurrence where several tons of native copper were (allegedly) exposed in trenches. No significant results were received from this drilling program (Figure 3-11).

- Geochemical soil Sampling

In order to delineate potential target lithologies, a small soil sampling exercise was initially completed over the target area where the RC drilling had failed to locate mineralisation. Soil samples were obtained from a 40 m spaced grid with 200 m line spacing. Results delineated a Cu (and weak Ag) in soil anomaly trending over 400 m strike (Figure 3-11), located within a prospective horizon located between magnetic volcanic lithologies. The soil sampling program was extended to the northeast to test continuity of these target horizons and to cover the entire extent of the coincident magnetic and gravity anomalies. Soil samples were obtained from an 80 m spaced grid with 400 m line spacing. Preliminary results received to date have defined a low order transgressive coincident Cu–Au anomaly close to a major fold closure (Figure 3-11). The remainder of the results needs to be compiled in order to define follow up work to test these anomalies.

Figure 3-11
Onverwacht Prospect soil geochemistry*



* Preliminary soil geochemistry anomalies defined by Au and Cu values greater than 1.5 standard deviations from the mean/average.



3.2.6 Mineral Resource Estimates

3.2.6.1 Koperberg Resource Estimation

Based on the drilling completed at Koperberg, a JORC compliant Inferred Resource of 1.74 Mt grading 0.97% Cu representing 17 000 t in situ Cu was calculated in mid 2007. The copper mineralisation modelled at Koperberg outcrops over the majority of the resource area, with the mineralisation covered by a shallow (<5 m) alluvial cover sequence at the northern end of the project. The copper mineralisation domains were defined using a general lower cut off of 0.3% Cu, but some lower grade zones were also captured where geological continuity could be demonstrated. The 3D models, wireframes, grade interpolation and grade estimation was undertaken by Perth based Cube Consulting.

An independent verification of this resource has been completed by MSA and is reported in Chapters 4 and 5.

3.2.6.2 RK Zone Resource Estimation

In July 2009, WAGE completed an in-house resource estimation study over the RK Zone area that was split into two separate domains, RK West and RK (Figure 3-8). A non code compliant total resource of 1.32 Mt grading 1.05% Cu representing 13 825 t of Cu in situ was delineated using a 0.5% Cu cut off. Mineralisation is open at depth with potential strike extensions to the southwest (RK) and north-northeast (RK West).

An independent verification of this resource has been completed by MSA and is reported in Chapter 5.

3.2.7 NRR Work Program

NRR plans to conduct a review of all of the results obtained by WAGE in order to identify and prioritise all production opportunities, with a focus on heap leach potential over the Koperberg and RK Zone Prospects. Following this review, NRR will complete a diamond drilling program in order to obtain material for metallurgical test work as well as complete ongoing regional exploration programs. NRR have provided a budgeted estimated expenditure at the Dordabis Project of GBP 1.12 Million until November 2010.

3.2.8 Conclusions

Exploration work carried out since 2006 by WAGE has focused on delineating and defining historical targets within the Dordabis Project area. This has resulted in drill testing and release of a maiden Inferred Resource for the Koperberg Project in mid 2008 as well as a non code compliant resource estimate over the RK Zone Prospect.



All of the prospects investigated to date by WAGE exhibit similar geology and are generally associated with the western margins of a strongly laminated package of magnetic metavolcanic rocks that are folded along a northeast trending axis. A well defined coincident gravity anomaly also supports the IOCG model that WAGE are pursuing. Until 2009, the focus of exploration has been centred on the Koperberg, RK Zone and nearby Swartberg Prospects (as well as Balfour, Klein Koperberg and Koperberg South Prospects). WAGE has shifted its emphasis to the Onverwacht Prospect where recent and ongoing soil geochemical results coupled with the presence of a combined magnetic and gravity anomaly suggest potential volcanic hosted mineralisation similar to that shown at the Swartberg Prospect.

Results to date from the Swartberg and Onverwacht drilling and geochemical programs suggest a complex mineralised system containing high tonnage, low grade components that could be part of a larger IOCG mineralising system. Positive results from the ongoing geochemical program at Onverwacht will result in the evaluation of a potential mineralised strike length of some 35 km.

The Koperberg and RK Zone Prospects have the potential to host small, but potentially exploitable resources amenable to open pit extraction. Diamond drilling as well as additional metallurgical test work is required in order to confirm these potential oxide resources. A preliminary scoping study can then be commissioned to assess capital and operating costs for such an operation.

Several historical sediment hosted copper occurrences (e.g. Hamis, Opdam and Protea) have yet to be validated by WAGE and these need to be evaluated through appropriate methods such as soil geochemistry, ground geophysics and drilling. Acquisition of high resolution geophysical data (magnetics and radiometrics) for the western (remaining) parts of the Dordabis Project will be critical in carrying out this prospect scale targeting and evaluation.



3.3 Witvlei Base Metals Project (WAGE)

3.3.1 Overview

The Witvlei Project is located approximately 150 km east of Windhoek and covers an area of 651 km² (Figure 3-1). Access to the project is via the Trans Kalahari highway and other sealed roads to the small town of Witvlei located towards the southeastern part of the Project Area. The area is dominated by flat lying plains with minor hills and land use is dominated by cattle farming. Rainfall averages 300 mm per year. Local access is via gravel roads and farm tracks and a local base has been established at Witvlei by Kalahari.

3.3.2 Mineral Tenure

The Witvlei Project is comprised of two granted EPL's viz. EPL 3258 and EPL 3261, both of which have been granted for exclusive rights to base and precious metals to WAGE (Table 1-1).

3.3.3 Project Geology and Exploration Model

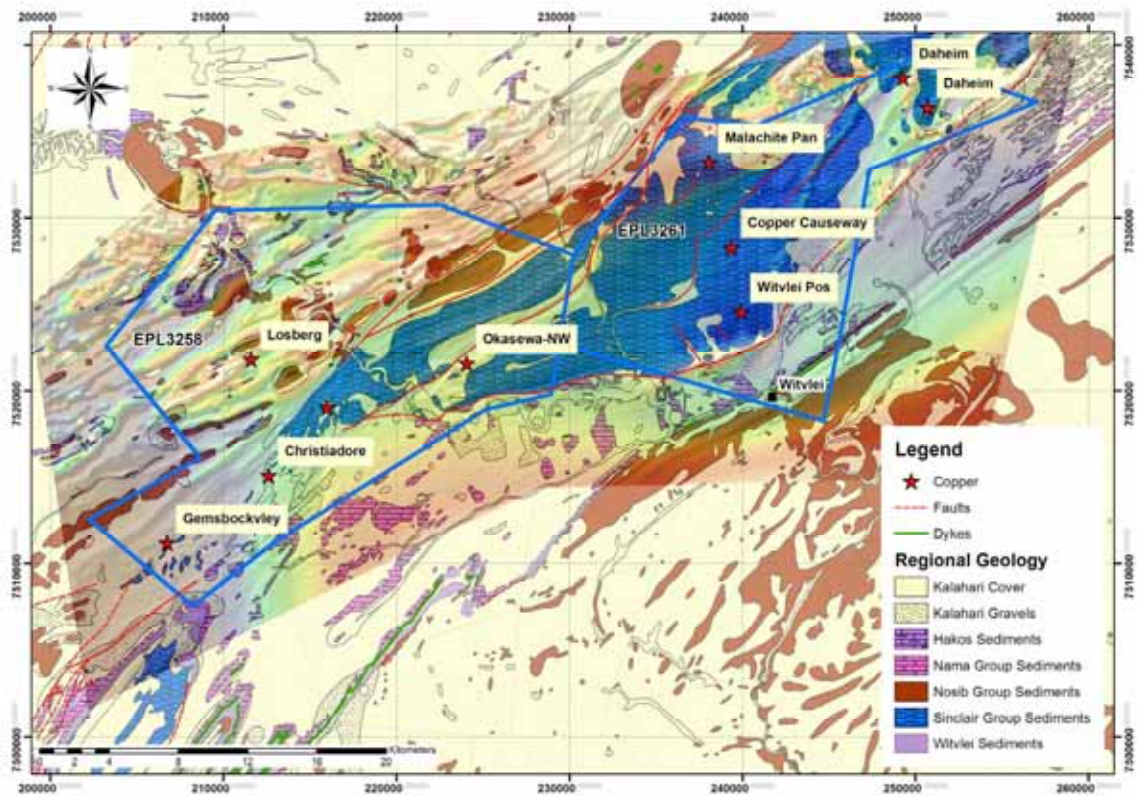
The Witvlei Project is located within a northeasterly trending belt of Neoproterozoic sediments (Doornpoort/Eskadron Formations) comprising altered andesitic breccias, red to grey siltstones and minor limestone. Extensive folding has resulted in folding about northeast-southwest trending axes, with fold cores containing exposed basement age rocks (Rehoboth Age) comprising dioritic intrusive, mafic to intermediate volcanic and volcanoclastic rocks (Figure 3-12).

The Eskadron sedimentary package is bounded to the north and south by northeast trending thrust faults that separate the sequence from Damaran-aged Nosib Group sediments. Regional high resolution magnetic data clearly shows the complex deformation patterns within Damaran-age sediments as well as exposed basement (Rehoboth) located to the north of the Eskadron Formation (Figure 3-12). Copper mineralisation is typically located within argillites and local marls within the Eskadron Formation. The project area is covered to a large extent by a veneer of Tertiary–Quaternary age Kalahari sediments.

The Sinclair Sequence forms part of the “Kalahari Copper Belt” (KCB) that has been likened to the Zambian Copper Belt on the basis of similar sedimentary environments as well as mode of mineralisation. Here these sediments are described by a series of alluvial fan breccias and sandstones intercalated with aeolian, playa, lacustrine as well as shallow water carbonate sediments. The belt stretches from central west Namibia through to Botswana and is characterised by Sinclair-age volcanics, volcanoclastics and clastic sediments. Stratabound copper mineralisation found within the belt is generally associated with volcanic rocks and clastic red bed sequences similar to that of the Zambian Lufillian Arc/Copperbelt.

The Klein Aub Mine located southwest of Rehoboth is such a deposit that was mined between 1966 and 1987 where 5.5 Mt of ore were extracted at an average grade of 2% Cu. Since then, the KCB has seen significant exploration, resulting in the identification of several potentially economic copper resources, several of which are being evaluated by WAGE in the Witvlei Project area.

Figure 3-12
Witvlei Project geology on regional airborne magnetics



3.3.4 Previous Exploration

Most of the work targeting sedimentary hosted copper in the Eskadron Formation was initiated in 1968 and extended into the early 1970s. Work was completed by Sigma Mining and Prospecting Company (Pty) Ltd (Sigma), Anglo American Prospecting Services (AAPS) and FEDSWA. Exploration work by these companies included extensive soil sampling, trenching, rock sampling, mapping and IP surveys followed by extensive drilling. This resulted in the identification of several small stratabound copper deposits where estimates for oxide and sulphide resources were calculated. It should be noted that such resource estimates are not compliant with modern reporting codes.



- Gemsbockvley 214

At Gemsbockvley, copper mineralisation was found associated with green shales, calcareous quartzites and marls (Figure 3-12). FEDSWA carried out exploration between 1968 and 1972 including the drilling of fourteen holes. This drilling delineated a mineralised zone comprising three discrete zones with a strike of some 200 m and a width of 10 m to 20 m. The mineralised zone terminated against a fault at depth.

A historical resource of 450 000 t grading 1.76% Cu was established by FEDSWA.

- Christiadore 104

Copper mineralisation hosted within several shale beds was delineated following a geochemical survey over the central parts of Christiadore 104 (Figure 3-12). The mineralised shale beds have an estimated strike of between 300 m and 400 m with an average width of 2 m. Individual mineralised horizons were spaced over a total width of 120 m to 140 m with a dip of 70° to the south east. A total of 25 diamond drillholes for 7 225.98 m were drilled by FEDSWA between 1968 and 1972.

A historical (non code compliant) resource of 1.2 Mt grading 2.27% Cu was established by FEDSWA.

- Okasewa North West 120

FEDSWA delineated a 500 m long Cu in soil anomaly (exceeding 500ppm Cu) on the southeastern portions of Okasewa North West (Figure 3-12). A total of 87 diamond drillholes for 30 553 m was completed, defining 12 steeply dipping ore horizons over a strike extent of more than 2 000 m. Mineralisation is hosted by a number of faulted calcareous argillite and limestone units that are arranged *en echelon* and have a near vertical dip. Copper content was noted to decrease to the east as a result of a facies change. A vertical exploration shaft was developed to a depth of 50 m with two crosscuts being developed to intersect two ore horizons. Mineralised material was apparently collected for bulk sampling and metallurgical test work.

A historical (non code compliant) resource of 6 Mt grading 1.8% Cu and 7g/t Ag was established at Okasewa.

- Witvlei Area

Between 1967 and 1976, detailed exploration over the farms Eskadron 152, Okatjirute 155 and Daheim 157 between 1967 and 1976 led to the discovery of the Malachite Pan, Witvlei Pos, Copper Causeway and Daheim occurrences by Sigma (a joint venture company representing Anglovaal, Tsumeb Corporation and AAPS).

- Malachite Pan: The majority of this work was completed over the Malachite Pan occurrence where a total of some 8 500 m was drilled to delineate 25 mineralised horizons of which 15 were identified as having sufficient grade and lateral continuity to be extracted using underground mining methods. Extensive trenching identified several individual mineralised horizons; however several appear to have been duplicated through folding (Figure 3-13). A vertical shaft was sunk to 47 m depth and small scale mining was initiated by accessing sulphide ore through a series of footwall cross cuts and drives. A combination of poor Cu recoveries (<70%), difficult mining conditions, and prevailing copper prices at the time resulted in operations terminating in 1975. A total of 22 000 t ore was extracted.

Figure 3-13

Malachite Pan historical trench (foreground) showing a mineralised argillite unit (looking East)





Sigma defined a historical (non code compliant) resource of 2.98 Mt grading 2.1% Cu over an average width of 2.36 m at Malachite Pan, with AAPS later estimating an oxide resource of 283 000t at an average grade of 2.7% Cu (to a depth of 30 m below surface).

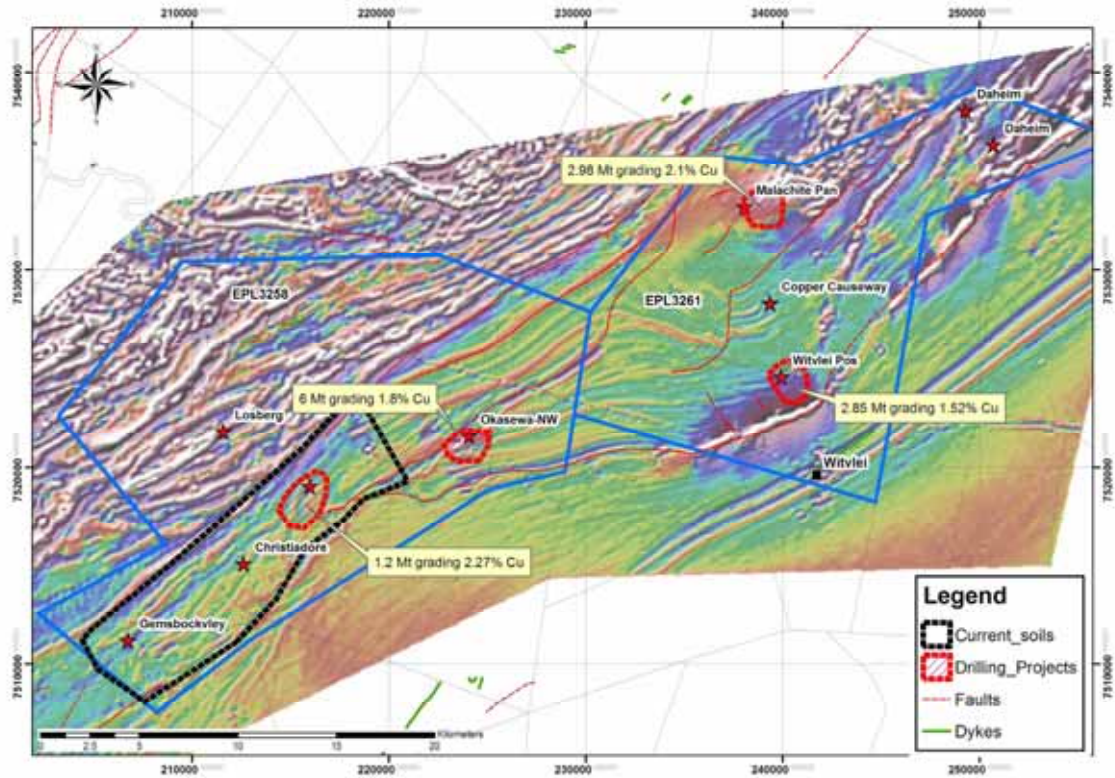
Additional work was carried out over Malachite Pan in the late 1990s where Kalahari Gold and Copper (in joint venture with Straits Exploration) completed a five hole RC drilling programme for a total of 473m. Results were variable with a best intersection returning 6 m averaging 1.81% Cu (Hole 98RC3, from 36 m to 42 m). A limited number of tests for acid leachable copper and acid consumption were carried out with results showing high acid consumption due to the calcareous nature of the host rocks.

- Witvlei Pos Prospect: The Witvlei Pos Occurrence is located some 9 km south of Malachite Pan. Here Sigma drilled a total of 14 diamond drillholes to establish a (non code compliant) resource of 2.85 Mt grading 1.52% Cu over an average width of 2.12 m. AAPS “reliably” calculated an oxide resource of 620 000t at an average grade of 2.7% Cu down to a depth of 30 m (Main 1979).
- Copper Causeway Prospect: The Copper Causeway occurrence is located between Malachite Pan and Witvlei Pos. Trenching exposed several copper bearing argillite beds with the best surficial (oxide) result of 3% Cu over 9.41 m. Two diamond drillholes for a total of 475.9 m were drilled with the best intersection assaying 1.49% Cu over 2.91 m.
- Daheim 157: A copper in soil anomaly was identified on the northwestern parts of Daheim 157. Follow up work identified several copper bearing siltstone/argillite beds that were tested by trenching followed by five diamond drillholes. Significant intercepts included 3 m (true width) grading 1.8% Cu. The oxidised zone appears to be enriched with copper to a depth of 35 m where abundant malachite and azurite is present, accounting for grades of approximately 2% Cu.

3.3.5 Exploration carried out by WAGE

Since 2006, WAGE has embarked on a focused exploration programme targeting historic copper occurrences (Christiadore, Okasewa, Malachite Pan and Witvlei Pos) in order to delineate a minimum 250 000 t contained copper resource. Work carried out to date has included geochemical soil sampling, trenching, diamond drilling, RC drilling, metallurgical test work, environmental baseline studies as well as in-house resource modelling and estimation. WAGE is currently completing a regional soil sampling program starting at Gemsbockvley designed to identify additional near surface oxide copper mineralisation (Figure 3-14).

Figure 3-14
Historical resource estimates and exploration focus



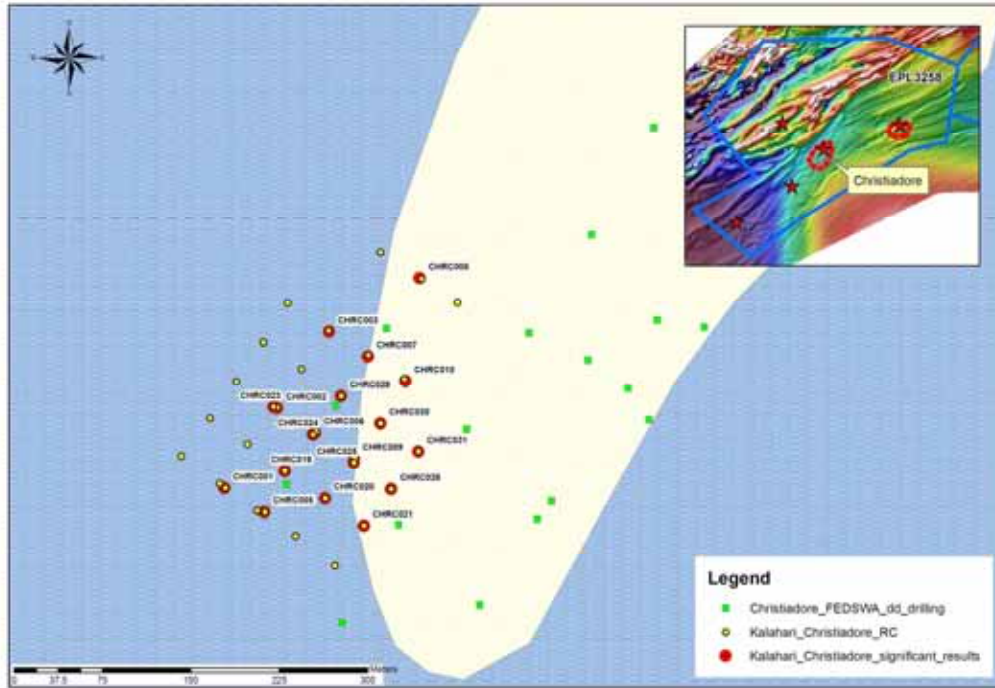
3.3.5.1 Christiadore Project

The Christiadore Project is located in the central portions of EPL 3258, 26 km west of the town of Witvlei and is accessible via the sealed road between Witvlei and Windhoek as well as local farm roads and tracks (Figure 3-14).

A first phase drilling program was initiated at Christiadore in 2007 whereby 11 RC holes were drilled on a 80 m x 40 m grid followed by a second phase of infill drilling in late 2008 where RC holes were drilled on a 40 m x 40 m grid. To date a total of 32 RC holes have been drilled for a total of 4 434 m, with the second phase of infill drilling being suspended due to economic conditions. Drilling was planned primarily in order to confirm historical drilling results as well as to test depth extensions (Figure 3-15).

As many as five mineralised steeply dipping argillite bands were delineated during drilling. Narrow mineralised drill intercepts were encountered in most of the holes drilled by WAGE (Table 3-5). Mineralisation is dominated by chalcopyrite with lesser chalcocite.

**Figure 3-15
Christiadore Drilling**



**Table 3-5
Significant results from Christiadore Drilling**

Hole Id	Easting	Northing	Azi	Dip	From (m)	To (m)	Width (m)*	Cu%	
CHRC001	215368	7518210	340	-60	93.00	95.00	2	1.57	
CHRC002	215413	7518278	330	-60	10.00	14.00	4	1.50	
					Including	11.00	13.00	2	2.29
					41.00	46.00	5	3.66	
					67.00	69.00	2	2.53	
CHRC003	215457	7518343	330	-60	11.00	14.00	3	1.03	
					Including	83.00	90.00	7	1.57
					86.00	90.00	4	2.53	
CHRC005	215402	7518190	330	-60	58.00	60.00	2	1.28	
CHRC006	215445	7518257	345	-60	83.00	90.00	7	2.97	
					Including	84.00	90.00	6	3.38
CHRC007	215490	7518322	335	-60	44.00	53.00	9	2.47	
					Including	45.00	51.00	6	3.04
					84.00	87.00	3	1.18	
					107.00	109.00	2	1.14	
CHRC008	215534	7518389	325	-60	8.00	14.00	6	1.23	
					44.00	46.00	2	1.26	
					99.00	102.0	3	2.26	
CHRC009	215478	7518235	328	-60	38.00	40.00	2	1.36	
					98.00	101.00	3	1.05	
								Cont...	



CHRC010	215522	7518301	328	-60 Including	18.00	24.00	6	1.11
					21.00	24.00	3	1.93
					40.00	42.00	2	1.00
					98.00	100.00	2	1.54
CHRC019	215419	7518225	305	-60	71.00	74.00	3	1.13
CHRC020	215454	7518201	305	-60	36.00	38.00	2	2.3
					119.00	121.00	2	3.58
CHRC021	215487	7518178	305	-60	81.00	83.00	2	3.69
					164.00	166.00	2	3.74
CHRC023	215410	7518279	305	-60	6.00	10.00	4	1.91
					32.00	36.00	4	2.99
					79.00	81.00	2	3.25
CHRC024	215443	7518256	305	-60	58.00	60.00	2	2.44
					79.00	84.00	5	2.52
					115.00	116.00	1	3.79
CHRC025	215478	7518232	305	-60	35.00	37.00	2	1.57
					101.00	104.00	3	1.82
					115.00	119.00	4	1.62
CHRC026	215510	7518209	305	-60	79.00	83.00	4	3.37
					158.00	161.00	3	1.21
CHRC029	215467	7518288	305	-60	55.00	56.00	1	2.49
					74.00	76.00	2	1.46
					95.00	97.00	2	4.33
CHRC030	215501	7518265	305	-60	34.00	37.00	3	1.6
					89.00	92.00	3	2.96
					110.00	115.00	5	2.74
					132.00	133.00	1	1.44
CHRC031	215533	7518241	305	-60	68.00	71.00	3	1.67
					81.00	83.00	2	1.74
					145.00	149.00	4	2
					169.00	173.00	4	3.4
					209.00	210.00	1	1.74
* True widths yet to be determined, likely to range from 70%-90% of down hole thickness, dependant on hole and stratigraphic orientation								

3.3.5.2 Okasewa Project

The Okasewa Project is located in the south central part of EPL 3258, approximately 9 km to the northeast of Christiadore (Figure 3-14). WAGE has completed a series of RC and diamond drilling programs as well as a small trenching program that has culminated in the estimation of an in-house resource estimate in 2009. Material was also collected for metallurgical test work.

- Drilling

A total of 8 diamond drillholes totalling 1 809.41 m and 228 RC holes have been drilled for 36 290 m (Figure 3-12). RC drilling was based on a 40 m x 40 m grid in order to confirm historical estimates and to assist with in-house resource estimation (Figure 3-16).

Geological logging of diamond drillholes and down hole imagery utilised over selected RC holes confirms widely disseminated chalcopyrite and chalcocite mineralisation that is constrained predominantly within massive to banded limestone/marl units with locally developed graphitic partings, as well as some sharply defined green argillaceous units that display intense localised folding (Figure 3-17). Significant results received are shown in Table 3-6.

- Trenching

Trenching was completed over selected areas to expose bedrock in order to carry out structural mapping and sampling, the results of which are still pending.

Figure 3 -16

Drilling and geochemistry at Okasewa

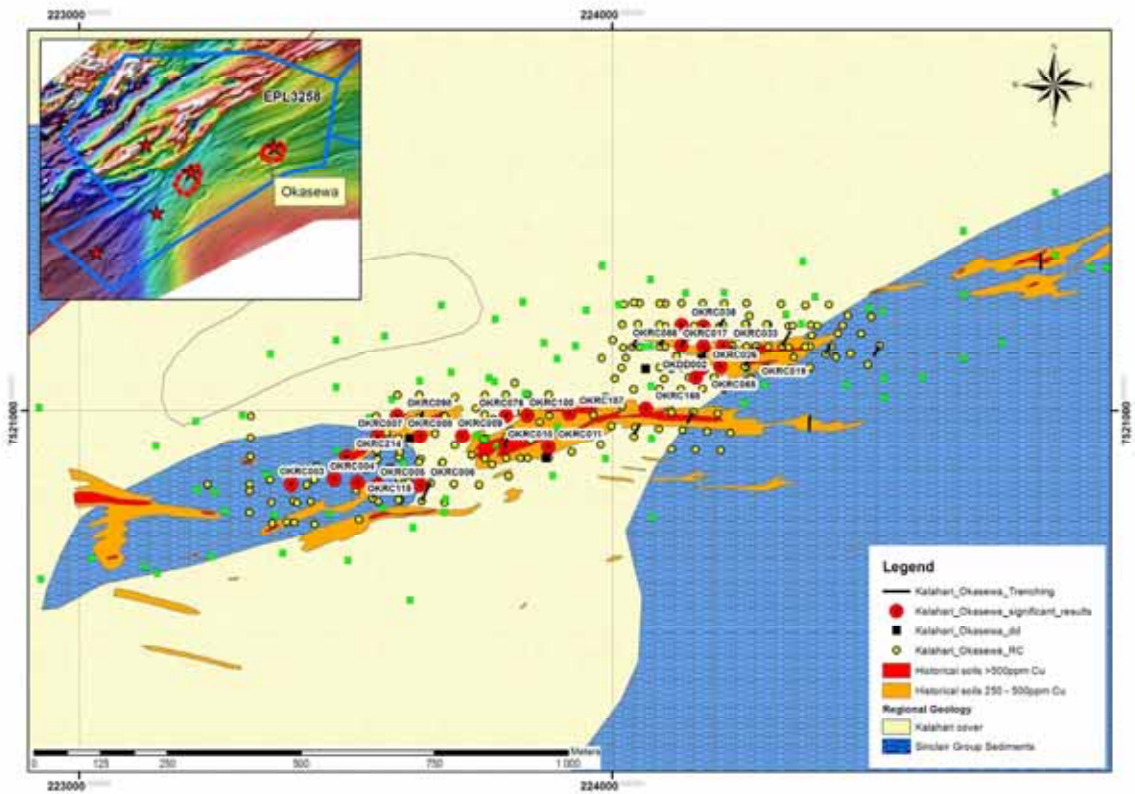


Figure 3 -17

Photographs from Okasewa



Disseminated chalcopyrite mineralisation - OKDD03

RC Drillhole OKRC197

Table 3-6
Significant results from Okasewa Drilling

<i>Hole ID</i>	<i>Easting</i>	<i>Northing</i>	<i>Dip</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Width (m)</i>	<i>Cu%</i>
OKRC003	223400	7520860	-60	82.00	84.00	2	1.44
OKRC004	223480	7520870	-60	109.00	113.00	4	1.33
			Including	109.00	111.00	2	2.16
OKRC005	223560	7520860	-60	17.00	26.00	9	1.59
				60.00	62.00	2	1.18
OKRC006	223640	7520860	-60	52.00	54.00	2	1.12
OKRC007	223560	7520950	-60	56.00	60.00	4	1.01
			Including	57.00	59.00	2	1.40
OKRC008	223640	7520950	-60	66.00	68.00	2	1.43
				110.00	121.00	11	1.08
			Including	112.00	116.00	4	1.62
			and	119.00	121.00	2	1.49
OKRC009	223720	7520950	-60	95.00	101.00	6	1.07
			Including	96.00	99.00	3	1.26
OKRC010	223800	7520930	-60	0.00	49.00	49	1.12
			Including	1.00	5.00	4	3.49
			and	17.00	23.00	6	2.05
			and	28.00	30.00	2	1.04
			and	32.00	38.00	6	1.41
			and	42.00	47.00	5	1.77
				78.00	99.00	21	1.45
			Including	80.00	87.00	7	2.35
			and	91.00	94.00	3	1.52
			and	97.00	99.00	2	2.93
OKRC011	224170	7521160	-60	42.00	45.00	3	1.57
				56.00	58.00	2	1.32
				66.00	72.00	6	1.08
OKRC016	224170	7521160	-60	29.00	32.00	3	1.74
			Including	30.00	32.00	2	2.35



OKRC066	224129	7521122	-60	7	25	18	0.45
				66	102	36	1.24
			Including	66	75	9	1.55
			and	85	94	9	1.77
				116	130	14	0.89
			Including	117	123	6	1.39
OKRC076	223801	7520990	-90	51	97	46	1.56
			Including	56	63	7	2.34
			and	67	81	14	1.97
			and	89	97	8	2.14
OKRC098	223597	7520990	-90	0	35	35	1.22
			Including	2	17	15	1.80
				75	77	2	1.87
				91	93	2	1.08
				139	142	3	1.40
				165	199	34	0.84
				166	173	7	1.17
				186	193	7	1.93
				230	242	12	0.96
				238	242	4	2.00
OKRC100	223841	7520990	-90	0	27	27	1.76
				40	78	38	2.26
			Including	47	78	31	2.73
				120	134	14	0.40
OKRC115	223522	7520865	-90	106	124	18	1.24
			Including	115	124	9	1.82
				132	156	24	1.78
				168	172	4	0.93
				180	181	1	1.71
OKRC168	224063	7521003	-60	65	67	2	0.55
				205	254	49	0.95
			Including	207	213	6	1.41
			and	217	223	6	1.23
			and	229	235	6	1.44
				271	272	1	1.68
				276	278	2	1.03
				281	289	8	1.10
				295	300	5	0.90
OKRC187	223920	7520994	-60	0	29	29	1.78
			Including	2	13	11	2.35
			and	21	29	8	2.66
OKRC214	223502	7520913	-60	0	11	11	1.44
				20	23	3	0.89
				102	108	6	1.81

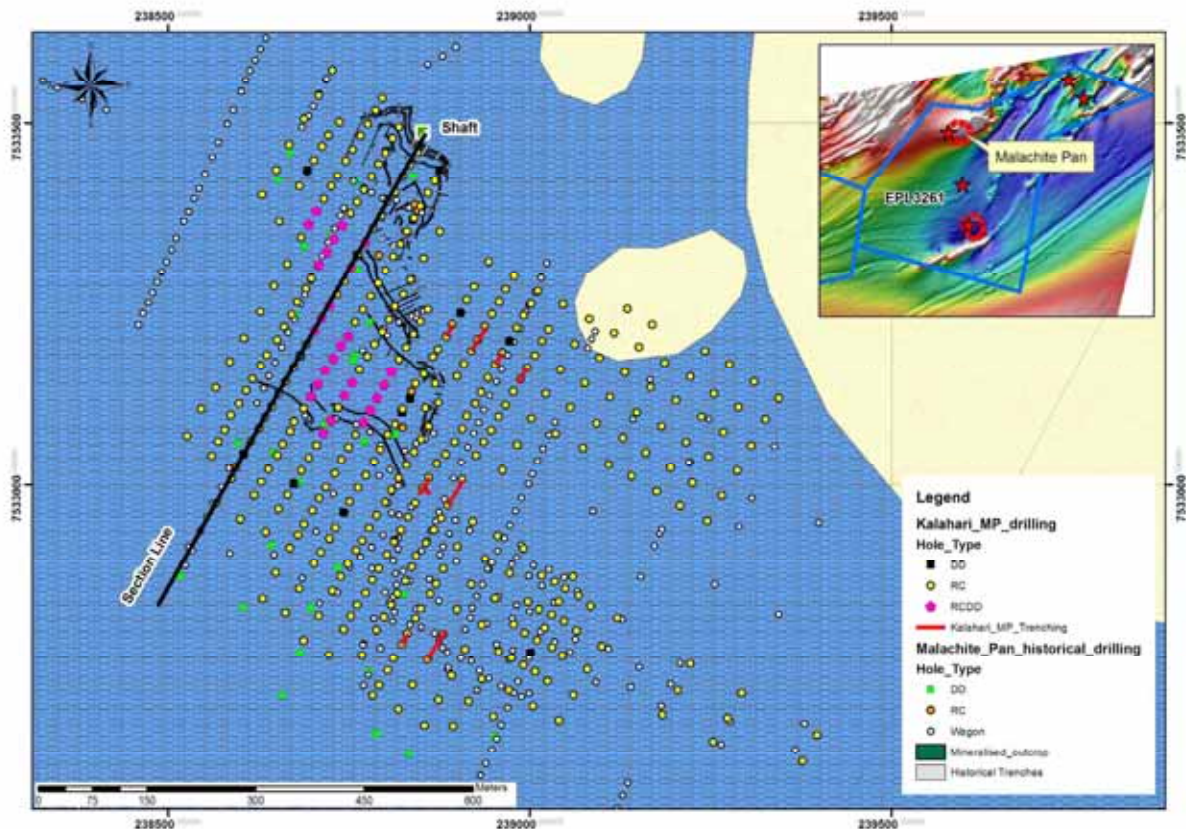
3.3.5.3 Malachite Pan Prospect

The Malachite Pan Project is located in the northern parts of EPL 3261, approximately 14 km to the north of the town of Witvlei (Figure 3-14). WAGE has completed a significant amount of work over Malachite Pan, including drilling, trenching, mineralogical, metallurgical test work as well as an in-house resource estimate and preliminary scoping study.

- Drilling

Drilling was initiated at Malachite Pan in 2007 where a total of 20 diamond drillholes for 3 431.77 m and 388 RC holes for 51 815 m have been completed. Following a drillhole density study in July 2008 over Malachite Pan by Golder Associates, RC drilling spacing was reduced to a 20 m x 40 m grid in order to confirm historical estimates as well as provide more confidence for mineral resource estimates (Figure 3-18). An additional 26 holes utilising diamond tails drilling on existing RC holes were completed in order to obtain material for metallurgical test work (total 2 745.3 m).

Figure 3-18
Drilling, trenching and historical mapping at Malachite Pan



Drilling results to date have confirmed multiple zones of copper mineralisation, primarily hosted within numerous green, reduced argillaceous units along a strike length of some 750 m (Figure 3-19). Copper mineralisation appears to be controlled by a combination of footwall topography (comprising sedimentary breccias) and lateral facies variation within the sedimentary package. Mineralisation is dominated by sulphide copper minerals (bornite, chalcocite and chalcopyrite) with minor secondary oxide copper mineralisation associated with fractures. Mineralisation appears to flank an north-south footwall topographic (?) high that may reflect a fold or possible horst block development. Significant results are shown in Table 3-7.



- Trenching

Trenching was completed over selected areas to expose bedrock in order to carry out structural mapping and sampling, the results of which are still pending.

Figure 3-19
SW-NE Section through the old shaft Area, Malachite Pan

(Image sourced from WAGE in house modelling)

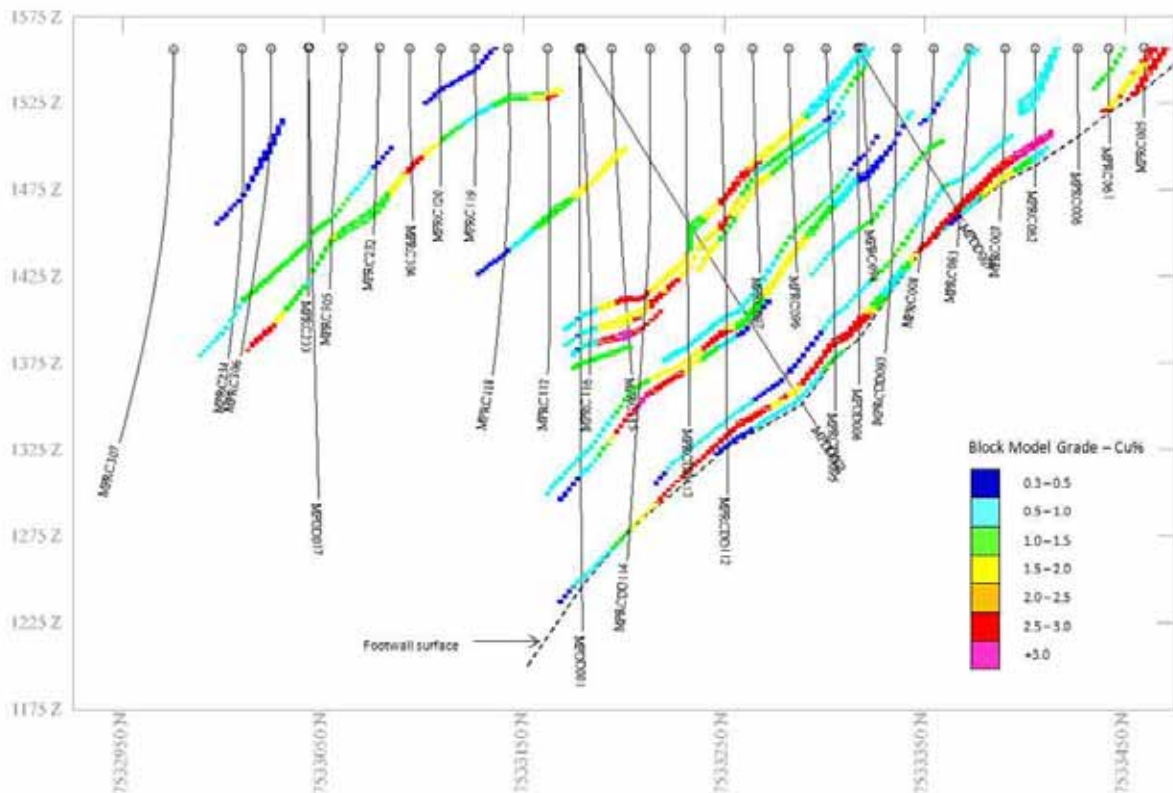


Table 3-7
Significant results from Malachite Pan drilling

<i>Hole Id</i>	<i>Easting</i>	<i>Northing</i>	<i>Dip</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Width (m)*</i>	<i>Cu%</i>
MPRC002	238775	7533498	-90	56	58	2	1.73
MPRC004	238735	7533429	-90	72	77	5	1.33
MPRC005	238844	7533458	-90	6 15	12 21	6 6	1.97 2.24
MPRC007	238804	7533389	-90	66 73	71 77	5 4	2.73 1.56
MPRC008	238784	7533354	-90	114	117	3	2.39
MPRC011	238834	7533280	-90	0	6	6	1.34
MPRC014	238843	7533136	-90	15 33	18 35	3 2	1.47 1.41
MPRC018	238852	7532992	-90	21 38	23 40	2 2	1.91 1.33



MPRC019	238832	7532957	-90	44	50	6	1.16
MPRC020	238812	7532922	-90	36	41	5	2.17
				56	59	3	1.91
MPRC030	239040	7532837	-90	44	46	2	1.10
MPRC031	239020	7532802	-90	25	28	3	1.10
				83	86	3	1.20
MPRC032	239000	7532768	-90	19	22	3	1.47
				84	93	9	1.68
				98	104	6	1.10
MPRC037	238785	7533516	-90	0	6	6	1.48
				39	41	2	1.60
MPRC041	238715	7533395	-90	70	72	2	1.89
MPRC042	238810	7533479	-90	0	24	24	1.22
		Includes		11	24	13	1.80
				33	37	4	1.22
MPRC043	238800	7533495	-90	3	5	2	1.13
				46	62	16	1.94
		Includes		47	51	4	3.56
		and		54	57	3	3.09
MPRC050	239030	7532820	-90	61	65	4	1.60
MPRC065	238878	7533436	-90	5	16	11	1.88
				6	10	4	3.26
MPRC070	238830	7533351	-90	24	39	15	1.84
		Includes		25	30	5	3.00
		and		33	37	4	2.54
MPRC098	238759	7533255	-90	76	88	12	1.54
		Includes		81	84	3	2.27
MPRCDD106	238799	7533138	-90	56	58	2	1.06
				68	71	3	2.49
				100	103	3	0.87
				169.68	174.38	4.7	3.57
				243.35	246.35	3	0.6
MPRC115	238691	7533194	-90	61	64	3	2.14
				143	146	3	2.8
				154	160	6	1.8
				163	174	11	2.11
		Includes		163	168	5	3.38
MPRCDD122	238728	7533175	-90	65	70	5	1.47
				76	77	1	0.97
				90	91	1	1.1
				101	102	1	1.72
				134	140	6	2.65
				143	150	7	2.11
MPRCDD130	238744	7533123	-90	120	122	2	1.42
				133	135	2	1.54
				168.2	172.5	4.3	3.49
				178.1	183	4.9	1.03
				209	211.08	2.08	0.71
				215.18	221.15	5.97	3.86
MPRC134	238705	7533055	-90	51	55	4	3.2
MPRC145	238829	7533027	-90	1	3	2	1.08
				34	37	3	3.17
				41	46	5	3.55
				51	54	3	0.46
MPRC230	238679	7533253	-90	73	84	11	1.21
		Includes		75	78	3	2.62

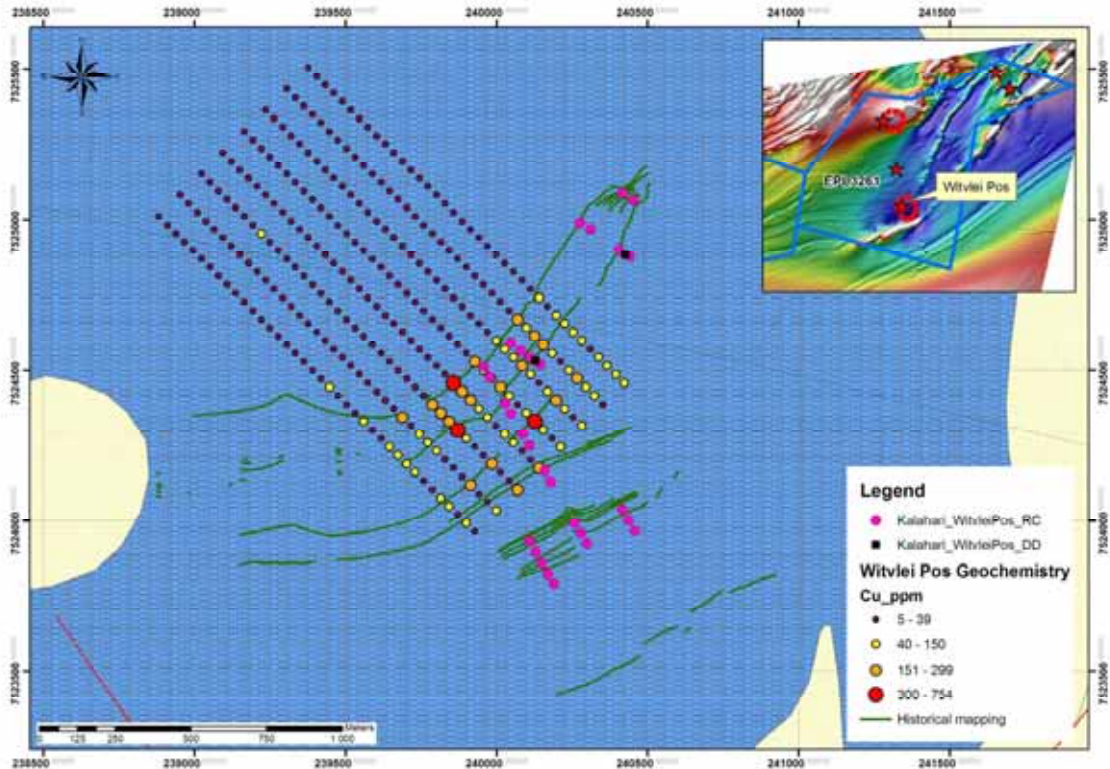


				98	100	2	0.65
				169	171	2	1.47
				181	187	6	3.33
MPRC248	238788	7532800	-90	120	123	3	2.42
				163	169	6	3.14
MPRC316	238718	7532997	-90	52	56	4	1.14
				62	64	2	1.31
				82	84	2	2.15
				88	92	4	2.84
				100	102	2	1.14
MPRC331	238731	7532941	-90	50	54	4	2.04
				81	93	12	2.43
			Includes	81	85	4	3.67
				112	114	2	2.41
				129	132	3	1.16

3.3.5.4 Witvlei Pos

The Witvlei Pos Project is located in the south central parts of EPL 3261, immediately north of the town of Witvlei (Figure 3-14). WAGE has undertaken a small (incomplete) geochemical soil survey over parts of the Witvlei Pos Prospect as well as a RC (29 holes for a total of 3839 m) and diamond drilling program (2 holes for a total of 298.78 m) (Figure 3-20). Historical mapping describes a series of stacked mineralised argillite units dipping steeply to the southeast.

Figure 3-20
Witvlei Pos geochemical sampling, drilling and historical mapping



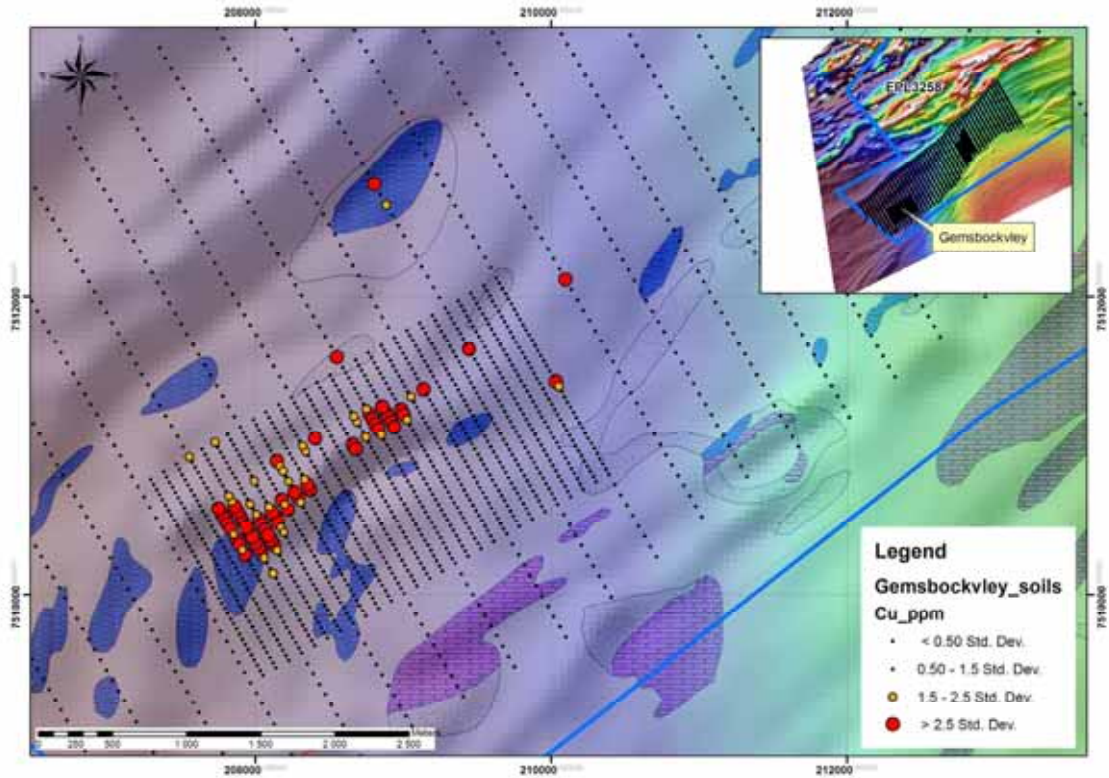
Although the soil survey confirmed the location of historical mapping of cupriferous outcrops, the subsequent drilling programs failed to validate or identify the historical resource estimates made by previous workers. Unfortunately the soils program was terminated prior to its completion, and although it was successful in validating historical mapping, the survey should be extended to include a wider area, in particular along strike.

3.3.5.5 Gemsbockvley

The Gemsbockvley Prospect is located approximately 10 km south west of the Okasewa Prospect, close to the southwestern edge of EPL 3258 (Figure 3-14). WAGE has initiated a regional soil exploration program designed to delineate the historical Gemsbockvley occurrence as well as define additional targets along strike towards the Okasewa and Christiadore Prospects. Regional soil sampling was carried out along 400 m spaced lines with samples taken every 80m. Infill soil sampling was then carried out on 100 m x 40 m spaced centers (Figure 3-21).

Results received to date have been encouraging and have defined a significant copper in soil anomaly that appears to terminate abruptly to the west. This may represent a fold closure or possibly a fault termination (Figure 3-21).

Figure 3-21
Gemsbockvley Soil Sampling



3.3.6 Conceptual Scoping Study and Metallurgical Test work

A conceptual scoping study was initiated by WAGE in July 2008 with the purpose of the study being to assess the economic potential of the Witvlei Project based on historical work as well as work completed to date by WAGE. Metallurgical test work for both Malachite Pan and Okasewa was carried out to assist with conceptual plant design and is still ongoing.

3.3.6.1 Conceptual Scoping Study

The study was commissioned in July 2008 in order to investigate the potential for the mining, processing and shipping of Cu-Ag ore from several small ore bodies that have been defined to date at Witvlei. In December 2008 WAGE decided to suspend work on the study due to economic circumstances and poor results from the Witvlei Pos drilling program.

3.3.6.2 Metallurgical Test work

Metallurgical test work was carried out on diamond drill core from the Malachite Pan and Okasewa Prospects where a total of 100 kg of mineralised material from each prospect was provided to SGS Lakefield Laboratories in South Africa. Unfortunately



limited sulphide flotation work was carried out, despite the primary ore mineralisation being sulphide (95%) in nature. The limited sulphide flotation work completed is highlighted below:

- Most copper sulphides report to the -38 μm fraction meaning that a very fine grind is required to liberate the sulphides. This is likely to reduce concentrate grade.
- Sulphide mineralogy is dominated by bornite and chalcocite (85%) with chalcopyrite (10%) and covellite (3%). Remaining copper is present as minor malachite and chrysocolla.
- Bulk rougher flotation work returned recoveries of 81% for Cu and 73% for Ag.
- Further optimisation work was recommended.

3.3.7 Environmental Studies

Several environmental baseline studies were initiated by WAGE in September 2008, and included the erection of a weather station at Witvlei. In addition, archaeology, entomology, flora, hydrology and mammalian studies have also been completed. Results from these studies do not indicate any major environmental/social impact, however further detailed work would be required once a decision is made to go ahead with a formal mining plan.

3.3.8 Mineral Resource Estimates

WAGE completed non code complaint in-house resource estimates for the Malachite Pan, Christiadore and Okasewa Prospects in 2009.

3.3.8.1 Malachite Pan

In March 2009, WAGE completed an in-house resource estimation study over the Malachite Pan Prospect. A total non code compliant resource of 4.86 Mt grading 1.31% Cu and 6.9 g/t Ag representing 63 653 t of Cu in situ was delineated using a 0.5% Cu cut off.

Independent verification of this resource has been completed by MSA and is reported in Chapter 5.

3.3.8.2 Okasewa

In April 2009, WAGE completed an in-house resource estimation study over the Okasewa Prospect. A total non code compliant resource of 4.60 Mt grading 1.14% Cu and 4.4 g/t Ag representing 52 386 t of Cu in situ was delineated using a 0.5% Cu cut



off. Mineralisation appears to be open in all directions with potential to increase this resource with additional drilling.

Independent verification of this resource has been completed by MSA and is reported in Chapter 5.

3.3.8.3 Christiadore

In May 2009, WAGE completed an in-house resource estimation study over the Christiadore Prospect. A total non code compliant resource of 1.24 Mt grading 1.61% Cu and 3.8 g/t Ag representing 19 958 t of Cu in situ was delineated using a 0.5% Cu cut off. Mineralisation appears to be open down dip/plunge with potential to add to this resource with additional drilling.

Independent verification of this resource has been completed by MSA and is reported in Chapter 5.

3.3.9 NRR Work Program

NNR plans to conduct a review of all of the results obtained by WAGE in order to identify and prioritise all production opportunities, with a focus on heap leach potential over the Malachite Pan and Okasewa Prospects. Following this review, NRR will complete a diamond drilling program in order to obtain material for metallurgical test work as well as complete the ongoing regional exploration programs. NRR have provided a budgeted estimated expenditure at the Witvlei Project of GBP 0.621 Million until July 2011.

3.3.10 Conclusions

Sediment hosted copper mineralisation over the Witvlei region has to date been evaluated by several operators, resulting in historical non code compliant resource mineral estimates containing up to 250 000 t contained copper. These resources are spread over several similar geological environments that are supportive of the general sedimentary copper hosted model that is being used for this part of the Kalahari Copper Belt.

WAGE's exploration efforts to date have focused on validating these historical results and have calculated in-house non code compliant resource estimates over several primary targets such as the Okasewa, Malachite Pan and Christiadore Prospects. RC and diamond drilling have confirmed and support widely disseminated copper (and minor) silver mineralisation located within numerous narrow, but well defined and highly folded sedimentary horizons within each prospect.

A conceptual scoping study, environmental baseline studies and metallurgical test work has been initiated over the Witvlei Project in order to assess all techno – economic parameters required to exploit WAGE's estimated existing resource of



135 000 t of contained copper (defined by non code compliant in-house estimates over Okasewa, Malachite Pan and Christiadore). Completion of this work has been suspended since December 2008, although limited metallurgical test work is ongoing.

Although it is unlikely that any of WAGE's existing Witvlei prospects would be economic as standalone operations, there is potential for WAGE to increase its existing copper inventory through ongoing regional exploration efforts at Gemsbockvley, where a significant copper in soil anomaly has been delineated as well as at Copper Causeway and Daheim, where follow up work is required. Despite disappointing drilling results from the Witvlei Pos Prospect, additional soil geochemistry and geological mapping are required to full evaluate the potential of this prospect.

Ongoing regional geochemical exploration should be effective in identifying additional drill targets and possible economic mineralisation.



3.4 Namib Lead Zinc Mine Project (CD)

3.4.1 Overview

The Namib Lead Zinc Mine Project (Namib Project) is located approximately 25 km east northeast of Swakopmund and covers an area of 45 km² (Figure 3-22). Access to the project is excellent via the sealed highway between Swakopmund and Windhoek, and the project is located immediately north of the main railway line between the two towns.

The Namib Project is centred on the old Namib Lead Mine, which was an underground operation that commenced operations in 1965 and was placed under care and maintenance in February 1992, and has since been abandoned.

A skeleton of the existing mine infrastructure remains (e.g. headgear), with all workshops and buildings have been completely stripped since the mine was abandoned after being placed on care and maintenance (Figure 3-23).

Figure 3-22
Namib Lead Project location and Regional Geology

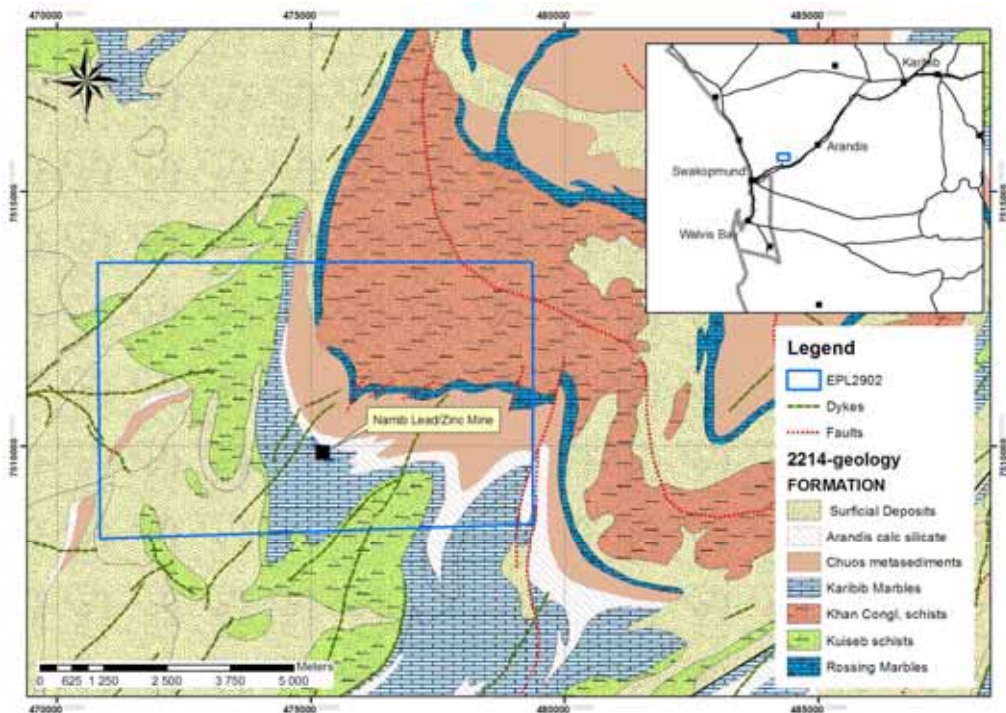


Figure 3-23
Namib Lead Mine Headgear and Tailings Dump



3.4.2 Mineral Tenure

The Namib Project is comprised of EPL 2902, which has been granted for exclusive rights to base and precious metals to CD. CD has existing third party agreements with respect to EPL 2902, whose details are outlined in Section 1.3.

3.4.3 Project Geology and Exploration Model

The Namib Project is located along the western side of the Rössing Mountain, and is hosted within marginal shelf facies limestone (now marble) and subordinate metasediments that were subjected to intense deformation and folding during the Damara Orogen. The host Karibib Formation forms part of the Swakop Group and is located within the southern tectonostratigraphic zone of the Damara Orogen. Late stage pegmatites and leucogranites as well as Karoo age dolerite dykes intrude the Karibib Formation (Figure 3-22).

The ore bodies, considered to be sedimentary exhalative (SEDEX) in origin, have an overall northwest trend, however folding and possible localised thrusting appear to be major controlling factors on the location of mineralisation.

Based on historical work, four separate major ore bodies have been defined, with surface expressions marked by well defined gossans in some cases, in particular the Junction Orebody (Figure 3-24).

Figure 3-24
Junction Gossan photographs



Junction Gossan showing hanging wall contact (Looking East)

Junction Gossan (Looking West)

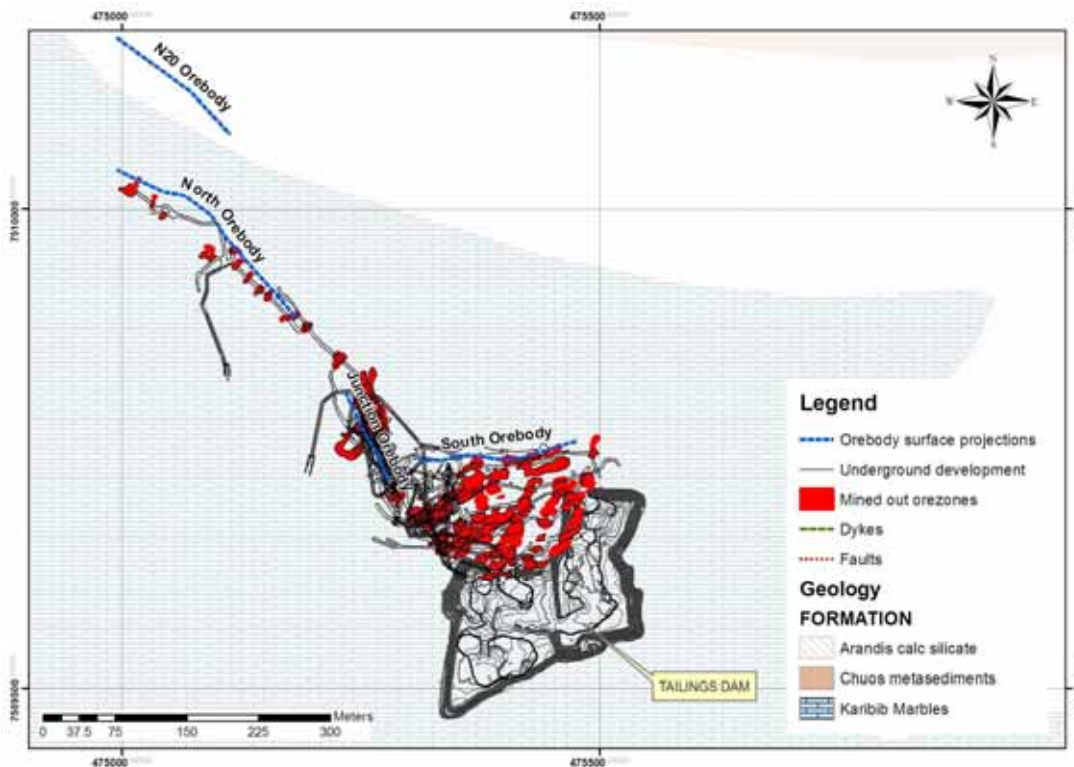
The gossans comprise ferruginous material containing sporadic galena, cerussite and smithsonite. The gossans are usually developed to a depth of approximately 10 m, with ore being oxidised to a depth of some 16 m. Sulphide ore consists primarily of iron rich sphalerite, galena, pyrrhotite, pyrite and silver and mineralisation occurs as a network of stringers with irregular pockets and lenses of massive sulphides. Subsequent deformation and metamorphism has resulted in a series of boudin like ore shoots. The ore bodies are characterised by sharp top and bottom contacts, with variable dip and strike as a result of folding. In general, the mineralised zones tend to be parallel to original bedding of the marble, but in some cases have been seen to crosscut host marble lithologies.

3.4.4 Previous Exploration

The Namib Lead Mine (also known as the Deblin Mine) was discovered during a prospecting campaign undertaken from 1932 to 1934. Initial phases of exploration included the development of three shafts (down to 41 m depth) as well as 10 diamond drillholes that intersected the orebody to a depth of 125 m. Geophysical surveys were completed in 1934 and 1944 followed by a drilling programme in the 1960s. The mine was opened in 1965 and operated as an underground operation until 1992.

Underground levels were developed on 30 m spacing with sublevels every 15 m. Access was made primarily through the vertical South Shaft along with two declines; Junction Ramp and North Ramp respectively. Other minor shafts were developed for ventilation and as emergency escape ways. The South and Junction Ore bodies were in most part mined out to a depth between 200 m and 215 m with and the North Orebody to a depth of 30 m (Figure 3-25).

Figure 3-25
Plan view of Namib Lead Mine underground ore zones and workings



During the early years of operation the mine produced primarily lead concentrate with zinc reporting to the tailings. Zinc recoveries were made from 1974; however production increased substantially in 1984 when the plant was adapted for zinc recovery.



Production records indicate that from 1986 to 1991, 356 300t were milled yielding grades of 5.3% Zn and 1.6% Pb to produce 38 121 t of zinc concentrate and 14 142 t of lead concentrate. Due to decreased metal prices and financial difficulties, the mine was placed under care and maintenance in. Iscor (Namibia) (Pty) Ltd carried out exploration (Grant M46/3/1882) over the area during 1992 and 1993 drill testing several regional gossan exposures. This resulted in several small percussion drilling programs, in particular a gossan target (GOS504) located to the west of the N20 Orebody that was drilled by ISCOR (Figure 3-26).

Previous mine studies (non code compliant) indicate surface tails and underground resources totalling 1.65 Mt grading 5.7% Zn, 1.6% Pb and 40.2 g/t Ag. Old Zn rich tailings are estimated to contain at least 445 000 t grading 2% Zn (non code compliant).

3.4.5 Exploration carried out by CD

Since April 2007, CD has embarked on a focused diamond and RC drilling program to delineate and confirm historic resource (underground and tailings) estimates as well as identify potential orebody extensions below existing workings as well as along strike of existing workings. Surface and down hole electromagnetic surveys were used to assist in the drilling program, along with metallurgical test work having also been completed on the Namib Project. This information was used in determining a non code compliant in-house resource estimate in June 2009. A CAPEX scoping report was completed in October 2008. Environmental baseline monitoring has been initiated that has included the erection of a weather station and completion of a soil contaminants survey.

- Diamond and RC Drilling

Between April and June 2007, CD completed 17 diamond drillholes totalling 3 057.33 m. These holes were drilled in order to test strike and depth continuity of each of the known ore bodies (South, Junction, North and N20), with a focus on the N20 Orebody which has had no/little previous work carried out over it. Widths and grades obtained from drilling compare well with historical mine production and all four zones tested remain open at depth. Despite mineralized shoots having a short strike component (typically 20 m to 50 m), the down plunge component can be extensive (>200 m). Significant results obtained from the diamond drilling program are tabulated in Table 3-8 and shown in Figure 3-26.



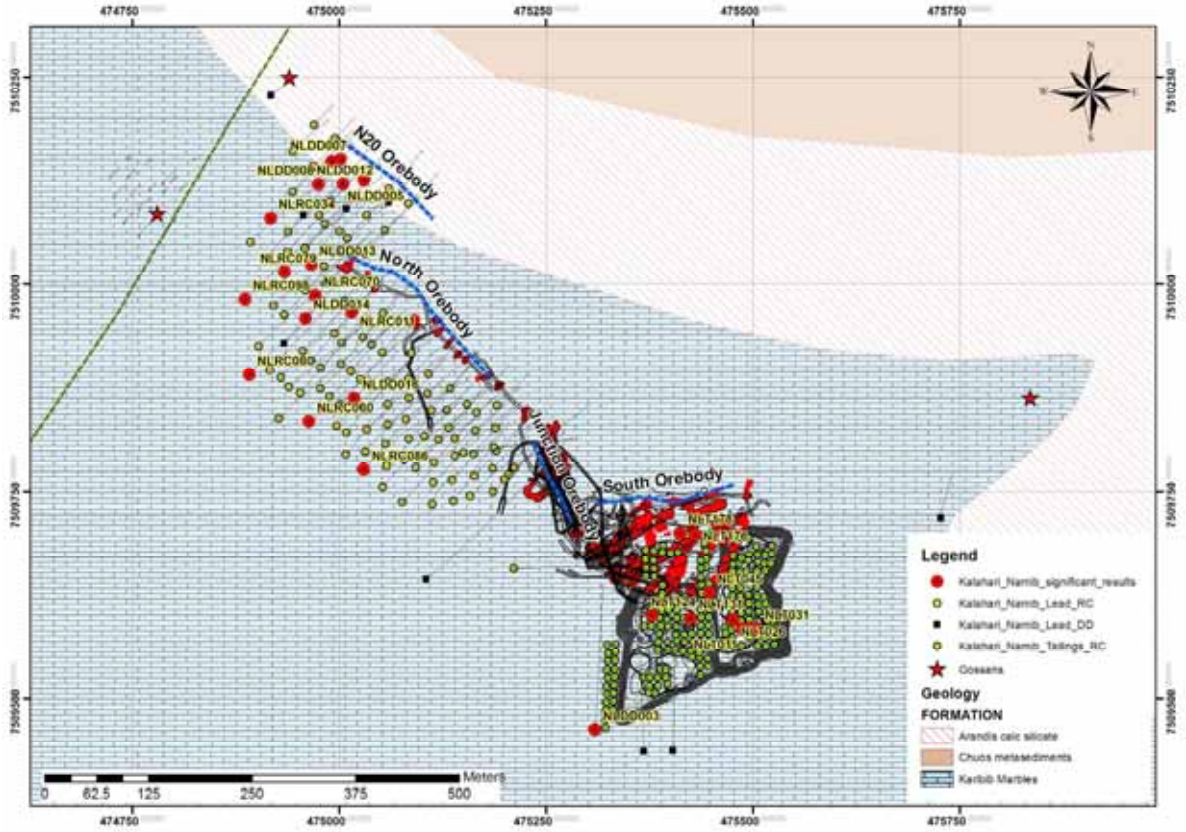
Table 3-8
Significant results from Namib Project Diamond Drilling

<i>Hole Id</i>	<i>Easting</i>	<i>Northing</i>	<i>Dip</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Width (m)*</i>	<i>Grade %Pb</i>	<i>Grade % Zn</i>	<i>Grade g/t Ag</i>
NLDD003	475315	7509465	-60	346.97	353	6.03	0.83	8.23	25.8
NLDD005	475040	7510138	-60	32.00	33.00	1.00	-	2.20	-
				36.15	39.46	3.31	7.30	1.97	87.70
NLDD007	475007	7510154	-60	34.80	35.90	1.10	0.00	1.10	-
				41.59	46.56	4.97	2.22	8.77	48.50
NLDD008	474981	7510123	-60	82.53	89.28	6.75	3.47	5.49	72.20
NLDD012	475011	7510124	-60	54.80	58.00	3.20	0.04	3.20	5.20
NLDD013	474972	7510026	-60	152.10	157.46	5.36	2.03	13.55	39.80
NLDD014	475024	7509865	-60	67.63	72.59	4.96	1.29	20.19	51.40
NLDD016	475024	7509865	-60	111.34	119.81	8.47	1.46	11.92	19.40

* True widths yet to be determined, likely to range from 70%-90% of down hole thickness, dependant on hole and stratigraphic orientation

RC drilling (September – December 2008) on a 40 m x 30 m grid was completed over the North and N20 ore bodies, and due to the short strike and strong plunge of mineralisation, infill holes were then collared on 15 m x 40 m spacing (Figure 3-26). Based on these results, CD has calculated a non code compliant in-house mineral resource. A total of 108 holes for 15 929 m has been drilled. Significant results are shown in Table 3-9).

Figure 3-26
Drilling at Namib Lead



In order to validate historical resource estimates over the tailings dump, CD completed an RC drilling program a 10 m x 10 m grid totalling 178 holes for 1450 m in September 2008 (Figure 3-26). Significant results are shown in Table 3-9. A non code compliant in-house resource estimate was also calculated by CD.



**Table 3-9
Significant results from Namib Lead Project RC Drilling**

N20 and North Orebody Drilling										
<i>Hole ID</i>	<i>Easting</i>	<i>Northing</i>	<i>Azi</i>	<i>Dip</i>	<i>From</i>	<i>To</i>	<i>Width (m)</i>	<i>Pb%</i>	<i>Zn%</i>	<i>Ag (g/t)</i>
NLRC011	475 015	7 509 966	40	-60	37	53	16	5.74	13.48	71.56
NLRC034	474 917	7 510 079	40	-60	144	147	3	3.76	8.9	81.67
NLRC060	474 964	7 509 834	40	-60	162	172	10	0.74	8.25	16.5
NLRC070	474 971	7 509 986	40	-60	44	63	19	1.61	6.75	43.21
					169	171	2	0.01	4.22	5
NLRC073	474 991	7 510 148	40	-60	46	55	9	2.97	8.71	44.89
NLRC079	474 934	7 510 014	40	-60	166	172	6	3.08	14.93	50.67
NLRC080	474 891	7 509 891	40	-60	68	71	3	1.29	1.37	33.33
					74	77	3	0.01	0.96	5
					155	169	14	0.22	17.49	33.36
NLRC086	475 030	7 509 776	40	-60	175	183	8	0.13	13.05	58.5
NLRC098	474 886	7 509 981	40	-60	201	207	6	0.24	7.39	15.67
Namib Tails										
<i>Hole</i>	<i>Easting</i>	<i>Northing</i>	<i>Azi</i>	<i>Dip</i>	<i>From</i>	<i>To</i>	<i>Width (m)</i>	<i>Pb%</i>	<i>Zn%</i>	<i>Ag (g/t)</i>
NLT005	475 495	7 509 585	0	-90	0	13	13	0.3	2.93	7.69
NLT011	475 487	7 509 585	0	-90	0	12	12	0.33	3.22	8.42
NLT026	475 476	7 509 595	0	-90	0	12	12	0.27	2.81	7.3
NLT031	475 505	7 509 585	0	-90	0	10	10	0.23	3.01	6.36
NLT045	475 447	7 509 628	0	-90	0	9	9	0.22	3.68	8.14
NLT124	475 378	7 509 600	0	-90	0	6	6	0.43	3.29	11.2
NLT131	475 425	7 509 597	0	-90	0	4	4	0.26	4.34	9.73
NLT176	475 430	7 509 698	0	-90	0	3	3	0.24	5.73	11.2
NLT178	475 412	7 509 700	0	-90	0	4	4	0.6	6.52	16.43

- Geophysics

Southern Geoscience Consultants carried out a Downhole Time Domain Electromagnetic Survey (DHTEM) on 16 of the 17 diamond drillholes completed at the Namib Project. This information was very effective in assisting with the design and planning of the RC drilling programme. The survey also confirmed and delineated potential ore bodies down to a (downhole) depth of 300 m (survey depth was restricted to winch capacity).



- Metallurgical Test work

Preliminary metallurgical test work was carried out by MINTEK, a South African based minerals processing and design company during March to June 2008. Results were favourable showing good separation of Pb and Zn with high recoveries and concentrate grades, although the prevailing high Fe content of sphalerite could impose smelter penalties and limit the value of the concentrate (Fe content <10.8%).

- CAPEX Scoping Study

A CAPEX Scoping study was completed by Wardell Armstrong International (WAI) in October 2008. The study provided preliminary conceptual capital and operating cost estimates in processing the existing tailings/dump material followed by the underground mining and processing of sulphide ore. Cost estimates were based on the acquisition of new equipment in its entirety and did not attempt to estimate the costs of sourcing second hand mining equipment.

Due to the lack or incomplete nature of metallurgical test work completed to date over the sulphide and tailings material, several assumptions had to be made by WAI for the purposes of the study. WAI also recommended the widening of access declines and portals in order to accommodate full vehicular access to the underground mine and to achieve the target production rate of 250 000 tpa.

3.4.6 Mineral Resource Estimates

In June 2009, CD completed in-house resource estimation studies over the N20 and North Orebody zones as well as the tailings dump. A total non code compliant resource of 0.69 Mt grading 2.27% Pb, 6.45% Zn, 42.1 g/t Ag and 31 g/t In was delineated using a 1% (Pb + Zn) cut off for the combined N20 and North orebodies. Mineralisation appears to be open down dip/plunge with potential to add to this resource with additional deeper drilling.

A total of 0.40 Mt grading 0.26% Pb, 2.09% Zn, 28.5 g/t Ag and 22.4 g/t In was delineated using a 1% (Pb + Zn) cut off for the tailings dump material. This estimate is based on limited bulk density measurements.

Independent verification of this resource has been completed by MSA and is reported in Chapter 5.

3.4.7 NRR Work Program

NNR plans to conduct a phased approach over the development of the Namib Lead Zinc project where initial surface diamond drilling will test the continuity and extensions of identified mineralisation at depth. Based on positive results from this phase, additional underground drilling will be completed in order to define these additional resources. NRR have provided a budgeted estimated expenditure at the Namib Lead Zinc Project of GBP 1.37 Million until June 2011.



3.4.8 Conclusions

Since acquisition of the Namib Lead Zinc Mine Project, CD has completed a detailed diamond and RC drilling programme designed to validate underground and tailings resources as well as test additional ore resources located along strike and beneath existing underground workings. Ground and downhole electromagnetic geophysical surveys have been successfully used to identify and confirm conductors outlining potential continuity and attitude of ore bodies at depth over most of the known ore bodies at the Namib Project.

RC and diamond drilling has confirmed historical grade intercepts and thicknesses and have been used to calculate a non code compliant mineral resource. Initial metallurgical test work carried out by MINTEK has demonstrated the feasibility of producing saleable lead and zinc concentrates with good recoveries being obtained.

As mineralisation at the N20 and North orebodies appears to be open down dip/plunge, significant potential exists to expand this resource through additional deep drilling. The possibility of short term exploitation of open pit/near surface ore resources could be investigated over the North orebody. Limited diamond drilling has confirmed depth extensions to the South and Junction orebodies and additional drilling (either from surface or underground) is required to confirm this potential resource. This additional data, coupled with more detailed metallurgical test work and rigorous capital and operating cost estimates should satisfy the criteria required to re-develop/re-open the mine.



3.5 Ubib Au-Cu Project (WAGE)

3.5.1 Overview

The Ubib Project is located south of the town of Usakos and covers an area of 594 km². The terrain is rugged with hills elevated more than 1 600 m amsl dropping off into valley floors at around 1 000 m amsl. Access to the project is regional gravel roads from regional towns Karibib or Usakos (Figure 3-1).

The project area does not contain any significant mines or mineral occurrences, apart from the old Ubib Cu Mine. The 4 Moz Navachab gold mine as well as Rio Tinto's Rossing uranium are located approximately 15 km to the northeast and 20 km to the west of the Project Area.

3.5.2 Mineral Tenure

The Ubib Project comprises of two granted EPL's viz. EPL 3139 and 3681, both of which have been granted for exclusive rights to base and precious metals to WAGE. Application for nuclear fuel rights over EPL 3139 is still pending approval from the Ministry of Mines. WAGE has existing third party agreements with respect to EPL 3139, whose details are outlined in Section 1.3.

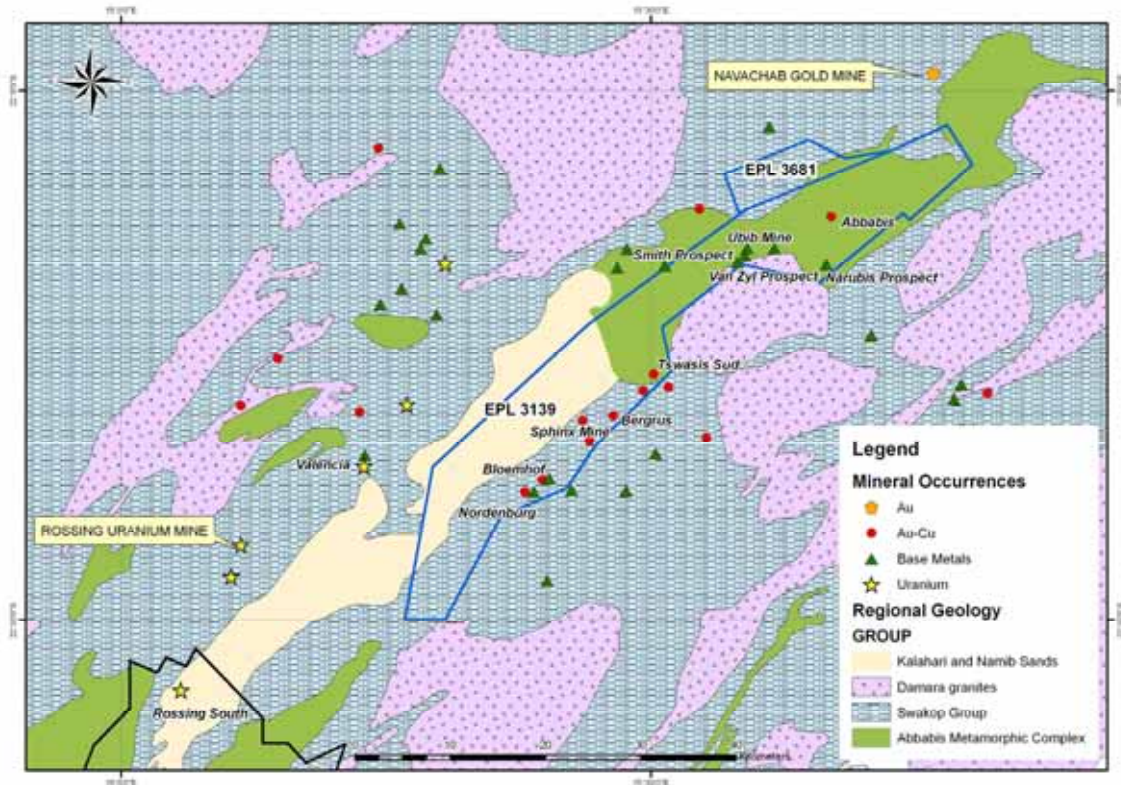
3.5.3 Project Geology and Exploration Model

The project area is underlain by Mesoproterozoic rocks belonging to the Abbabis Metamorphic Complex (AMC). The AMC is exposed as a structurally complex series of metasediments, schists, marbles and granites that were deformed during the Damaran Orogeny. The AMC is exposed in the northeastern parts of EPL 3139 and 3681 as domes and anticlines bounded to the northwest and southeast by Swakop Group sediments comprising arkoses, schists and marbles. The AMC has undergone intense deformation, metamorphism and partial melting making litho-stratigraphic mapping and interpretation difficult. Later stage intrusive rocks such as granites, diorites, gabbros intrude both the AMC and Swakop lithologies. Namib and Kalahari surficial sediments obscure most of the bedrock sequences over the remaining southeastern parts of the EPL 3139 (Figure 3-27).

Epigenetic gold occurrences located within the Central Zone of the Damara are well known, with the skarn hosted Au deposit at Navachab being the primary example. As gold mineralisation within the Central Damara is recognised as being primarily structurally controlled through shear zones and faults; gold mineralisation within the AMC is thought to occur within similar structural settings:

- East-northeast trending mega shear zones and meta dolerites within the AMC
- Au-As-W-Bi mineralisation in quartz veins resulting from dilation and mylonitic structures located within Swakop Group metasediments, in particular proximal to the contact zone between the AMC and Swakop Group.

Figure 3-27
Regional geology and mineral occurrences of Ubib Project



3.5.4 Previous Exploration

- Ubib Cu Mine

Several Au, Cu-Au and Cu occurrences are known to exist throughout the area, including the Ubib Cu Mine (Figure 3-27). Mineralisation is erratically developed over a strike length of 1 km and hosted within amphibolites and quartzites. The mineralised horizon attains a maximum thickness of 1.5m and was accessed via a vertical shaft. Historical drilling suggested a resource of 100 000t grading 1.5% Cu.

Historical exploration over the Ubib Project area has been carried out by Anglo American Prospecting (AAP) and subsequently by Kalahari Gold and Copper. The Ubib copper occurrence was tested by Erongo Mining (Pty) Ltd (Erongo) via drilling that returned anomalous copper and zinc with rock chip assays reporting maximum assays of 25.4 g/t Ag and 2.6 g/t Au. Erongo completed regional stream sediment sampling with follow up mapping rock chip sampling and localised soil sampling. Results were poor, although it is not known over which parts of the Ubib project this work was carried out.



From 1996 and 2002, Kalahari Gold and Copper collated all historical exploration carried out to date over the area and carried out a Bulk Leachable Gold (BLEG) sampling programme over the Ubib Cu occurrence with poor results.

- Van Zyl Prospect

This occurrence is located 700 m north east of the Ubib Mine where a series of trenches and two diamond drillholes tested a folded amphibolite unit containing sulphides with grades as high as 2% Cu (Figure 3-27).

- Naob River Prospect

The Naob River Occurrence is located 1.5km east of the Van Zyl Prospect where an amphibolite/pegmatite contact is mineralised (Figure 3-27).

- Narubis Prospect

Malachite staining was observed within quartzites and siltstones proximal to a contact with a pegmatite. Two drillholes were apparently drilled with poor results (Figure 3-27).

- Tswasis Sud

This occurrence was tested via a 6m wide pit which apparently exposed rocks belonging to the AMC. Rock samples from dump material assayed copper values with a maximum of 3.5% Cu (Figure 3-27).

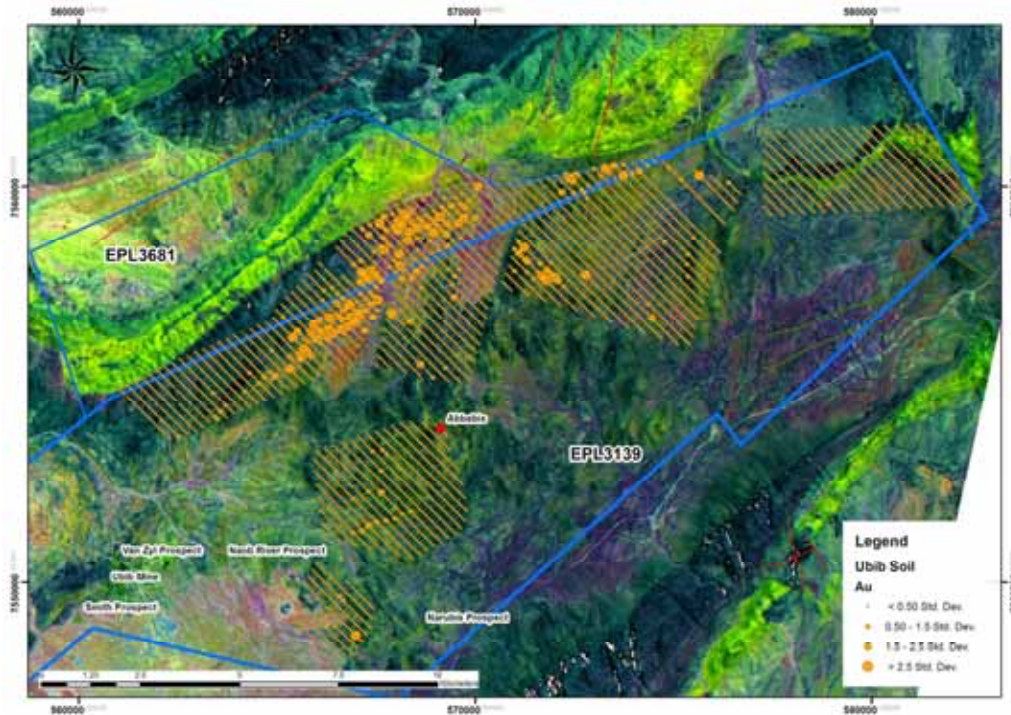
3.5.5 Exploration carried out by WAGE

- Remote Sensing and Geochemistry

Since 2006, WAGE has embarked on a grassroots exploration programme comprising remote sensing, geochemical orientation surveys, and stream sediment and soil sampling targeting exposed AMC lithologies located in the northeastern parts of the project area.

A total of 762 samples were taken targeting 1st and 2nd order streams. Anomalous results were checked using bulk cyanide leach analyses. Stream catchments with anomalous gold values (>5 ppb Au) were identified and ranked based on known geology and structure. This resulted in a total of 7 targets covering approximately 30 km² that was subsequently covered by soil geochemical lines 200 m apart with a sample spacing of 50 m. Results from the soil survey delineated a 1.4 km long continuous gold anomaly that is associated with a ferruginous shear zone. Values ranged from 52 ppb to 1077 ppb Au with rock chip samples from target areas returning 10 g/t Au and 1.6 g/t Ag (Figure 3-28 and 3-29).

Figure 3-28
Soil sampling results over Ubib Project overlain on ASTER image



- Drilling

Based on the results of the soil survey, WAGE drilled a total of 9 diamond drill holes for a total of 2 209.63 m covering 1.5 km of potential strike. Results received confirmed gold mineralisation and the scale of alteration noted throughout these holes confirms the proximity to a major thrust zone, which remains WAGE's target for discovering additional mineralisation. Table 3-10 and Figure 3-29 show significant results received from the Ubib diamond drilling program.



Figure 3-29
Diamond drilling at Ubib Project

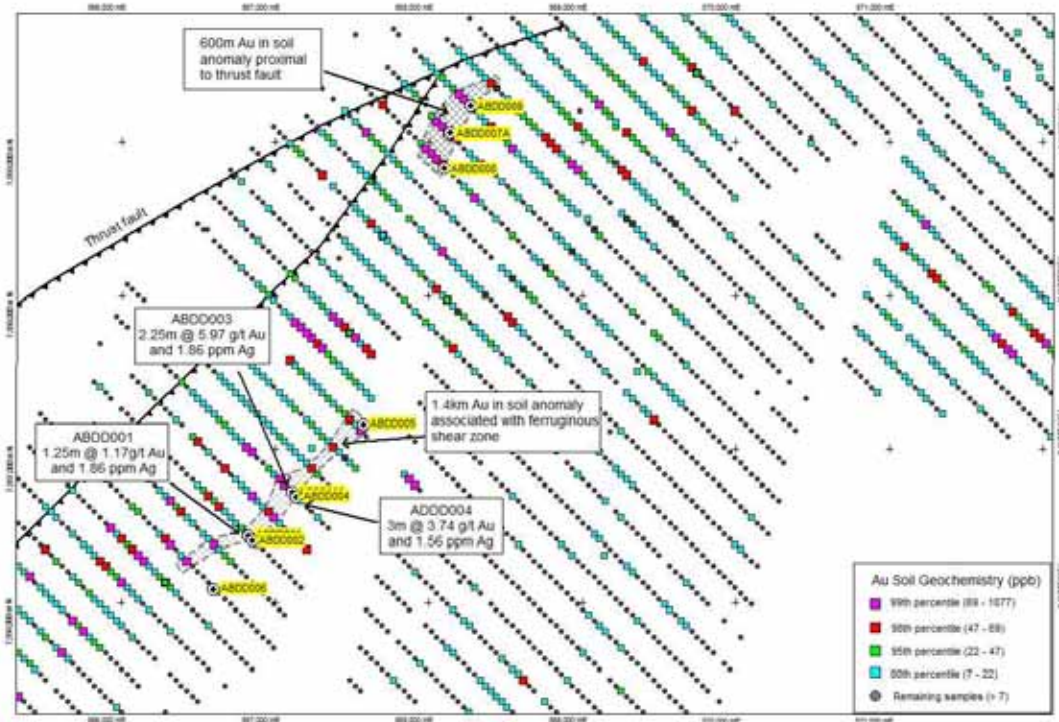


Table 3-10
Significant results from Ubib Project Diamond Drilling

<i>Hole ID</i>	<i>Easting</i>	<i>Northing</i>	<i>Azi</i>	<i>Dip</i>	<i>From</i>	<i>To</i>	<i>Width (m)</i>	<i>Au (g/t)</i>
ABDD001	566822	7556436	320	-60	50.75	52	1.25	1.174
					160	162	2	0.97
ABDD002	566847	7556405	320	-60	97	99	2	0.521
ABDD003	567106	7556720	315	-60	68.75	71	2.25	5.97
					70.5	71	0.5	23.33
ABDD004	567135	7556690	315	-60	67	69	2	0.96
					117	120	3	3.74
					117	118	1	10.7
ABDD005	567570	7557162	315	-60	168	170	2	1.16
ABDD007A	568139	7559067	315	-60	102	104	2	0.68
ABDD008	568100	7558833	315	-60	70	72	2	0.57
					148	150	2	0.66
ABDD009	568267	7559234	315	-60	35	37	2	1.38



3.5.6 Mineral Resource Estimates

No code compliant mineral resource estimates have been undertaken to date at the Ubib Project.

3.5.7 NRR Work Program

NRR plans to continue ongoing regional desktop and validation work over the Ubib Project and this will focus on follow up (desktop and field validation) work over existing Ay, Au-Cu and base metal occurrences. NRR have estimated a budgeted expenditure at the Ubib Project of GBP 0.37 Million until July 2011.

3.5.8 Conclusions

WAGE has embarked on a detailed greenfields exploration program that has targeted Au-Cu mineralisation along a well defined structural trend identified along the northeastern parts of the Ubib Project area, and along strike to the Navachab Gold Mine. WAGE's remote sensing techniques, detailed stream sediment and soil sampling has delineated a zone of anomalous gold geochemistry that has resulted in the drilling of several boreholes which have confirmed gold mineralisation as well as providing evidence of large scale hydrothermal alteration associated with a major shear zone.

Regional mapping and rock chip sampling coupled with high resolution geophysical surveys and possibly ASTER satellite image interpretation could be used to further identify areas for follow up along this structural corridor and in particular over bedrock geology that is obscured by surficial sedimentary cover.

Several existing Au and Cu-Au occurrences are known to exist within WAGE's Ubib Project, many of them related to amphibolitic units and pegmatitic units. Validation of all of these historic occurrences should be carried out to test these potential resources. The pending grant of a nuclear fuels license over EPL 3139 will allow WAGE to carry out desktop and field validation work that should focus on the southern parts of EPL 3139.



3.6 Sampling Methods, Preparation, Assay and QA/QC

3.6.1 Soil Sampling

Soil samples to date have been taken from the “B” Horizon, typically 15 cm to 30 cm depth below surface and sieved with the -180 µm fraction being retained for assay. Samples were sent to Analytical Laboratory Services in Windhoek for preparation using an Aqua-Regia digest and then analysed by inductively coupled plasma mass spectrometry (ICP-MS). It is understood that all pulps are being retained by the assaying laboratory.

3.6.2 Diamond Drilling

All core drilled on the projects is NQ size (core diameter of 47.6 mm). All drill core is logged in detail, and includes information relating to lithology, weathering/oxidation, geotechnical aspects and structural/point data. Once the sampling intervals have been identified by the logging geologist, the core is split evenly using a diamond saw, with both halves being replaced in the core tray in their original position. Where metallurgical sampling has been carried out, the core is split again, leaving a representative quarter core behind as reference.

Sample intervals are generally one meter in length; however intervals can be reduced to 25 cm or multiples thereof within suspected mineralised zones. Samples are assigned numbers and placed into calico bags and sealed. Samples are trucked to Windhoek where they are checked by WAGE staff and then sent via road to Genalysis Laboratories in Johannesburg, South Africa. Following sample preparation, representative pulps are sent to Genalysis’ Perth Laboratory for assay. The following methods are used over on the Projects (Tables 3-11 and 3-12); with the following list providing an explanation key to analytical preparation and assay codes procedures:

AX = 4 acid Digest (hydrofluoric, nitric, perchloric, hydrochloric)

B = Aqua Regia Digest - with the digested and leached sample being vacuum filtered and accurately diluted to volume

AAS = Atomic Absorption Spectroscopy

MS = Mass Spectroscopy

OES = Optical Emission Spectroscopy

SAAS = Solvent Extraction and Flame Atomic Absorption Spectroscopy

GYPN = for Specific Gravity determination



Table 3-11

Malachite Pan, Okasewa and Witvlei Pos diamond drilling sample assay parameters

Element	Digest	Analysis
Cu	AX	AAS
Ag	AX	AAS
As	AX	MS
Bi	AX	MS
Cd	AX	MS
Co	AX	MS
Pb	AX	AAS
Sb	AX	MS
U	AX	MS
Zn	AX	AAS
SG		GYPCN

Table 3-12

Namib Lead Zinc Mine diamond drilling sample assay parameters

Element	Digestion	Analysis
Ag	AX	OES
As	AX	MS
Bi	AX	MS
Cd	AX	MS
Co	AX	MS
Cr	AX	OES
Cu	AX	OES
In	AX	MS
Ni	AX	OES
Pb	AX	OES
SG		GYPCN
Sb	AX	MS
Sn	AX	MS
Zn	AX	OES
U ₃ O ₈	AX	XRF

Ubib Project diamond drill samples were digested using a B digest followed by solvent extraction and a graphite furnace AAS for gold, MS finish for Ag, As, Bi and Pb and AAS finish for Cu and Zn. Significant Au assays were repeated with a 50 g fire assay using an AAS finish, although these results have not been verified.

3.6.3 RC Drilling

One meter samples are taken from RC drilling. Samples are collected from the cyclone into a large plastic bag and then split using a riffle splitter until a representative sample of 2 kg to 2.5 kg is taken for analysis at the laboratory. A small sample is taken from the bag and placed in a chip tray for visual inspection and logging by the geologist. At the Witvlei and Dordabis Projects, WAGE have implemented a field copper test involving the addition of nitric acid (55% HNO_3) to a small sample (approx. 50 g) followed by the addition of ammonia (NH_3) (Figure 3-30).

The solution is mixed and then left to settle, with the resulting colour of the solution indicating the presence of copper (darker blue indicates higher copper grade). Apart from visual logging for sulphide and oxide mineralisation, this method has been effective in assisting the site geologist in delineating sampling horizons.

Figure 3-30
RC Drilling Sampling Methods



Chip Tray samples, Namib Project (NLRC020)

Field Copper Test, Okasewa Project

Samples are trucked to Windhoek where they are checked by WAGE staff and then sent via road to Genalysis Laboratories in Johannesburg, South Africa. Following sample preparation, representative pulps are sent to Genalysis' Perth Laboratory for assay. The following methods were used (Tables 3-13 to 3-16):



Table 3-13
Namib Lead Zinc Mine RC drilling sample assay parameters

Element	Digestion	Analysis
Ag	AX	OES
As	AX	MS
Bi	AX	MS
Cd	AX	MS
Co	AX	MS
Cr	AX	OES
Cu	AX	OES
Ln	AX	MS
Ni	AX	OES
Pb	AX	OES
SG		GYP CN
Sn	AX	MS
Zn	AX	OES

Table 3-14
Koperberg, RK Zone, Koperberg South, Klein Koperberg and Balfour RC drilling sample assay parameters

Element	Digestion	Analysis
Cu	AX	AAS
SG		GYP CN

The last 15 holes at Koperberg were also assayed for Ag via AX/AAS method.

Table 3-15
Swartberg RC drilling sample assay parameters

Element	Digestion	Analysis
Cu	AX	AAS
Ag	B	AAS
Au	B	SAAS
SG		GYP CN



Table 3-16

Malachite Pan, Okasewa, Christiadore and Witvlei Pos RC drilling sample assay parameters

Element	Digestion	Analysis
Cu	AX	AAS
Ag	AX	MS
As	AX	MS
Sb	AX	MS
SG		GYP CN

Prior to September 2008, samples were assayed for Cu only (AX/AAS) or with Ag (AX/AAS).

3.6.4 QA/QC Sampling

Check samples in the form of standards, field duplicates and blank samples are inserted into the sampling stream with sample ID's forming part of the general sampling sequence.

- Standards

Standards are inserted every 50 samples for both diamond and RC sampling exercises. Prior to May 2008, WAGE utilised in-house Cu standards comprising low, medium, and high grade Cu. Since then accredited standards supplied by Set Point Laboratories in South Africa have been used throughout the Projects.

- Field Duplicates

Field duplicates are generated through resplitting samples from RC cuttings and inserting every 20 samples.

- Blanks

Blanks comprising pool filter sand is inserted every 50 samples for both diamond and RC sampling programmes.

MSA has carried out a brief QA/QC audit and these results are reported in Section 5 of this report as well as Appendix 2.

3.6.5 Sampling Quality

MSA has reviewed WAGE's sampling procedures and observed drilling and sampling practises in the field and found that they were of an overall acceptable standard. All technicians appear well trained and were effectively supervised by WAGE staff. Random significant reported drilling and geochemical results were checked with the WAGE database and found to be accurate with no errors or omissions.



3.6.6 Sample Chain of Custody

All drilling samples are kept under supervision of WAGE staff at the exploration base until dispatch. Samples are sent to Windhoek for checking by senior WAGE staff and then road freighted to Genalysis Laboratory in Johannesburg. MSA considers that there is little opportunity for sample tampering by an outside agent.

3.6.7 Adequacy of Procedures

The analytical methods and laboratories adopted are considered appropriate. Genalysis Laboratory is ISO/IEC 17025 accredited for the analytical methods used, which includes the management requirements of ISO 9001: 2000. Sampling methods, chain of custody procedures, sample preparation procedures and analytical techniques are considered appropriate and compatible with industry standards.

3.6.8 Reporting of Results

All results used in this report and released by Kalahari since 2006 have been signed off by the relevant Company Competent Person viz. Mr Keith Webb, (Exploration Manager for WAGE), Mr Martin Spivey and Mr Andrew Penkethman.



4 MINERAL RESOURCES

4.1 Introduction and Summary

This section of the Report has been compiled by Mr Mike Hall, a Consulting Geologist with MSA.

WAGE has a JORC-compliant Inferred Mineral Resource on their Koperberg Project. This was declared in June 2007 following a Mineral Resource estimation exercise performed by Cube Consulting of Perth, Australia (Cube).

The Mineral Resource estimate is presented in Table 4-1 at a 0% copper cut-off, constrained by 15 interpreted mineralisation envelopes.

Table 4-1 Koperberg Mineral Resources

Category	Cut Off	Million	Cu	Cu Metal
	Cu%	Tonnes	%	(000 Tonnes)
Inferred	0.0	1.74	0.97	17

It is MSA's assessment that industry-best practice has been applied by WAGE to data gathering and processing to arrive at the current project-specific databases. However, a series of QAQC checks on the databases was run by MSA database specialists yielded several omissions and cross-correlation errors. These errors were not seen as having a material effect in resource estimates made by Cube. A separate report outlining these findings has been provided to Kalahari. The resource-specific aspects of this are included in Chapter 5.

Drillholes without collars and/or assay data were not incorporated into the Cube resource model. In addition, the resource was based solely on RC drillholes, thus obviating sample recovery and sample representivity conflict arising from amalgamating differing drilling techniques in the absence of twinned holes. Some inclined drillholes were assigned downhole survey data without having been surveyed. These were shallow holes and Cube considered these not to have deviated significantly. MSA concurs with these assumptions and approaches.

At present, no other JORC-compliant resources have been declared by WAGE or CD.

4.2 Previous MSA Commentary

MSA summarised some general aspects of the WAGE Cu projects in 2008 through TWP Consulting. These are repeated below.



It is a general feature of all the WAGE Cu deposits that structural discontinuities have hindered stratigraphic correlation between areas.

The original style of mineralisation appears to have been modified on a local scale by post-depositional hydrothermal and, or structural events, resulting in crosscutting of mineralised shoots, therefore the definition of the degree of lithologically-related mineralisation is stated as poor. It is possible that the predominantly RC drilling method with sampling intervals straddling lithological units has contributed to the lack of obvious continuity. Ideally, there should be some attempt to define the host rock of the mineralisation. This has down-the-line practical mining implications as opposed to the nitric acid-ammonia wash method.

For the Koperberg deposit, it is stated that there is no discernable difference in grade behaviour at the oxidation-fresh rock interface. This should be broadened to include lithological and structural boundaries. The metallurgical responses may differ in the weathering zone and should be addressed. The use of hard-copy structural interpretations is considered useful as a pre-cursor to the generation of a 3-D model.

The integration of mapped and logged structures and their control and influence on mineralisation is considered highly important in the generation of the 3-D geological model.

Plots of grade and grade-thickness contours would be useful. All economic minerals need to be included in the resource estimation, along with metal ratios as well as some rudimentary data on metallurgical response.

Apart from the JORC compliant resource for Koperberg (Dordabis Project), WAGE have calculated in-house non code compliant resources for the RK Zone Project (Dordabis), Okasewa, Christiadore and Malachite Pan Projects (Witvlei) and the CD Namib Lead Zinc Project (Tailings and Mine). Each of these resource estimates are discussed in Chapter 5.



5 PROJECT MINERAL RESOURCES

5.1 Dordabis Project

5.1.1 Koperberg

MSA previously reviewed the resource estimation exercise by Cube for the Koperberg deposit for WAGE in 2008, under the auspices of TWP Consulting. MSA is in possession of the Cube report for that exercise. The evaluation is repeated here for comparison with the other deposits.

The methodology, assumptions and Mineral Resources reported here were those prepared by Ruth Jupp and reviewed by Rick Adams, both employees of Cube Consulting. Mr Adams is also a director of Cube and is declared as the Competent Person (CP) in terms of the 2004 edition of the JORC Code.

The Mineral Resource estimates by Cube were based on drillhole and other data as supplied by WAGE.

The Cube estimates were prepared according to the following steps:

- Digitising of WAGE data
- Geological interpretation and modelling
- Establishment of a volume model
- Compositing of assay intervals
- Statistical analysis of data
- Variogram analysis and kriging plan
- Grade interpolation for Cu
- Validation of estimates
- Bulk density assignment
- Classification of resources
- Resource reporting

5.1.1.1 Geological Controls

A series of geological sections along drill-fence lines were provided to Cube by WAGE generally derived by using a 0.3% Cu cut-off. These were digitised, creating 15 wireframe solids for use in a 3-D geological model. Some lower-grade areas were also digitised where geological continuity could be demonstrated. Separate geological domains were assigned to these interpretations according to geological characteristics and grade and whether there was poor or no lateral continuity between sections. Lithological and stratigraphic correlations were not utilised due to the lack of complete understanding of the complex structural setting.



Oxidation and weathering surfaces were also generated. The domains were truncated with a topographic surface digital terrain model (DTM).

WAGE has undertaken a Quality Control and Quality Assurance (QAQC) program on its total database. This included the insertion of Certified Reference Materials (CRMs) and barren blanks into the sample stream as well as submission of field duplicates. All samples were submitted to Genalysis Laboratory in Johannesburg, South Africa and analysed in Perth, Australia. Plots and discussions of the results of the analytical performances are contained in Appendix 2. There were satisfactory outcomes for all WAGE copper projects where the QAQC data allowed this.

5.1.1.2 Generation of the 3-D Geological and Block Models

A block model was created to include all geological domains generated from the wireframed section interpretations. The block size was set at 20 m (northing) by 20 m (easting) by 2.5 m (RL), to approximate the data density and composite length. Sub-cells were set at 2.5 m, 2.5 m and 1.25 m respectively.

5.1.1.3 Compositing

WAGE supplied Cube with a Microsoft Access drillhole database, containing reverse-circulation (RC) and diamond-drilling (DD) data. As noted above, only the RC data were used for the resource estimation exercise in order to simplify the sample-support issue. Drillhole intervals were flagged with a code representing the respective geological domain code, as described above. Sample intervals were composited to 2.5m intervals in order to reduce grade variability. Composites of less than 1.75m were discarded.

Cube carried out exploratory data analysis (EDA) on the composites within each of the individual geological domains. No bi-modality or outliers were identified in the Cu data. Four of the domains contained too few samples for carrying out variography and were assigned the average grade of the composites within the respective domain.

Statistical analysis of the oxidised zones showed no distinctive variations and therefore estimation domains were not split at these surfaces.

There are 410 bulk density measurements at Koperberg. Cube assigned a value of 2.8 to the samples in the mineralised envelopes, 2.3 to the oxidised host rock and 2.4 to the fresh host rock

5.1.1.4 Geostatistics

Ordinary kriging was used to estimate the Cu and relative density (RD) into the block model, per geological domain. No lower or upper grade-cappings were used. The parent cell grade estimates were assigned to the sub-cells.

All composites from all domains were used to carry out variography analysis. A total of 749 composites were included for Cu.



Variogram parameters are shown in Table 5-1.

<u>Parameter</u>	<u>Relative</u>	<u>Range</u>
	Variance	(m)
Nugget	0.22	
Structure 1	0.41	34
Structure 2	0.37	108

5.1.1.5 Grade Interpolation

Table 5-2 shows the comparison of block grades versus input composite data, per domain. In all cases except Domains 70 and 81, the difference is less than 5%, confirming the suitability of the estimation parameters used.

Domain	Drillhole Composite		Block Model		Difference
	Mean	Standard Deviation	Mean	Standard Deviation	
64	0.637	0.385	0.615	0.101	-3.5%
70	0.991	0.667	1.102	0.196	11.2%
72	1.003	0.609	0.930	0.235	-7.3%
74*	0.625	0.394	0.625	0.394	0.0%
81	0.683	0.352	0.636	0.090	-6.9%
82	0.919	0.567	0.920	0.215	0.1%
86	1.231	0.587	1.212	0.141	-1.5%
87	0.839	0.462	0.800	0.146	-4.6%
90	1.601	0.888	1.570	0.333	-1.9%
91*	2.132	0.963	2.132	0.963	0.0%
92	0.776	0.429	0.776	0.095	0.0%
93	1.14	0.661	1.108	0.185	-2.8%
94	0.673	0.403	0.659	0.110	-2.1%
100*	0.565	0.166	0.565	0.166	0.0%
101*	0.507	0.103	0.507	0.103	0.0%
* assigned average grades					

5.1.1.6 Grade Cutting

There are very few high-grade 'outliers' in the data set. No grade capping was applied to the input data.



5.1.1.7 Model Verification

Visual inspection of block grades versus raw drillhole input data yielded acceptable correlation.

5.1.1.8 Resource Classification and Reporting

The Cube Mineral Resource estimate represents the maiden JORC-compliant resource estimate at one of WAGE's copper projects. Due to the quality of the input data, the incompletely-understood controls on the mineralisation and the localised- to wide-spaced data spread, Cube declared an Inferred Resource.

Cube presented Inferred Mineral Resource estimates at two Cu cut-offs (Table 5-3):

Category	Cut Off	Million	Cu	Cu Metal
	Cu %	Tonnes	%	(000 Tonnes)
Inferred	0.0	1.74	0.97	17
Inferred	0.5	1.70	0.98	17

MSA has exported the WAGE block model data and obtained the following mineral resource estimate, for comparison (Table 5-4):

Category	Cut Off	Million	Cu	Cu Metal
	Cu %	Tonnes	%	(000 Tonnes)
Inferred	0	1.75	0.97	16.9
Inferred	0.5	1.71	0.98	16.7

MSA upholds this classification and has based this assessment on the criteria listed in Table 5-15. This tabulates a checklist of assessment and reporting criteria and summarises the risk for each of the items in terms of Table 1 of the JORC Code (JORC 2004). Figures 5-1 and 5-2 provide images showing wireframe modelling over Koperberg.



Figure 5-1

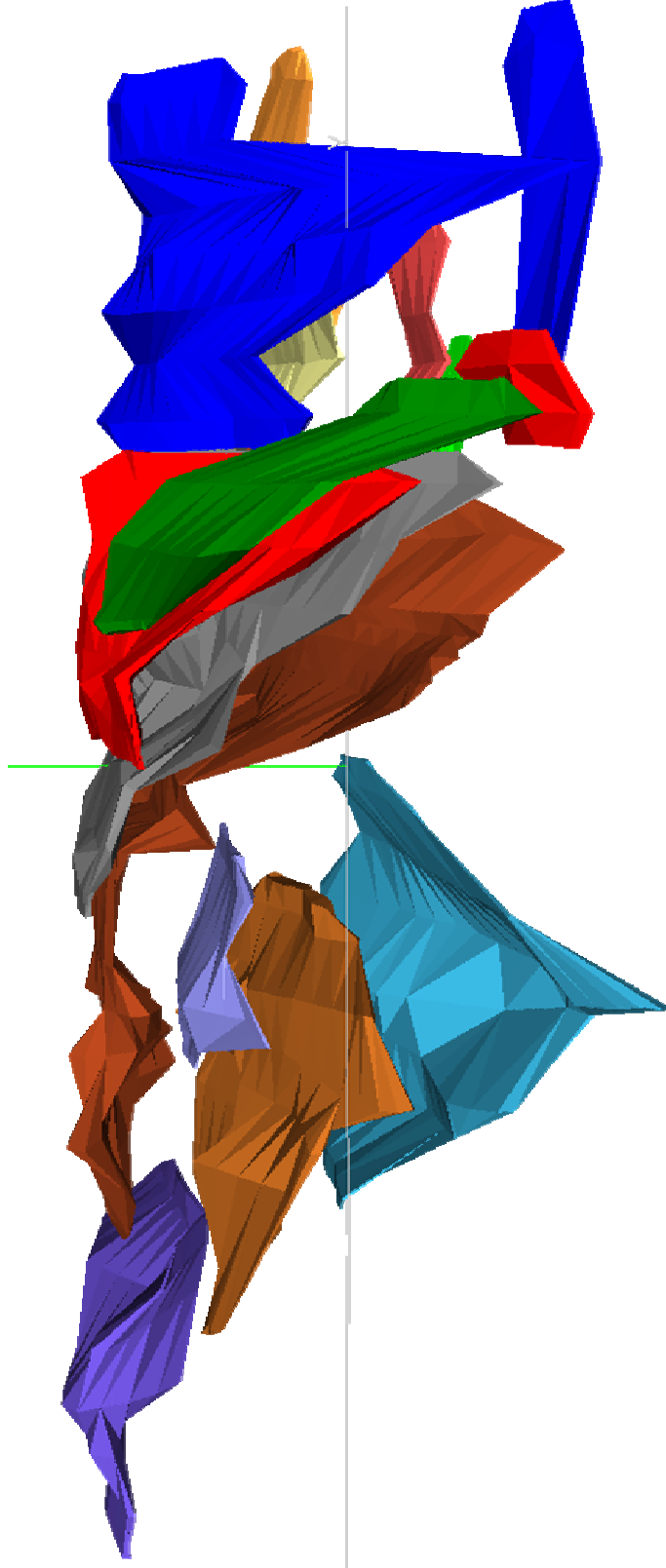
Koperberg Resource Wireframes Looking Down-dip to South-East





Figure 5-2

Koperberg Wireframes Looking West





5.1.2 RK Zone

5.1.2.1 Geological Controls

WAGE constructed 38 individual wireframes to represent the mineralisation intersected in 116 RC holes from their 2007 campaign. Drill spacing was on a 40 m x 40 m grid. These were split between the RK (65 holes) and RK West (51 holes) targets.

Mineralisation has been described as trending northeast-southwest over a 520 m strike length at RK, dipping steeply northwest at 70 degrees to vertical. The mineralisation at RK West has a north-south trend along a 400 m strike length. These lodes also dip steeply, in this case to the east and southeast. In this case, the mineralisation is open below 120 m below surface to the north, northeast and down-plunge.

Input data is characterised by inclined drillholes, of which a significant proportion do not have reliable down-hole survey readings. WAGE themselves refer to inconsistent geological logs for some of these drillholes. These features impact negatively on the likelihood of declaring JORC-compliant resources for the RK Zone Prospect.

5.1.2.2 Generation of the 3-D Geological and Block Models

A total of 13 wireframes were designed for RK, based on a minimum of 0.3% Cu over a minimum width of 2m. An additional 25 wireframes with the same grade and width constraints were constructed to model the mineralisation at RK West.

It is noted that it is a common feature of these deposits that confidence in the stratigraphic and grade continuity is limited on the available data spread. This has adversely affected the geological modelling and grade interpolation at RK, with the result that many individual lodes have had to be modelled to describe the mineralisation. Infill drilling is a possible solution to address these discontinuities.

Block model parent block dimensions were 20 m x 20 m x 2 m (East, North, RL), sub-celled to 6.25 m x 6.25 m x 0.5 m.

5.1.2.3 Compositing

WAGE generated 1 m composites within each of the lode wireframes for use in grade estimation. Very few Ag analyses are contained in the RK database. In addition, only 76 of the 529 composites have density readings. An average figure of 2.78 was applied to all lodes. Statistical analysis of the WAGE drillhole composites is shown below.



It is noted that Cu analyses are quoted as either percentages or as ppm, by differing analytical techniques. The amalgamation of assays from differing analytical techniques compromises the validity on the robustness of resultant resource estimates.

5.1.2.4 Geostatistics

No variography was attempted for RK or RK West. A preferred grade continuity and sample search direction was defined towards the northwest dipping at -75 degrees to vertically down was estimated from visual inspection of the drillhole intercepts for RK and for RK West

5.1.2.5 Grade Interpolation

Inverse distance cubed (ID-3) was used to interpolate grades into each of the lodes, with a minimum of 10 composites. Lodes with fewer composites were assigned the average grade on the composites in that lode.

5.1.2.6 Grade Cutting

No grade capping was applied at RK which is considered appropriate.

5.1.2.7 Model Verification

A series of grade plots along easting, northing and elevation sections were supplied to MSA comparing input composite grades and interpolated block grades. These showed close correlation at a zero Cu cut-off but estimated blocks were on average 15% lower than the input composites. This suggests spatially-related Cu grade continuity has not been adequately established using ID-3. MSA believes ordinary kriging is the route to follow here, as for Koperberg.

5.1.2.8 Resource Classification and Reporting

The underlying data spread and assay shortcomings and the overall geological discontinuity do not permit the declaration of JORC compliant resource estimates. The RK targets are relatively low grade in the WAGE family of deposits and this precludes incentives for further drilling. MSA cannot recommend justifiable 'remedial' action to arrive at JORC-compliant on the basis of the above and concurs with WAGE's assertion that RK should be only be re-assessed should other neighbouring and more attractive opportunities arise.



WAGE has estimated the following, non-JORC compliant resources (Table 5-5):

Category	Cut Off	Million	Cu
	Cu %	Tonnes	%
RK Not Compliant	0.5	0.55	1.25
RK West Not Compliant	0.5	0.77	0.9

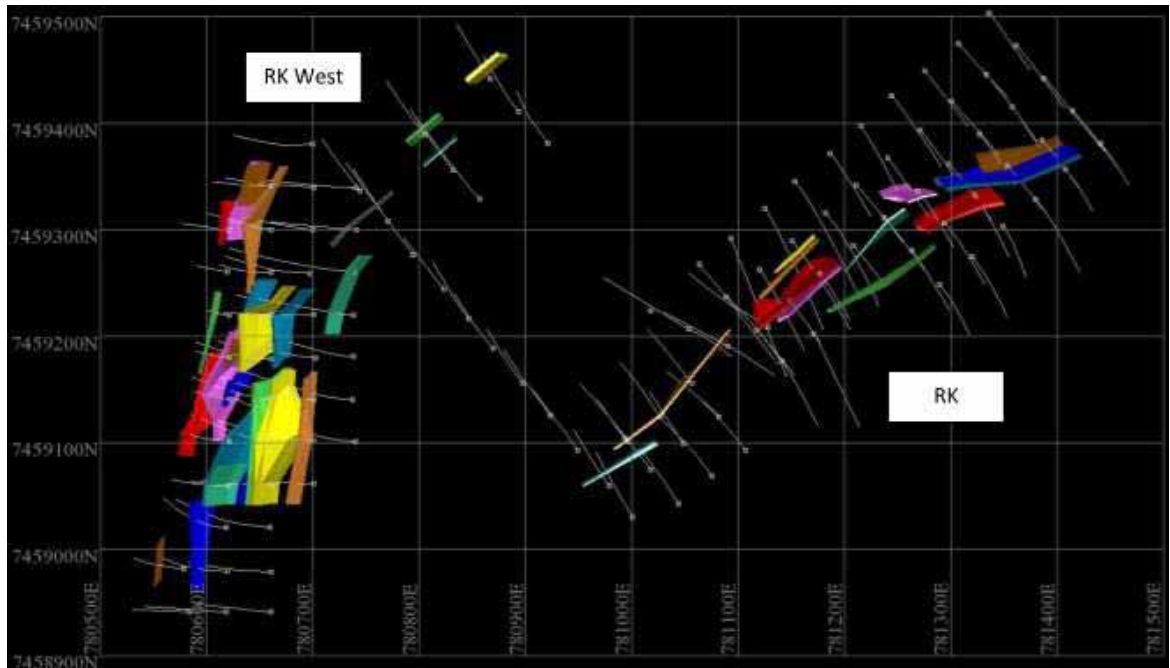
MSA has exported the WAGE block model data and arrives at the following comparison of resources, also being non-JORC compliant. MSA has excluded default 0.01% Cu grades in the model export (Table 5-6).

Category	Cut Off	Million	Cu
	Cu %	Tonnes	%
RK Not Compliant	0.5	0.40	1.27
RK West Not Compliant	0.6	0.46	1.23

Resources at RK are lower in the MSA export. The WAGE estimate should be re-visited to exclude the default values and reasons for the differences investigated.

For RK West, there are mis-matched cut-off grades reported from the two block model exports, with the MSA 0.6% Cu being closest to the WAGE 0.5% Cu cut-off. It is accepted that the two data are comparable in the light of this. Figure 5-3 displays modelled wireframes generated over the RK Zone Project.

Figure 5-3
Plan view of WAGE modelling over RK Zone



5.2 Witvlei Project

5.2.1 Malachite Pan

5.2.1.1 Geological Controls

WAGE report that there is a trend in higher-tenor Cu mineralisation which runs approximately N-S through the modelled lodes. They also report that there is poorly defined stratigraphic and grade continuity between lodes, necessitating construction of many, stand-alone lode wireframes and that approximately one-third of the lodes have been modelled on the basis of 2 to 3 drillhole intersections only. WAGE also refers to the use of Sb and As analyses as potential tools to define stratigraphic continuity, There are nevertheless very few assays for these elements in the current database.

5.2.1.2 Generation of the 3-D Geological and Block Models

Wireframes were created from drillhole intercepts of >0.3% Cu over a minimum width of 2 m. The wireframes were extended 10 m along strike and 20 m down-plunge from the drill intercepts. This represents half the inter-drillhole separation, which MSA deems to be an industry accepted protocol as long as there is an absence of any modifying geological discontinuity.



A total of 91 individual lode wireframes have been generated due to the lack of definitive stratigraphic and, or grade continuity.

Block dimensions are 10 m x 10 m x 2 m, sub-celled to 2.5 m x 2.5 m x 0.5 m in the model as received. This addresses the highly variable lode thickness as modelled.

5.2.1.3 Compositing

Drillholes were composited to 1 m intervals. There are differing analytical techniques cited in the database, similarly to RK Zone, which again compromises the integrity of resultant resource estimates. No historical drilling data is included in the available database. Ag data was added to the input assay file, based on half the detection limit.

5.2.1.4 Geostatistics

No variography was attempted by WAGE at Malachite Pan.

5.2.1.5 Grade Interpolation

Inverse Distance-squared (ID-2) was used for Cu grade interpolation with a minimum of 10 composites per lode. Lodes with fewer composites were assigned the average grade on the composites in that lode. Limited Ag analyses meant that an average Ag grade of 6.9g/t was applied to all lodes in the deposit. Density values are present for 1 493 of the 2 789 1 m composites, with an average of 2.81 being applied to all lodes. These latter attributes impact negatively on the potential for JORC-compliant resources and also to include Ag as a credit.

5.2.1.6 Grade Cutting

No top cutting was applied to the Cu grades.

5.2.1.7 Model Verification

As for the RK Zone, a series of grade plots along easting, northing and elevation sections were supplied to MSA comparing input composite grades and interpolated block grades. These showed close correlation at a zero Cu cut-off but estimated blocks were on average 17% lower than the input composites. This suggests spatially-related Cu grade continuity has not been adequately established using ID-2.



5.2.1.8 Resource Classification and Reporting

As for the RK Zone, the assay - shortcomings and the overall geological discontinuity do not permit the declaration of JORC-compliant resource estimates. The Malachite Pan targets represent significant potential and are considered worthy of further drilling, additional assay work and improved QAQC data records. Following these steps, MSA believes there is good potential to arrive at JORC-compliant resources.

WAGE has estimated the following, non-JORC compliant resources (Table 5-7):

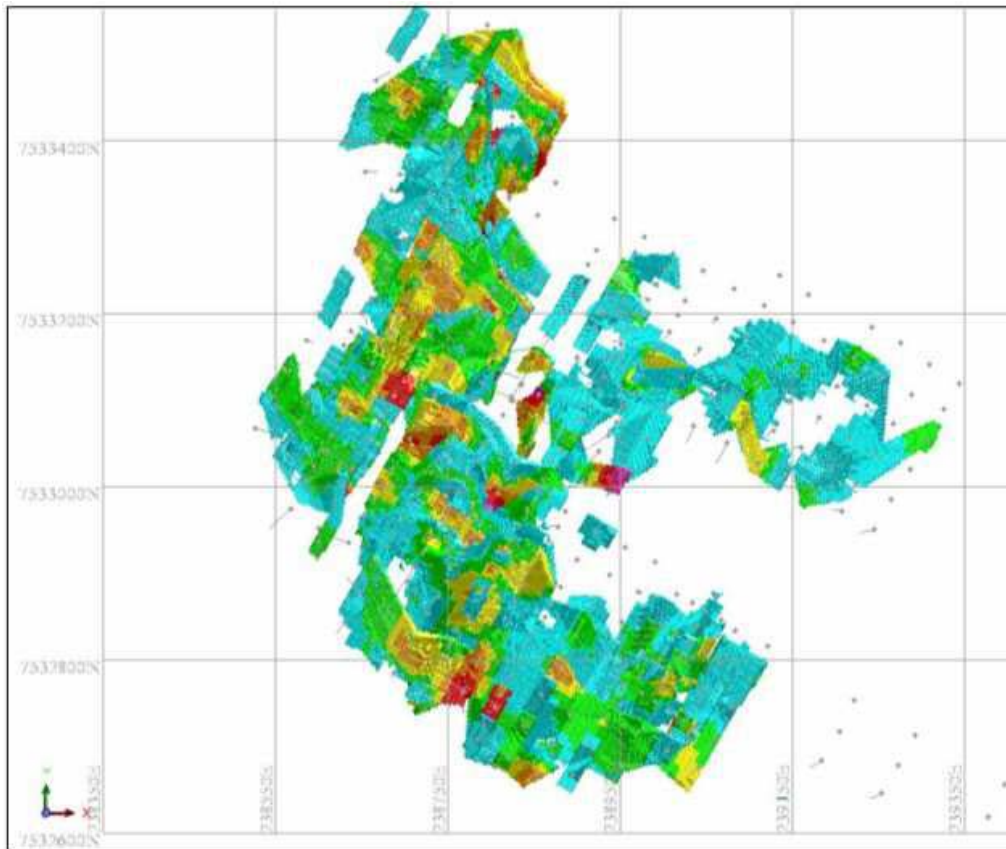
Table 5-7			
WAGE In-House Malachite Pan Resource Estimate			
Category	Cut Off	Million	Cu
	Cu %	Tonnes	%
Non-compliant	0.5	4.86	1.31

MSA has exported the WAGE block model data and arrives at the following comparison of resources, also being non-JORC compliant (Table 5-8).

Table 5-8			
MSA Malachite Pan Resource Export			
Category	Cut Off	Million	Cu
	Cu %	Tonnes	%
Non-compliant	0.5	4.83	1.31

MSA's estimate is based on excluding grades of less than 0.01% Cu in the WAGE Surpac block model and is in agreement with the WAGE resource. Figure 5-4 shows modelled orebodies at Malachite Pan.

Figure 5-4
Plan view of WAGE modelling over Malachite Pan



5.2.2 Christiadore Prospect

5.2.2.1 Geological Controls

WAGE has undertaken two RC drilling campaigns at Christiadore. The first included 11 drillholes on an 80 m x 40 m grid pattern and the second, infill programme comprising 21 drillholes on a 40 m x 40 m grid. These combined intersections proved insufficient to accurately define the mineralisation which resulted in the inclusion of 14 intercepts from historical drilling on a 100 m x 100 m grid carried out by FEDSWA in the late 1960's and early 1970's. The mineralisation has been closed off in both southwest and northeast directions but is generally open at depth beyond 150 m.



5.2.2.2 Generation of the 3-D Geological and Block Models

Seven major lodes were modelled, trending northeast-southwest over a strike length of only 300 m, being based on drillhole intercepts of >0.3% Cu over a minimum width of 2 m. Block dimensions are 10 m x 10 m x 2 m, sub-celled to 2.5 m x 2.5 m x 0.5 m.

5.2.2.3 Compositing

As for RK Zone and Malachite Pan prospects, 1 m composites were generated for grade estimation. There were no routine Ag assays prior to WAGE's 2008 drilling. An average Ag grade of 3.8 g/t from this latter work was incorporated into the block model. An average density of 2.87 was also inserted into the block model, due to sparse data (13 of the 384 composites). These assignments render compliant resources unobtainable.

5.2.2.4 Geostatistics

No variography was attempted for Christiadore. A preferred grade continuity direction of north-northeast dipping at 5-30 degrees was estimated from visual inspection of the drillhole intercepts. MSA believes the ordinary kriging route should be followed for Christiadore.

5.2.2.5 Grade Interpolation

ID-2 was utilised to estimate Cu grades into the block model with a minimum of 10 composites. Lodes with fewer composites were assigned the average grade on the composites in that lode. This is industry accepted protocol.

5.2.2.6 Grade Cutting

A top cut of 4.65% Cu was applied to the input composite data, which excluded a single composite at 7.36% Cu. MSA considers that one such sample would have a minimal effect on grade estimation out of a total of 384 composites.

5.2.2.7 Model Verification

A series of grade plots along easting, northing and elevation sections were also supplied to MSA for Christiadore, comparing input composite grades and interpolated block grades. These showed close correlation at a zero Cu cut-off but estimated blocks were on average 15% lower than the input composites. Again, this suggests spatially-related Cu grade continuity has not been adequately established using ID-2.



5.2.2.8 Resource Classification and Reporting

The relatively small size of the deposit, the assay shortcomings and the overall geological discontinuity do not permit the declaration of JORC compliant resource estimates. Historical resource estimates and the latest WAGE estimate point to a +/- 2% Cu grade.

Additional tonnage would make the deposit more attractive to further exploration. It is noted that the FEDSWA drilling (diamond coring) has shown up extensions to the mineralisation in the WAGE RC holes at depth. In order to investigate the possibility of incorporating the FEDSWA data for resource purposes, it is recommended that a twin hole RC programme be conducted to confirm the old FEDSWA holes. Following this along with additional assay QA/QC, MSA believes there is good potential to arrive at JORC-compliant resources.

WAGE has estimated the following, non - JORC compliant resources (Table 5-9):

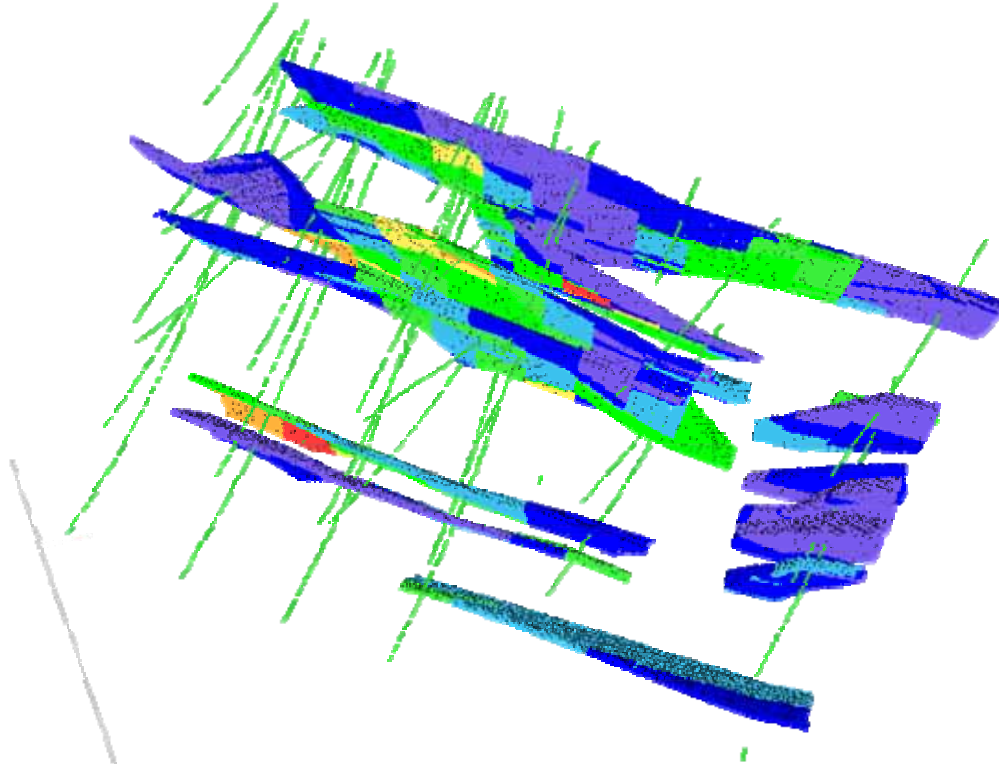
Table 5-9			
WAGE In-House Christiadore Resource Estimate			
Category	Cut Off	Million	Cu
	Cu %	Tonnes	%
Not Compliant	0.5	1.24	1.61

MSA exported the WAGE block model data. The MSA figures are based on excluding default Cu grades of 0.01% in the WAGE Surpac block model and arrives at the following comparison of resources, also being non-JORC compliant (Table 5-10).

Table 5-10			
MSA Christiadore Resource Export			
Category	Cut Off	Million	Cu
	Cu %	Tonnes	%
Not Compliant	0.5	1.04	1.53

It is recommended that WAGE estimates exclude the default values and that further investigation is recommended to define the reason(s) for the difference between the two totals. Figure 5-5 shows the block model for Christiadore.

Figure 5-5
Christiadore resource modelling carried out by WAGE



Maximum Cu Grade = red at 4.5% Cu, Green = 2.8% Cu

5.2.3 Okasewa Prospect

5.2.3.1 Geological Controls

The Okasewa deposit comprises three zones, based on a spatial separation. A northeast zone of small size, although open along-strike and at depth, a Central Zone with lode widths of up to 20 m thickness and a southwest zone, close to a disused shaft comprising three lodes and open in all directions. The deposit area is again complicated by a lack of definitive stratigraphic and grade continuity resulting in 41 of the modelled lodes being defined on the basis of only 1 to 2 drillhole intersections.

5.2.3.2 Generation of the 3-D Geological and Block Models

A total of 89 lodes exist in the data set received. Block model dimensions are 20 m x 10 m x 2 m sub-celled to 2.5 m x 1.25 m x 0.25 m.



5.2.3.3 Compositing

There are 3 770 1 m Cu composites in the input drillhole database of which 2 814 have Ag data and 1 887 contain density data. Despite this, an average Ag grade of 4.43 g/t and an average density of 2.81 were each inserted into the block model. MSA believes these parameters should have formed part of the grade estimation exercise.

5.2.3.4 Geostatistics

Again, no variography was attempted for this deposit. A search ellipsoid of north to west-northwest was applied for the lodes, dipping at angles ranging from 20 to 40 degrees.

5.2.3.5 Grade Interpolation

ID-2 was used to interpolate Cu grades based on a minimum of 10 samples per lode. Average composite grades were applied in lodes with less than 10 composites.

5.2.3.6 Grade Cutting

A top cut of 4.5% Cu was applied to the composites. Study of the composites table shows the highest composite to be 4.44% Cu.

5.2.3.7 Model Verification

As for the other deposits, a series of grade plots along easting, northing and elevation sections were also supplied to MSA for Okasewa, comparing input composite grades and interpolated block grades. These showed close correlation at a zero Cu cut-off but estimated blocks were as much as 40% lower than the input composites. Again, this suggests spatially-related Cu grade continuity has not been adequately established using ID-2.

5.2.3.8 Resource Classification and Reporting

Again, the relatively small size of the deposit, the assay shortcomings and the overall geological discontinuity do not permit the declaration of JORC compliant resource estimates. Historical resource estimates and the latest WAGE estimate point to a +/- 2% Cu grade.

Also, as for RK, additional tonnage would make the deposit more attractive to explore further. With additional assay and assay QAQC, MSA believes there is good potential to arrive at JORC-compliant resources for Okasewa.



WAGE has estimated the following, non-JORC compliant resources (Table 5-11):

Category	Cut Off	Million	Cu
	Cu %	Tonnes	%
Not Compliant	0.5	4.6	1.14

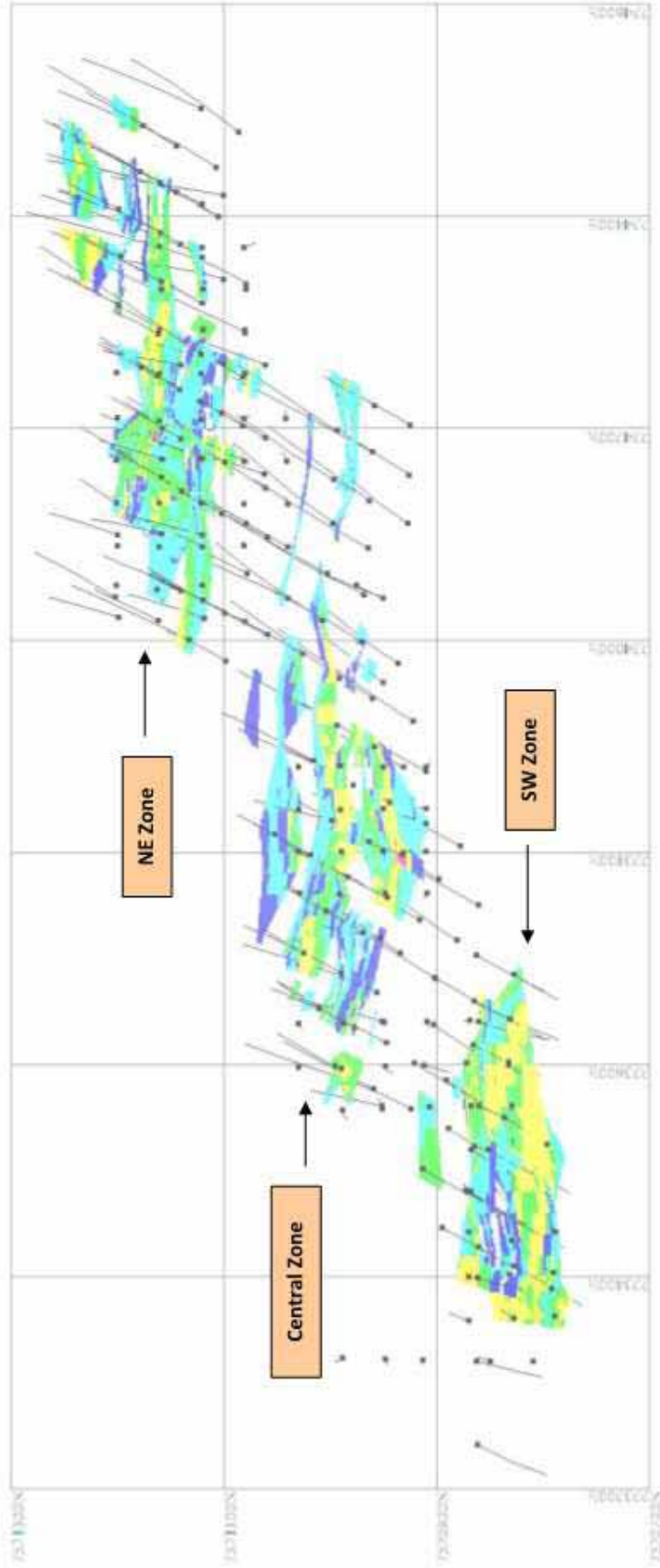
MSA has exported the WAGE block model data and arrives at the following comparison of resources, also being non-JORC compliant (Table 5-12).

Category	Cut Off	Million	Cu
	Cu %	Tonnes	%
Not Compliant	0.5	3.7	1.15

The MSA export excluded blocks assigned default Cu grades. It is recommended that the WAGE figures should be also be verified without default Cu grades. Figure 5-6 shows a plan view of modelled wireframes for Okasewa.



Figure 5-6
Plan View of Okasewa modelling
(Blue – 0.3-0.5% Cu, Light blue – 0.5-1.0% Cu, Yellow – 1.5-2.0% Cu)





5.3 Namib Lead-Zinc

5.3.1 Namib Lead-Zinc Mine and Tailings

5.3.1.1 Geological Controls

CD undertook two extensive drilling programmes at the mine for 125 drillholes for 18 986 m, including 3 057 m of diamond drilling and the remainder RC. The latter were drilled on 30 m x 40 m centres and subsequently in-filled on a 15 m x 30 m grid. The resultant interpretations leave the mineralisation open down-plunge.

The tailings dump has been drilled on 10 m x 10 m centres, generally through to the underlying soil with 178 RC holes.

5.3.1.2 Generation of the 3-D Geological and Block Models

The N20 orebody have been modelled with four wireframes over a strike length of 75 m and the North orebody with 13 wireframes over a strike length of 350 m. These lodes' dip at 50-70 degrees to the southwest. Block dimensions are 15 m x 20 m x 2 m sub-celled to 0.94 m x 1.25 m x 0.25 m for the N20 and North 'orebodies' and 2.5 m x 2.5 m x 1 m for the Tailings, sub-celled to 0.625 m x 0.625 m x 0.25 m. These are considered appropriate for the respective drill spacings.

5.3.1.3 Compositing

CD used separate 1 m composite drilling databases for the N20 and North deposits.

5.3.1.4 Geostatistics

No variography was studied for either of the Mine or for the Tailings deposits.

5.3.1.5 Grade Interpolation

ID-2 was used to interpolate Pb, Zn, Ag and In grades into the block models for the Mine. Search ellipse major radii were aligned to the northeast at 45 to 65 degrees, varying per lode/shoot. ID-2 was also for the Tailings with flat, circular search 'ellipses' and for the same elements.



5.3.1.6 Grade Cutting

CD applied the following top-cuts:

	N20 and	Tailings
Pb %	25	1.51
Zn%	35	6.8
Ag g/t	250	-
In g/t	250	33

5.3.1.7 Model Verification

As for the Cu deposits, a series of grade plots along the mine drill sections were provided and studied by MSA comparing input composite grades and interpolated block grades. These showed acceptable to good correlation at a 1% Pb+Zn cut-off. This suggests spatially-related Pb+Zn grade continuity has been partially to adequately established using ID-2.

A similar scenario is drawn for the Tailings with an increased level of correlation between block and un-cut composite Pb+Zn grades, at a 10 m composite separation.

5.3.1.8 Resource Classification and Reporting

The drillhole data compositing and grade estimation exercises are considered appropriate. The overall geological and grade discontinuity between lodes as currently defined and understood does not permit the declaration of JORC compliant resource estimates. Added to this is doubt in the integrity of the data in the historical drilling records.

Code compliant resources for the Tailings are precluded on the basis of uncertain bulk density data. It is understood CD are addressing this issue. Following this along with additional assay QA/QC including Certified Reference Material (CRM), MSA believes there is good potential to arrive at JORC-compliant resources for the Tailings.

CD has estimated the following, non-JORC compliant resources (Table 5-13):



Table 5-13

CD In-House Namib Mine Resource Estimate

Category	Cut Off	Million	Pb	Zn	Ag	In
Not Compliant	%	Tonnes	%	%	Ppm	ppm
N20 and North	1% Pb+Zn	0.61	2.27	6.45	42.1	31
Tailings	-	0.39	0.26	2.09	7.6	9.3

MSA's export of the CD block model arrives at the following comparison of resources, also being non JORC compliant. The MSA export excluded blocks assigned default (detection limit) Pb+Zn grades (Figures 5-7 and 5-8; Table 5-14).

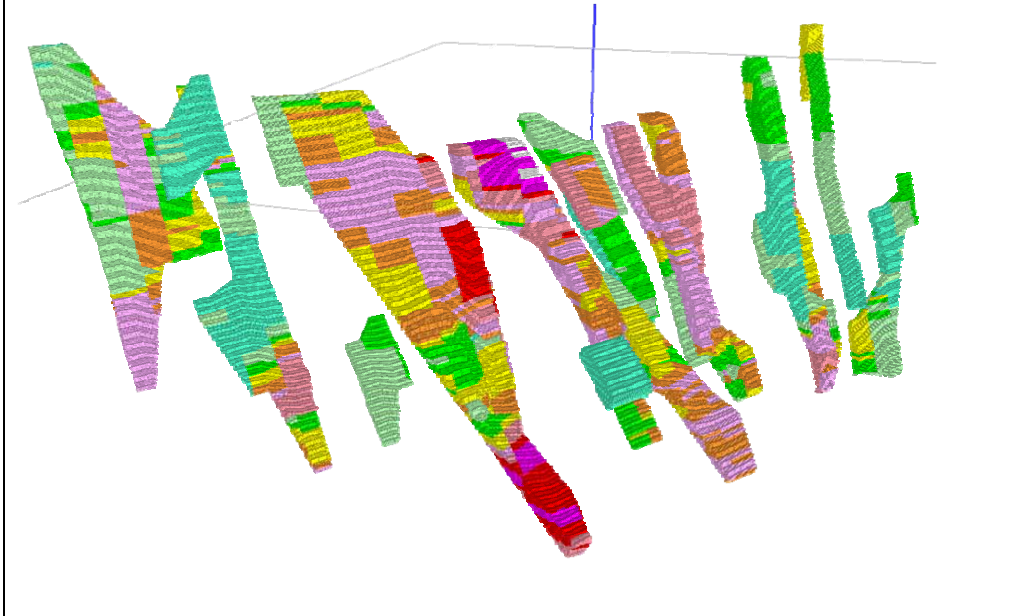
Table 5-14

MSA Namib Mine Resource Export

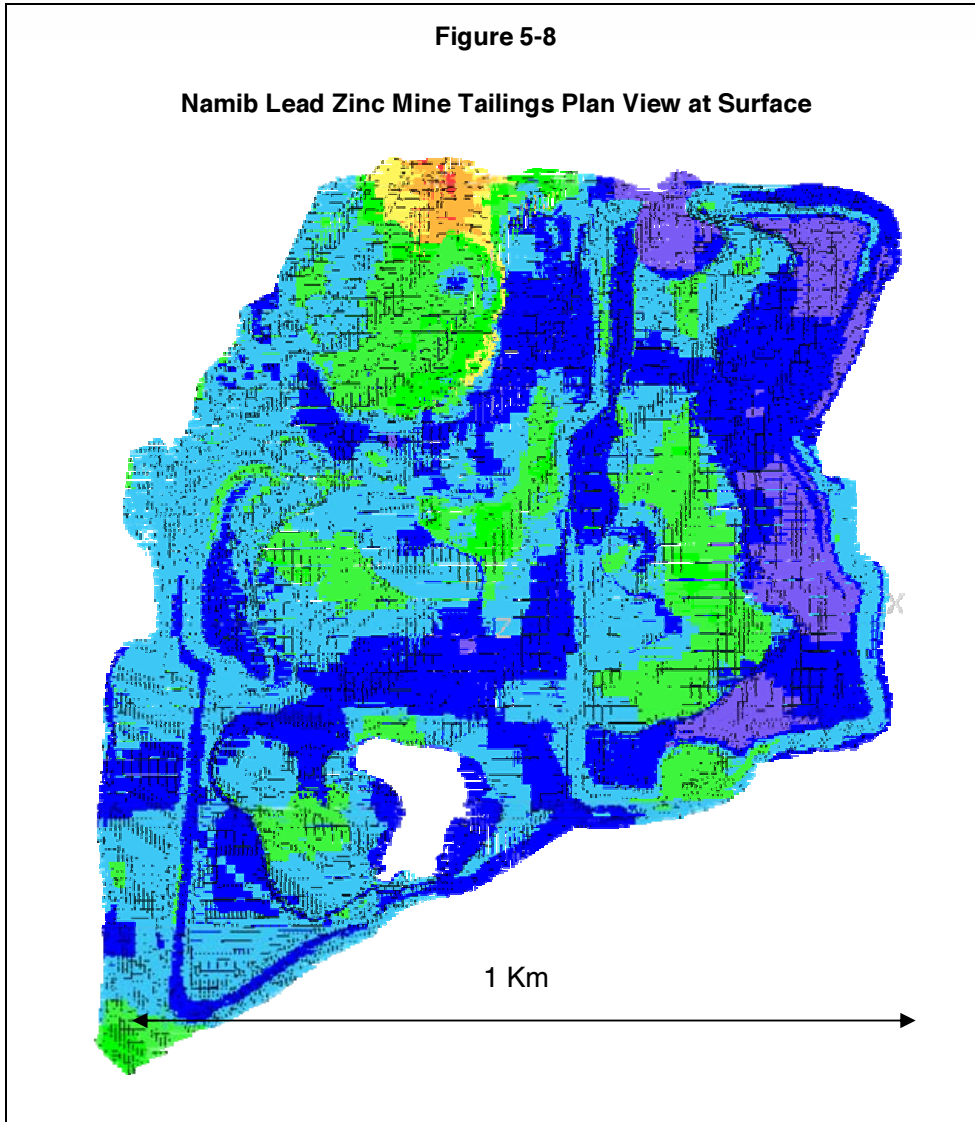
Category	Cut Off	Million	Pb	Zn	Ag	In
Not Compliant	%	Tonnes	%	%	ppm	ppm
N20 and North	1% Pb+Zn	0.52	2.30	6.55	42.3	32
Tailings	-	0.39	0.26	2.09	7.6	9

Figure 5-7

Namib Lead Zinc Mine Block Model Looking North East



Colour Coding: Pb+Zn: 1-2% Turquoise; 2 to 4% Light Green 4 to 6% Green; 6-8% Yellow; 8-10% Orange; 10-14% Light Pink; 14-18% Pink; 18-22% rd; >22% Crimson.



Highest grades at NW corner = Orange = 6.7% Pb+Zn, Green = >3% Pb+Zn

5.4 JORC Compliance Criteria for the Projects.

Table 5-15 below lists current JORC guideline items and the degree to which WAGE has adhered to them for the Koperberg example. MSA considers these protocols should be adhered to for the other WAGE and CD projects.



Table 5-15

Checklist of Assessment and Reporting Criteria: Koperberg as an Example

Drilling techniques	Reverse circulation percussion (RC) drillholes.
Logging	All drillholes geologically logged by qualified geologists. The logging was of an appropriate standard for grade estimation.
Drill sample recovery	Samples riffle-split, with duplicates prepared on a regular basis.
Sampling methods	RC samples were taken at nominal 1 m intervals. Routine sampling methods of a high standard and suitable for evaluation purposes.
Quality of assay data	Samples were analysed using industry-accepted best practice techniques. No correction factors have been applied to the assays. Internal laboratory and external QAQC has been completed for the sampling. Review of the QAQC data and consideration that the quality of the assay data is adequate for resource estimation.
Verification of assaying	Consideration of whether selection of samples for re-assay is required. The sampling and QAQC exercise undertaken is considered adequate for the declared resources.
Location of data points	All of the drillhole collars have been surveyed by a qualified surveyor using a differential GPS. Down hole positions were surveyed for some of the drillholes.
Tonnage factors (in situ bulk densities)	Density determinations are available from drilling using the weight in air and water method. Preferably no default bulk density applied globally to the mineralised envelopes.
Data density and distribution	Drillholes collared on a regular grid. The level of data density over portions of the project area is sufficient to confirm geological and grade continuity for an Inferred Mineral Resource estimate for this type of mineralisation.
Database integrity	Data were stored in an Access database, checked for integrity and considered to be an accurate representation of the original data collected.



Dimensions	State the delineated resource area and constraints if any.
Geological Interpretation	There is adequate geological information. In the absence of additional interpreted structural controls for the deposit(s) no other constraining boundaries were used for the resources.
Domains	Domains were delineated for grade estimation.
Compositing	Length of composites.
Statistics and Variography	The coefficient of variation for the variable modelled was acceptable for the estimation method. Robust anisotropic variograms were generated for combined domains.
Top or bottom cuts for grades	No capping or cutting was applied to the grade data for estimation.
Data clustering	Drillholes were drilled on an approximately regular grid.
Block size	State block dimensions - north by east by elevation, three dimensional block model. Generally blocks = no less than 10% of drillspacing
Grade estimation	Cu grades estimated using Ordinary Kriging. Grades were extrapolated within a search ellipse representing the ranges of the anisotropic variograms.
Resource Classification	All resources at Koperberg are classified as Inferred
Cut-off grades	A Cu cut-off grade of 0.5% was used to test sensitivity to grade
Metallurgical factors or assumptions	No metallurgical factors were applied.
Audits and reviews	State audit and review work carried out: <ul style="list-style-type: none"> • a review of the database for keystroke errors • a review of drillhole data collection protocols and QA/QC systems • a site based review of the drillhole data.



REFERENCES

MSA has chosen not to include an extensive reference list, but to include general references that may lead a researcher to additional information of interest and relevance to the project/s. MSA has not sought consent from the various authors of the previous geological reports where those reports were not intended for inclusion in a disclosure document or public disclosure statement

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APPENDIX 1:

Glossary and definitions of any terms and abbreviations used



GLOSSARY OF TECHNICAL TERMS

<i>3D</i>	Three dimensional
<i>aeolian</i>	Material transported and deposited by wind
<i>Ag</i>	Silver
<i>alaskite</i>	A late stage granitic intrusive rock, commonly uraniferous
<i>alteration</i>	Change in mineral and chemical composition of rock, commonly brought about by reactions to weathering or to hydrothermal solutions.
<i>amphibolite</i>	A metamorphic crystalline rock consisting mainly of amphibole and some plagioclase.
<i>amsl</i>	above mean sea level
<i>andesite</i>	A fine grained volcanic igneous rock characterised by the presence of oligoclase/andesine.
<i>anomaly</i>	An area where exploration has revealed results higher (or sometimes lower) than the local background level.
<i>anticline</i>	A fold in rocks in which strata dip in opposite directions away from the central axis.
<i>apatite</i>	A mineral, $\text{Ca}_5(\text{F,Cl})(\text{PO}_4)_3$ found in igneous rocks, especially pegmatites and is a main source of phosphates.
<i>argillite</i>	Metamorphosed sedimentary rock containing a significant proportion of chemical in addition to transported components, and lacking a strong cleavage.
<i>As</i>	Arsenic
<i>Au</i>	Gold
<i>basalt</i>	A dark, fine-grained volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
<i>basement</i>	The igneous and metamorphic crust of the earth, underlying sedimentary deposits.



<i>basement dome</i>	An area of basement rocks surrounded by strata of different origin (also referred to an inlier) and where the regional structure resembles a dome.
<i>Be</i>	Beryllium
<i>BLEG</i>	Bulk Leachable Gold. A method of assaying for Au, and is particularly useful in certain terrains with low Ay backgrounds.
<i>Bi</i>	Bismuth
<i>bornite</i>	A common sulphide ore of copper, Cu_5FeS_4 .
<i>breccia</i>	Rock comprising angular fragments enclosed in a matrix.
<i>calcareous</i>	adjective meaning mostly or partly composed of calcium carbonate
<i>calcrete</i>	A sedimentary rock where calcium carbonate cements together surficial gravels/sediments. Also called caliche.
<i>CAPEX</i>	Capital Expenditure
<i>Cd</i>	Cadmium
<i>cerussite</i>	An oxidised Pb bearing mineral, $PbCO_3$.
<i>chalcopyrite</i>	A common sulphide ore of copper, $CuFeS_2$.
<i>chalcocite</i>	A common sulphide ore of copper, Cu_2S .
<i>Co</i>	Cobalt
<i>Cr</i>	Chrome
<i>craton</i>	Large, and usually ancient, stable mass of the earth's crust.
<i>Cretaceous</i>	Geological period between 144Ma and 65Ma
<i>CRM</i>	Certified Reference Material
<i>Cu</i>	Copper



<i>DHTEM</i>	Downhole Time Domain Electromagnetic. A type of electromagnetic survey carried down hole and is used to identify conductive rocktypes, with the objective of identifying mineralisation such as massive sulphides.
<i>diamictite</i>	Sediment composed of two distinct size fractions
<i>diamond drilling (DD)</i>	Mineral exploration hole completed using a diamond set or diamond impregnated drill bit for retrieving a cylindrical core of rock.
<i>dip</i>	The angle at which a rock stratum or structure is inclined from the horizontal.
<i>disseminated</i>	Said of particles distributed finely and evenly throughout a matrix.
<i>dolerite</i>	A medium grained basic hypabyssal igneous rock, mineralogically the same as gabbro and basalt.
<i>dolomite</i>	A rock composed of calcium and magnesium carbonate.
<i>dome</i>	An anticlinal structure that plunges in all directions.
<i>drive</i>	A horizontal tunnel driven along or parallel to the strike of the orebody, for the extraction or exploration of ore.
<i>DTM</i>	Digital Terrain Model
<i>epidote</i>	A rock forming aluminium-calcium-iron silicate mineral that is a common secondary component of igneous rocks.
<i>epigenetic</i>	a geological process occurring at or near the earth's surface
<i>evaporite</i>	Sediment, including various salts, deposited from aqueous solution as a result of evaporation.
<i>fault</i>	A fracture or fracture zone, along which displacement of opposing sides has occurred.
<i>Fe</i>	Iron
<i>feasibility study</i>	An advanced study undertaken to determine the economic viability of a mineral deposit to a high degree of accuracy.



<i>felsic</i>	Light colour rocks containing an abundance of any of the minerals feldspar, feldspathoid and silica.
<i>Ferruginous</i>	Containing iron bearing minerals
<i>fluorite</i>	A vein mineral CaF_2 , often found in pegmatites.
<i>galena</i>	A common ore mineral for Pb, PbS.
<i>g/t</i>	Grams per tonne, a standard mass unit for demonstrating the concentration of precious metals in a rock, equivalent to parts per million (ppm).
<i>geophysical survey</i>	A survey measuring the physical properties of a rock mass, typically recording the magnetic, electrical or radiometric properties. Commonly used to assist in determining the nature of the sub-surface rock mass.
<i>gneiss</i>	A metamorphic rock of coarse grain size, usually exhibiting banding.
<i>gossan</i>	A ferruginous deposit remaining after the oxidation of the original sulphide minerals in a vein or ore zone.
<i>granitoid</i>	A general term to describe coarse grained felsic intrusive igneous rocks, resembling granite.
<i>gravity anomaly</i>	The difference between the observed value of gravity at a point and the theoretically calculated value. It is based on a simple gravity model of Earth, modified in accordance with some generalised assumptions regarding the near surface topography and rock types.
<i>haematite (hematite)</i>	Common iron oxide mineral Fe_2O_3 .
<i>IOCG</i>	Iron Oxide Copper Gold – a style and model of mineralisation related to an intrusion that is characterised by extensive iron alteration.
<i>In</i>	Indium
<i>Induced Polarisation (IP)</i>	A ground-based geophysical survey technique measuring the intensity of an induced electric current, used to identify disseminated sulphide deposits.



<i>Inferred Mineral Resource</i>	that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence.
<i>Intercalated</i>	Descriptive term describing two different lithologies/rocktypes that display a layered relationship to each other.
<i>intermediate</i>	A rock unit which contains a mix of felsic and mafic minerals.
<i>JORC</i>	Australian Joint Ore Reserves Committee
<i>Jurassic</i>	Period of geological time between 203Ma and 144Ma.
<i>kriging</i>	A geostatistical method/technique to interpolate the value of a random field at an unobserved location from observations of its value at nearby locations.
<i>lacustrine</i>	relating to sediments formed in a lake or relating to a lake
<i>limestone</i>	A sedimentary rock containing at least 50% calcium or calcium-magnesium carbonates.
<i>lithology</i>	A descriptive term describing rock type
<i>leucogranite</i>	A late stage intrusive granite dominated by minerals such as quartz and feldspar
<i>Ma</i>	Abbreviation for Million Years
<i>mafic</i>	Pertaining to, or composed dominantly of, the dark coloured ferromagnesian rock forming silicates.
<i>mafic volcanic</i>	Volcanic rocks dominantly comprised of ferromagnesian minerals.
<i>magnetic anomaly</i>	Zones where the magnitude and orientation of the earth's magnetic field is distorted by magnetic rocks.
<i>magnetite</i>	A naturally occurring oxide of iron (Fe_3O_4) which exhibits magnetic properties.
<i>malachite</i>	A green hydrated carbonate ore of copper $Cu_2(OH)_2CO_3$.



<i>marl</i>	A calcium carbonate or lime rich mudstone containing variable amounts of clays and aragonite.
<i>Mesoproterozoic</i>	Period of geological time between 1600Ma and 1000Ma.
<i>metabasic</i>	A rock of basic affinities (rich in Mg and Fe) that has been metamorphosed
<i>metallogenic</i>	Association of metal ores that is peculiar to a particular region, or period of time.
<i>metasediment</i>	Metamorphosed sedimentary rocks.
<i>metavolcanic</i>	Metamorphosed volcanic rocks
μm	micron
<i>Mineral Resource</i>	A concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction.
<i>Mo</i>	Molybdenum
<i>Moz</i>	Million ounces
<i>Mt</i>	Million tons
<i>mylonite</i>	A hard compact rock with a streaky or banded structure produced by extreme granulation of the original rock mass in a fault or thrust zone.
<i>Nb</i>	Niobium
<i>Neoproterozoic</i>	Late Proterozoic era of geological time, between 1,000 million years and 545 million years ago.
<i>NQ</i>	Diamond drill core diameter of 47.6mm
<i>Open Hole Percussion</i>	A drilling method where sample recovery is possible, but not always accurate/representative.



<i>orogeny</i>	A deformation and/or magmatic event in the earth's crust, usually caused by collision between tectonic plates. The process of mountain making especially by folding of the earth's crust.
<i>oxide ore</i>	Minerals comprising metals of economic interest combined with oxygen. Usually produced by weathering of metal sulphide compounds.
<i>Palaeoproterozoic</i>	Geological period of time between 1600Ma and 2050Ma
<i>Pb</i>	Lead
<i>Pegmatite</i>	A very coarse grained igneous rock generally of granitic composition
<i>Permian</i>	Period of geological time between 298Ma and 250Ma.
<i>Phanerozoic</i>	Literally meaning "obvious life", period of geological time from 550Ma to present.
<i>playa</i>	A dry or ephemeral lakebed
<i>polymetallic</i>	Relating to the presence of several economically significant trace elements, typically including the base metals and gold.
<i>Porphyry</i>	A medium grained igneous rock containing phenocrysts of any mineral.
<i>ppb</i>	part per billion
<i>ppm</i>	part per million
<i>pyrite</i>	An iron sulphide mineral FeS_2 .
<i>pyrrhotite</i>	An iron sulphide mineral, $\text{FeS}_{(n-1)}$.
<i>quartzite</i>	A quartz-rich sandstone that has been metamorphosed or indurated by the recrystallisation of silica.
<i>Quaternary</i>	Most recent period of geological time between 2Ma and present
<i>RD</i>	Relative density. Also see SG.



<i>recovery</i>	Proportion of a metal or element recovered during metallurgical processing.
<i>Reverse Circulation (RC) drilling</i>	Drilling method employing a repeated hammering action on a drill bit which yields sample material which is delivered to the surface inside the rod string by compressed air.
<i>reverse fault</i>	Non-vertical fault in which the major component of translation is predominantly via movement of the uppermost block up and over the lowermost block.
<i>sandstone</i>	A sedimentary rock composed of cemented or compacted detrital minerals, principally quartz grains.
<i>Sb</i>	Antimony
<i>SG</i>	Specific Gravity. Also known as relative density. Specific gravity usually means relative density with respect to water.
<i>schist</i>	A micaceous crystalline metamorphic rock having a foliated structure due to the recrystallisation of the constituent minerals.
<i>sediment</i>	A rock formed of particles which were deposited from suspension in water, wind or ice.
<i>shaft</i>	A vertical or inclined tunnel from the surface, through which underground excavations can be entered and by which ore and waste may be removed.
<i>shear zone</i>	A zone in which shearing has occurred on a large scale, such that the rock is deformed dominantly by ductile deformation.
<i>silicification</i>	Replacement by, or introduction of, appreciable quantities of silicon dioxide minerals.
<i>siltstone</i>	A rock intermediate in character between a shale and a sandstone. Composed of silt sized grains.
<i>Sn</i>	Tin



<i>soil geochemistry</i>	The determination of relative or absolute abundances of elements in soil.
<i>smithsonite</i>	An oxidised Zn mineral, $ZnCO_3$.
<i>specularite</i>	A black or gray variety of hematite with splendant metallic luster.
<i>sphalerite</i>	An important ore bearing mineral for Zn, ZnS .
<i>stockwork</i>	A network of (usually) quartz veinlets of varying orientation, produced during pervasive brittle fracture.
<i>sulphide ore</i>	Mineralisation characterised by compounds of metals and sulphur.
<i>t</i>	metric ton
<i>Ta</i>	Tantalum
<i>Tertiary</i>	Period of geological time that has elapsed since end of the Cretaceous (65Ma) until present.
<i>thrust fault</i>	A low angle (shallowly inclined) fault or shear on which the rocks on the top have moved up and over the rocks on the bottom.
<i>tpa</i>	tons per annum
<i>U</i>	Uranium
μm	micron or micrometer
<i>uraniferous</i>	containing uranium bearing minerals
<i>vein</i>	A thin infill of a fissure or crack, commonly bearing quartz.
<i>volcanic</i>	Formed or derived from a volcano.
<i>volcaniclastic</i>	Volcanic material that has been transported and reworked through mechanical action
<i>W</i>	Tungsten
<i>winze</i>	An internal shaft from an underground drive.



Zn

Zinc

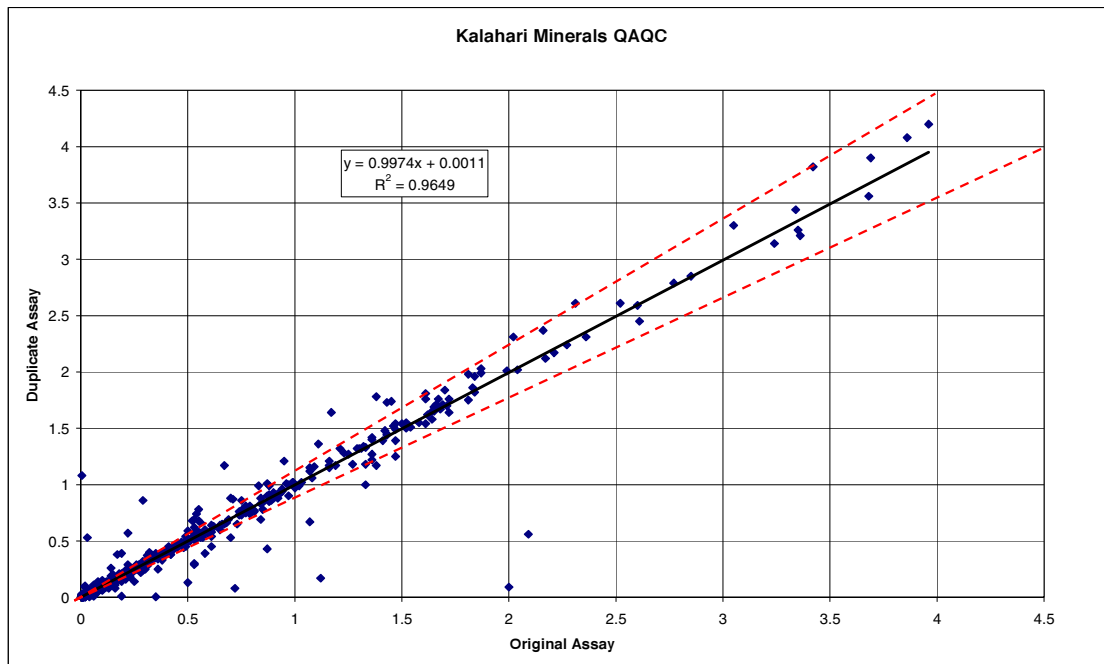


APPENDIX 2:

QA-QC Plots and Explanations



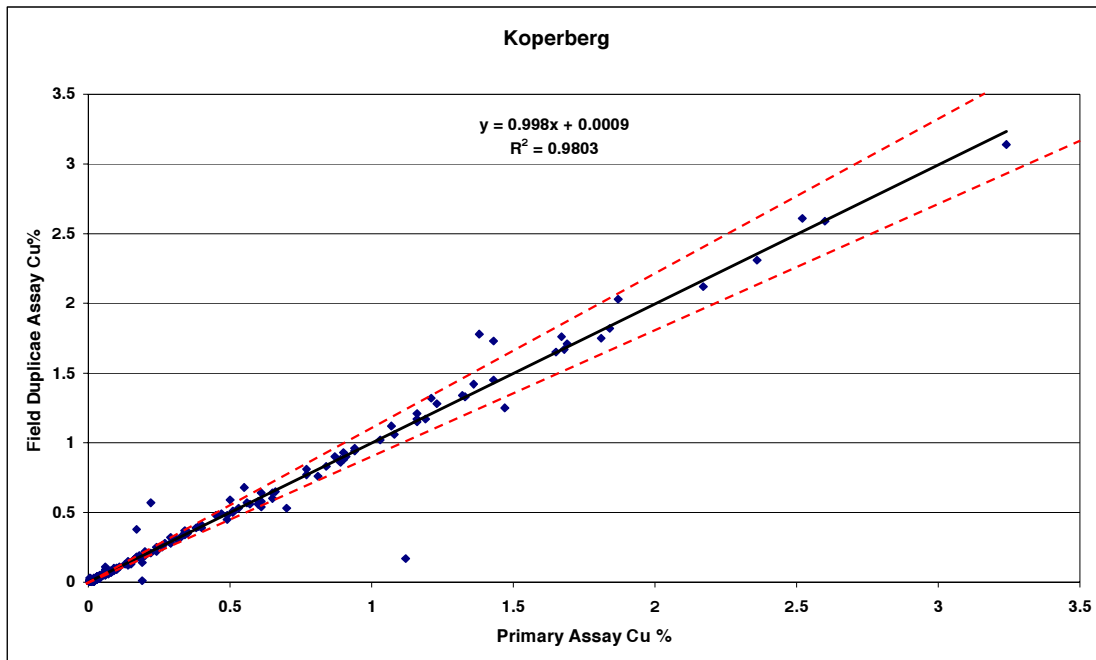
All deposits – Dordabis and Witvlei



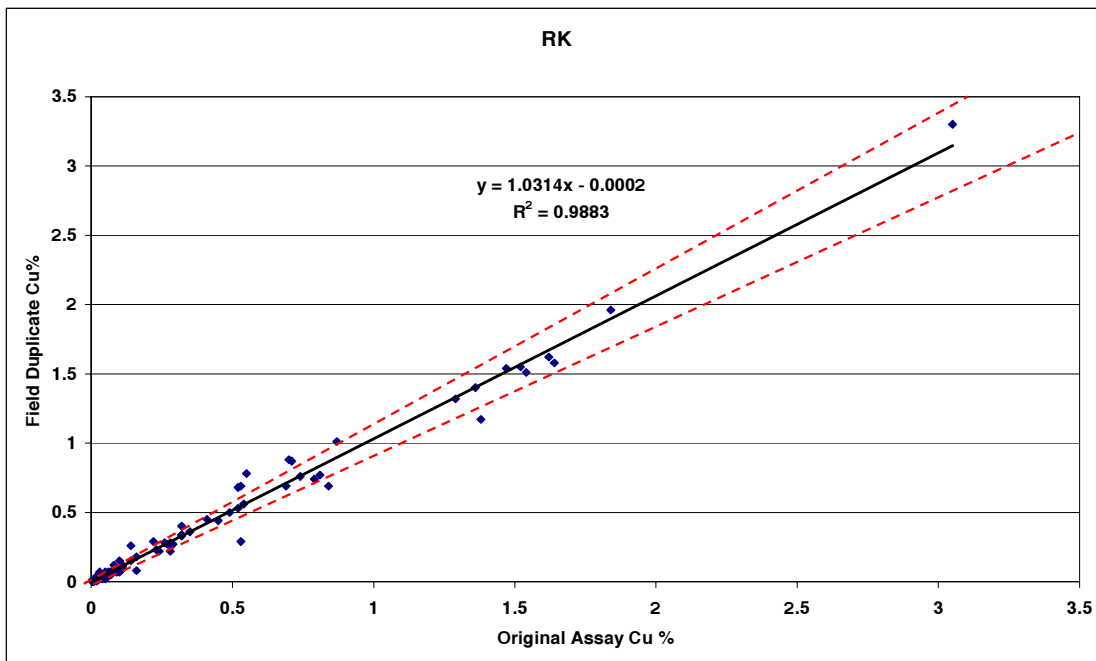
Graph of original assay (X-axis) against field duplicate assay (Y axis) with +/- 10% margin (red dotted lines) for all copper projects.



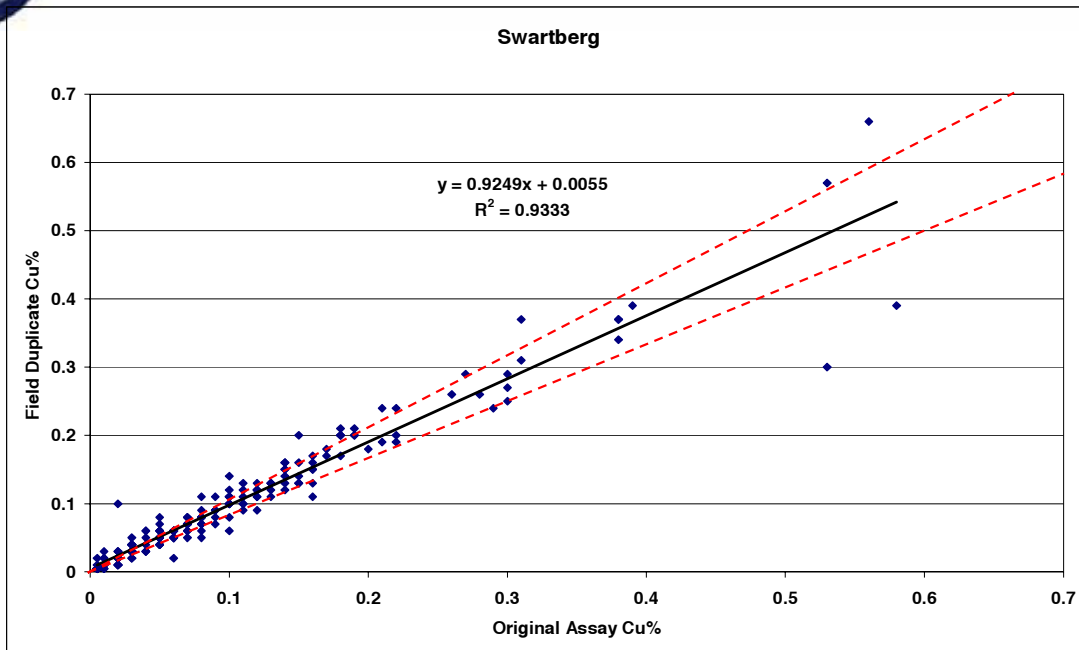
Dordabis Project Area



Koperberg-only Original Assay versus Field Duplicate



RK Project-only Original Assay versus Field Duplicate

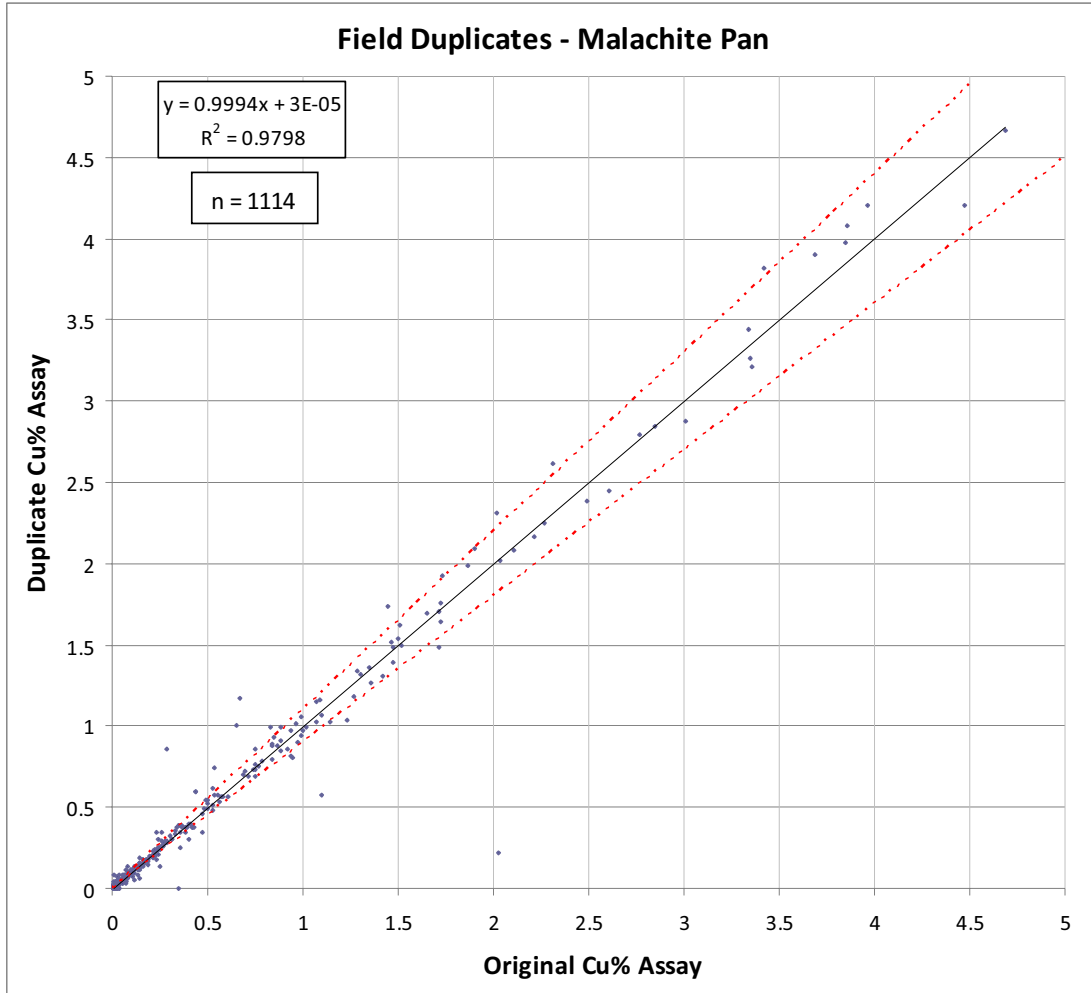


Swartberg Project-only Original Assay versus Field Duplicate

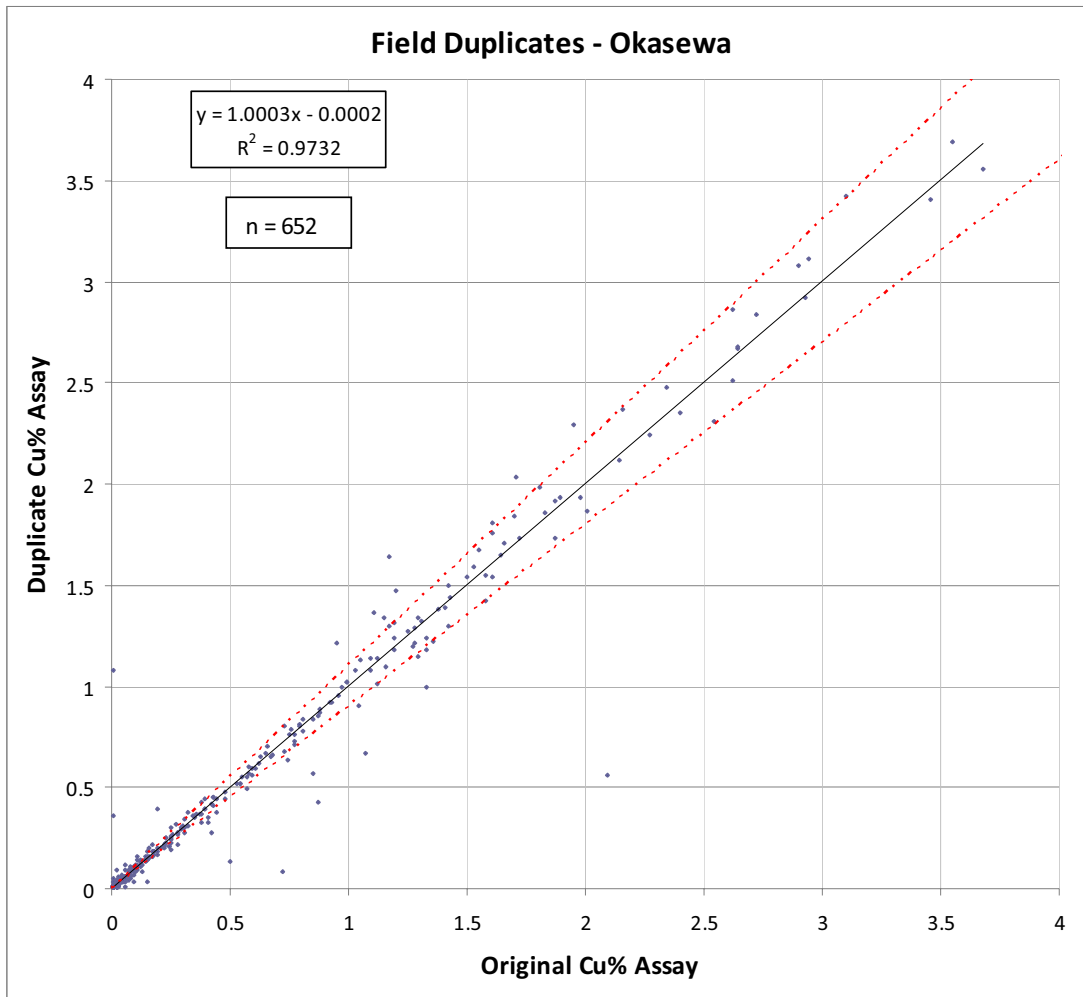
The above graphs show the good correlation between the original and field duplicate analyses – with a correlation coefficient of close to 1 and few samples outside of the +/- 10% margins.



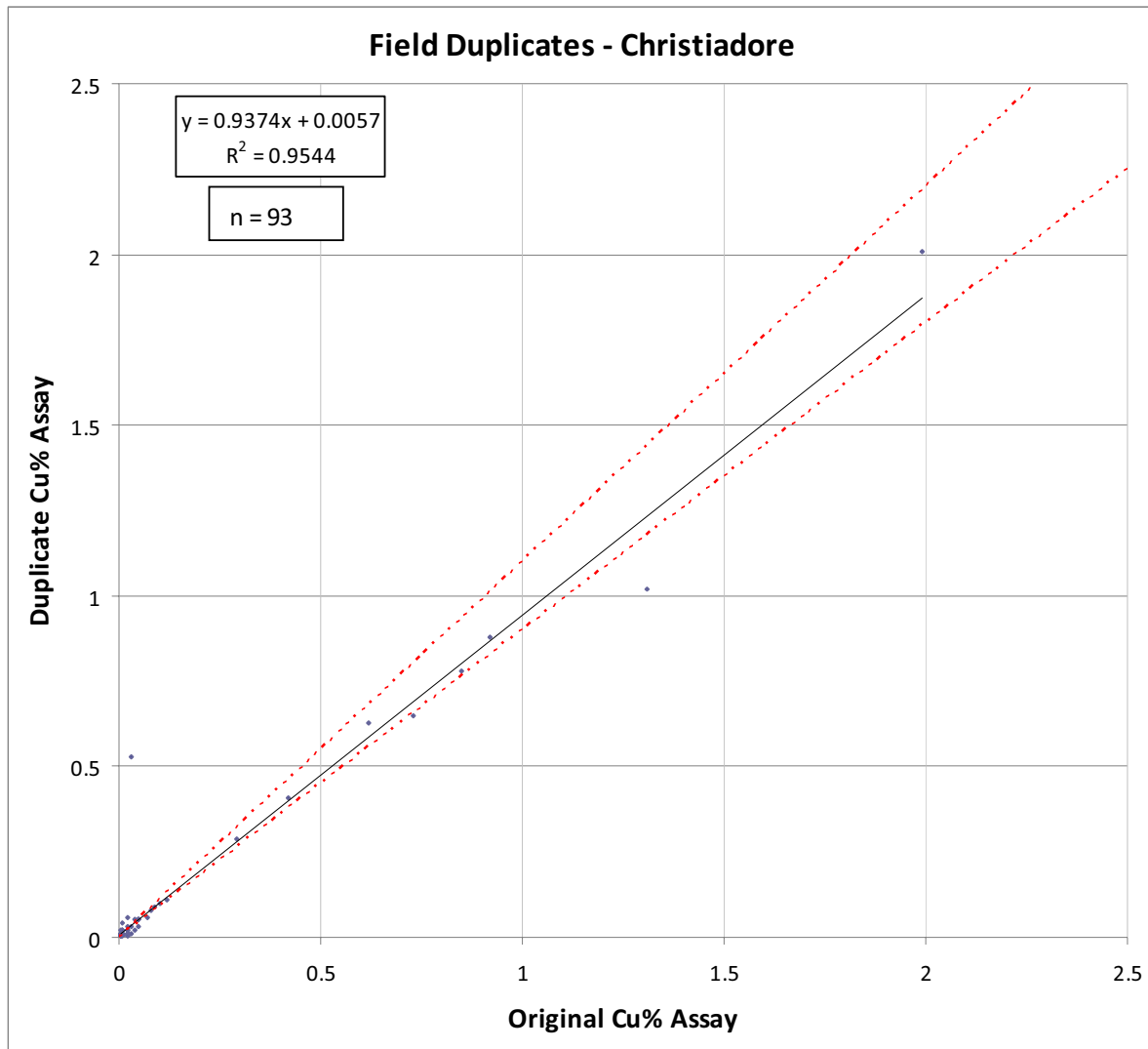
Witvlei Project Area



Malachite Pan Project-only Original Assay versus Field Duplicate



Okasewa Project-only Original Assay versus Field Duplicate

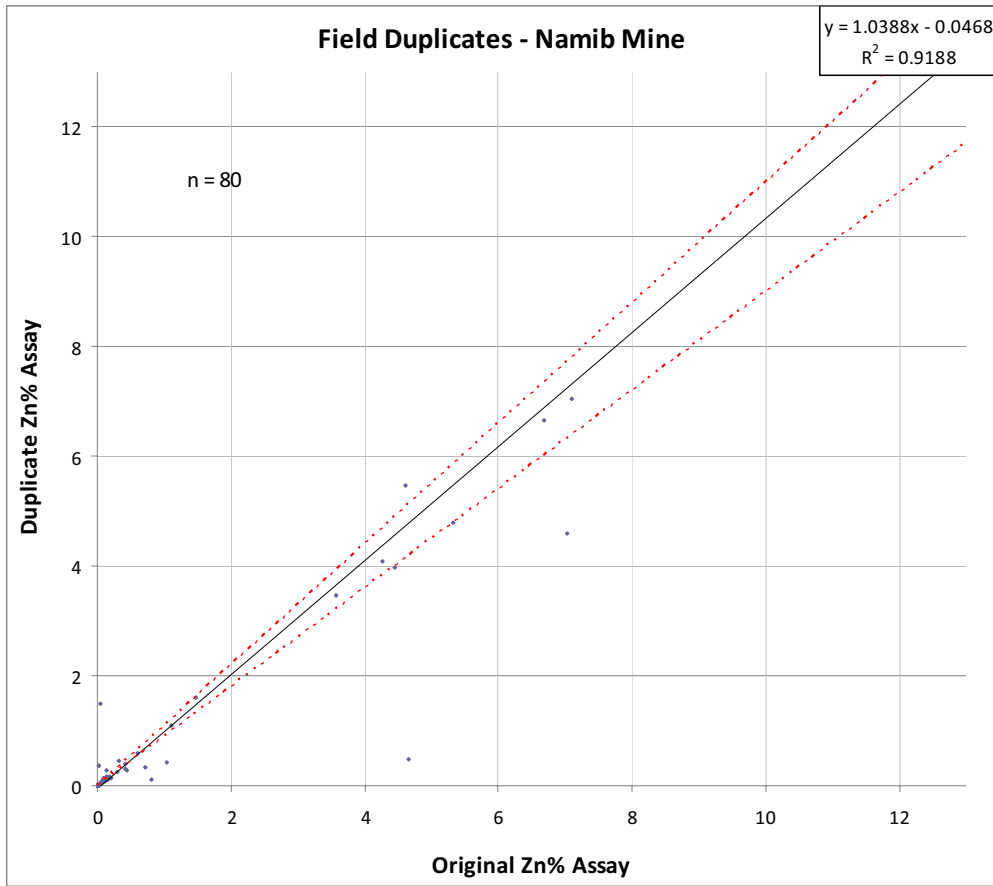


Christiadore Project-only Original Assay versus Field Duplicate

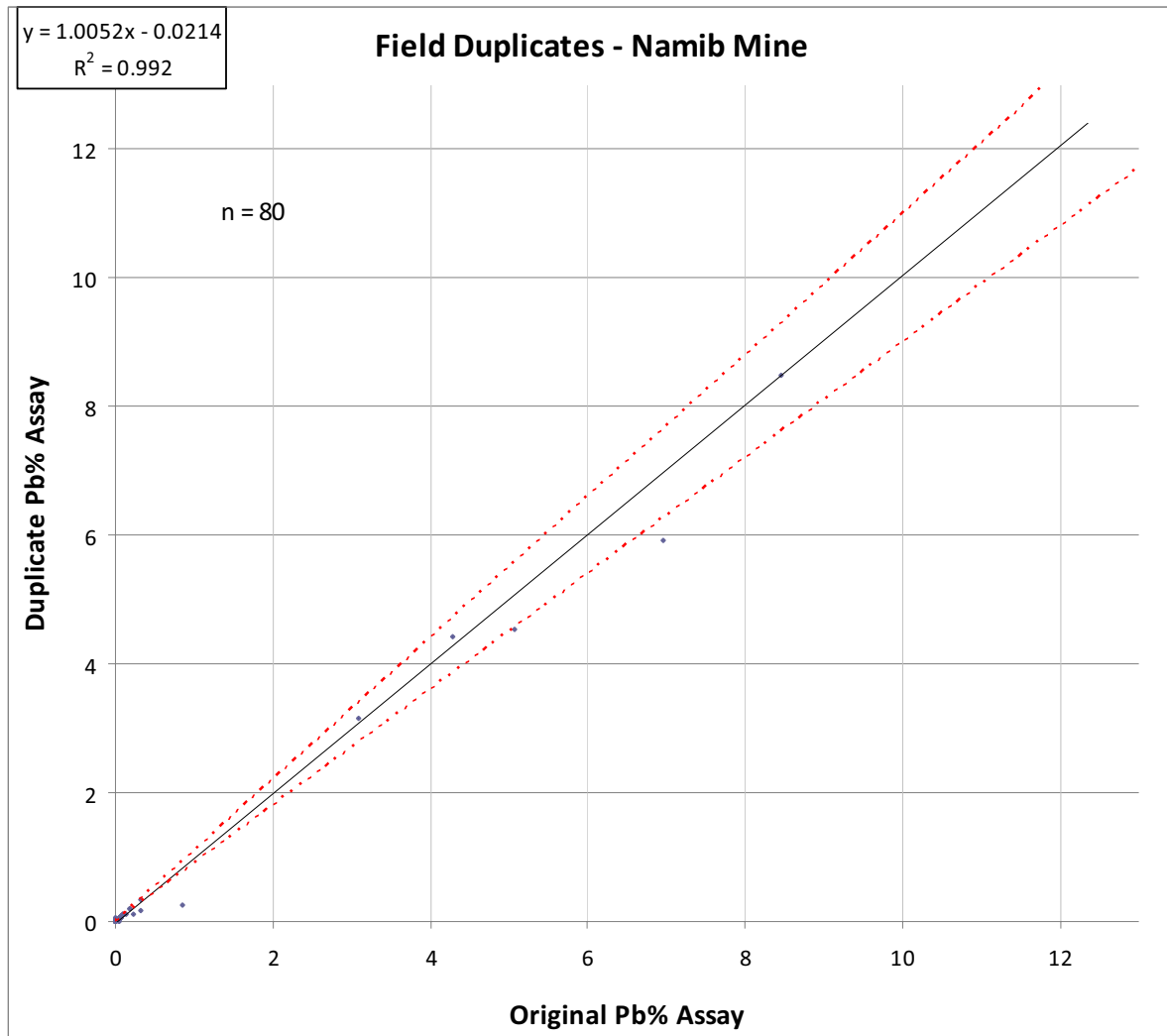
The above graphs show the good correlation between the original and field duplicate analyses – with a correlation coefficient of close to 1 and few samples outside of the +/- 10% margins.



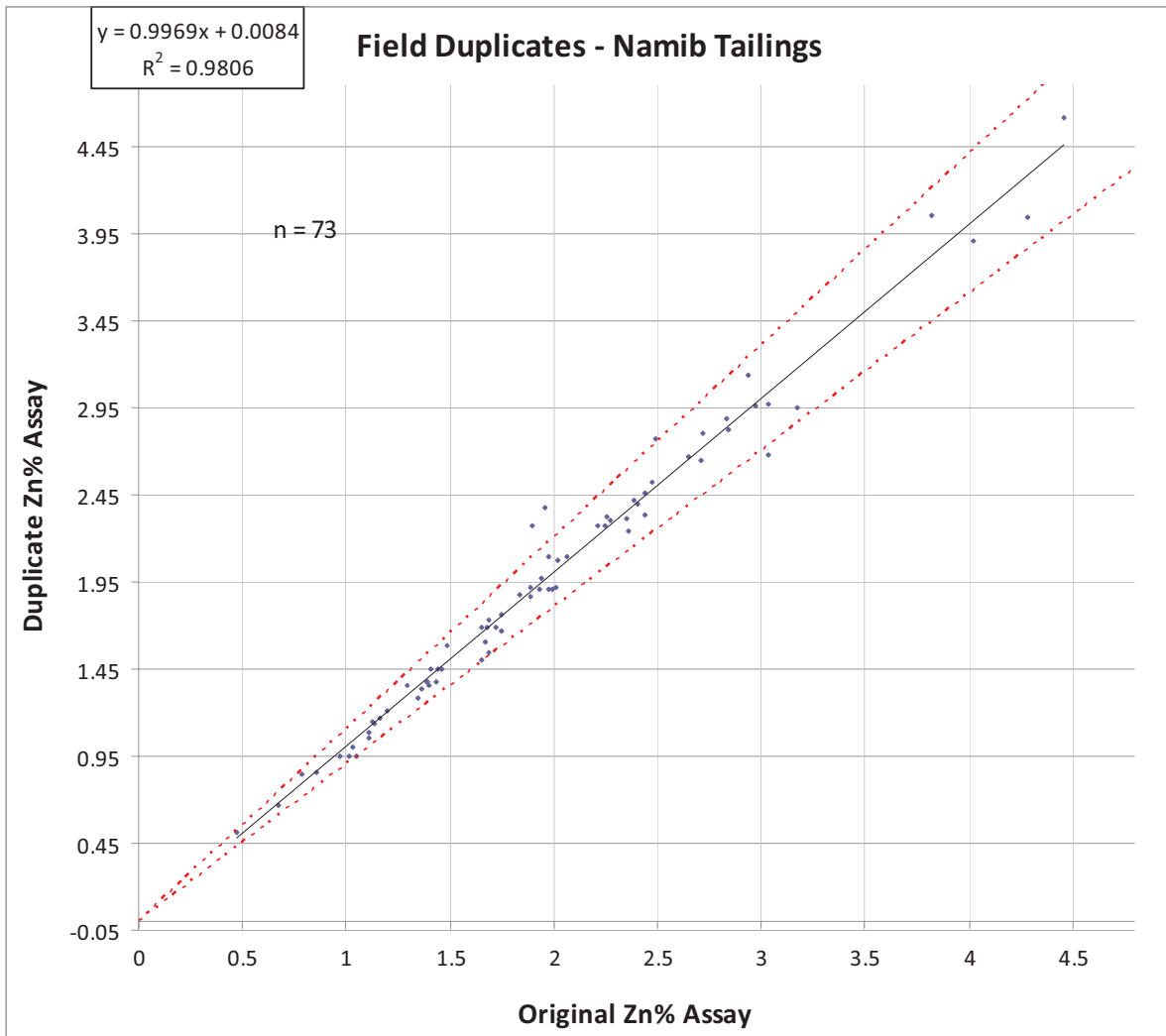
Namib Lead Zinc Project



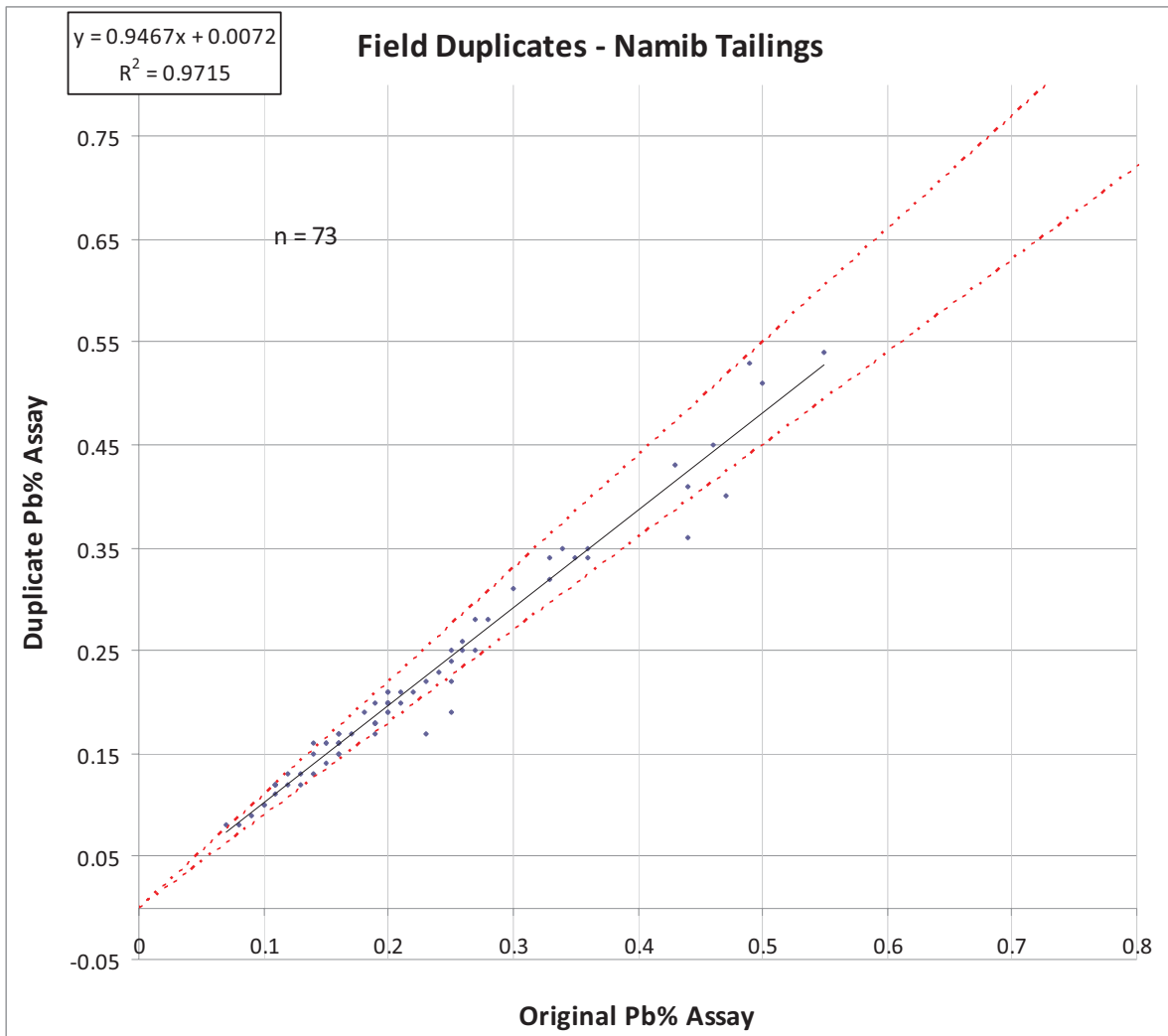
Namib Lead Zinc Mine - only Original Zn Assay versus Field Duplicate



Namib Lead Zinc Mine - only Original Pb Assay versus Field Duplicate



Namib Lead Zinc Mine Tailings - only Original Zn Assay versus Field Duplicate

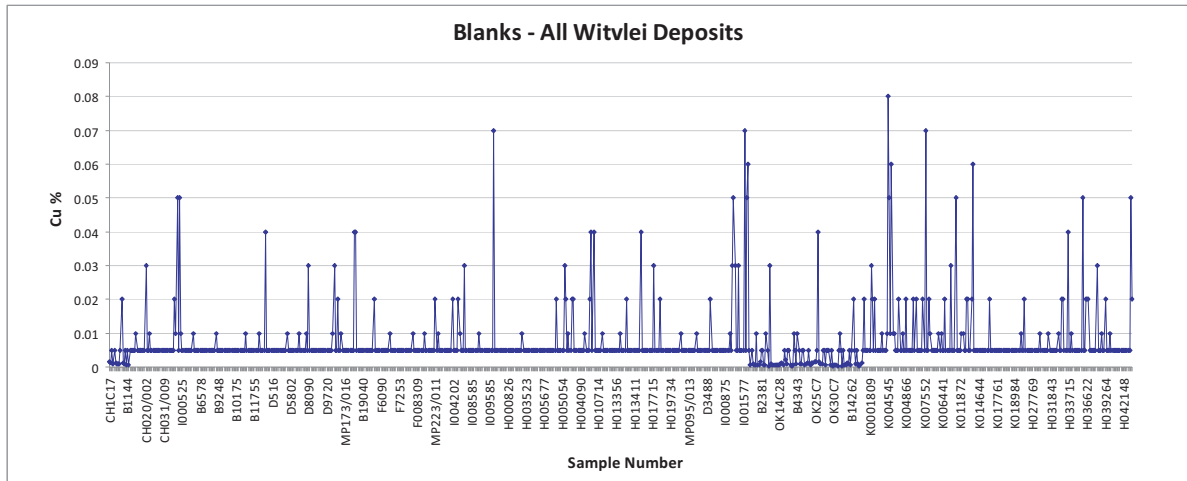


Namib Lead Zinc Mine Tailings - only Original Pb Assay versus Field Duplicate

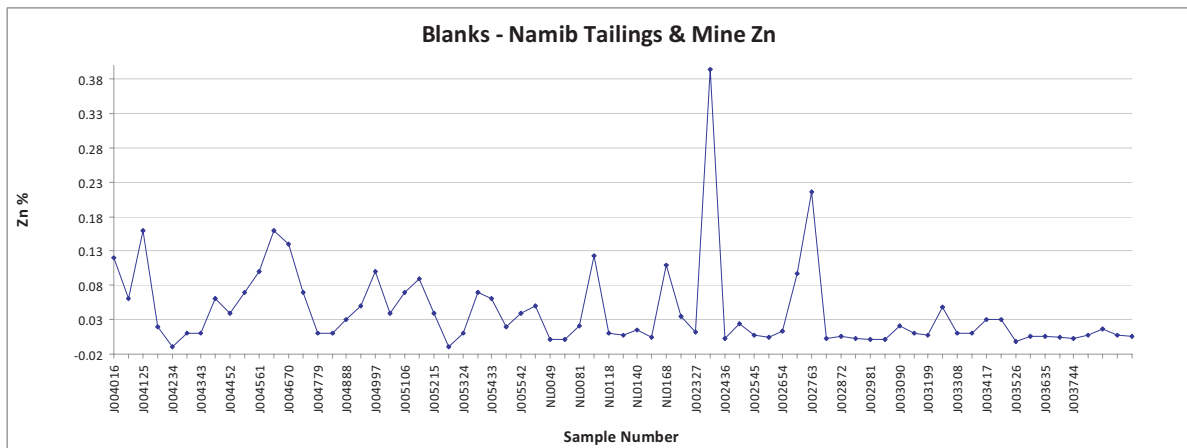
The above graphs show the good correlation between the original and field duplicate analyses – with a correlation coefficient of close to 1 and few samples outside of the +/- 10% margins.

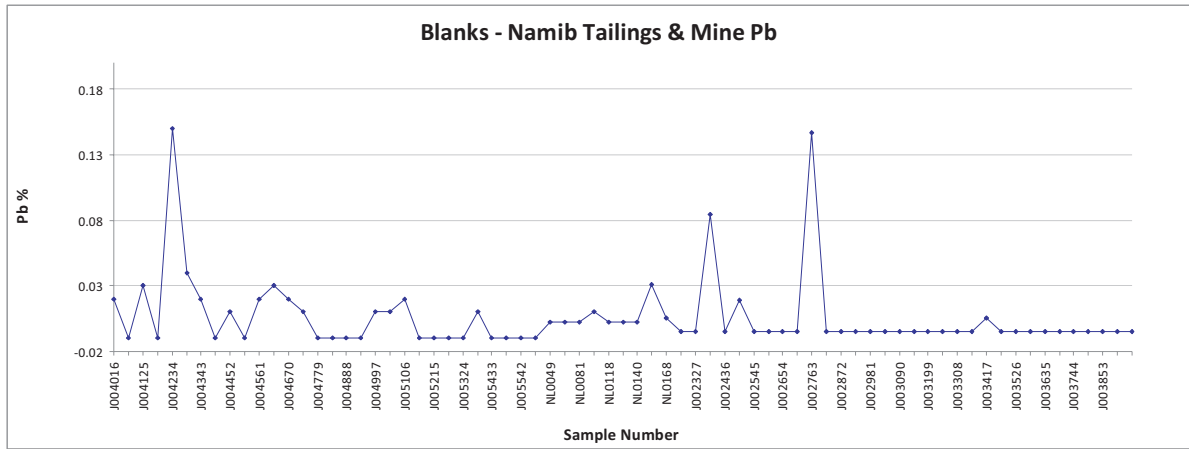


Blank and Certified Reference Material QAQC

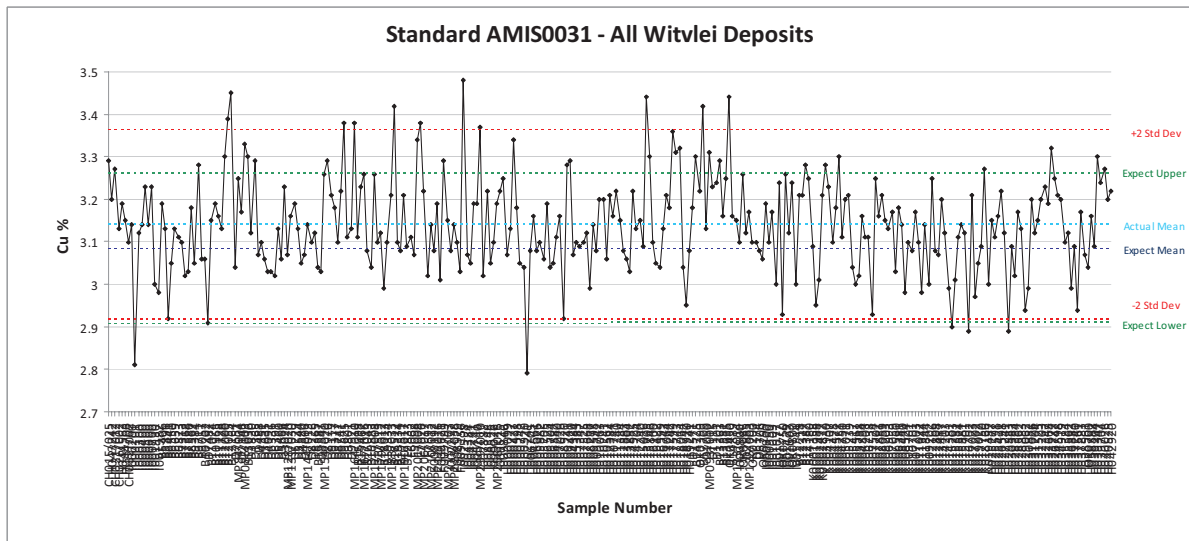


Blank analyses are generally within acceptable limits, although variation does seem to exist and could be attributable to different analytical methods used.

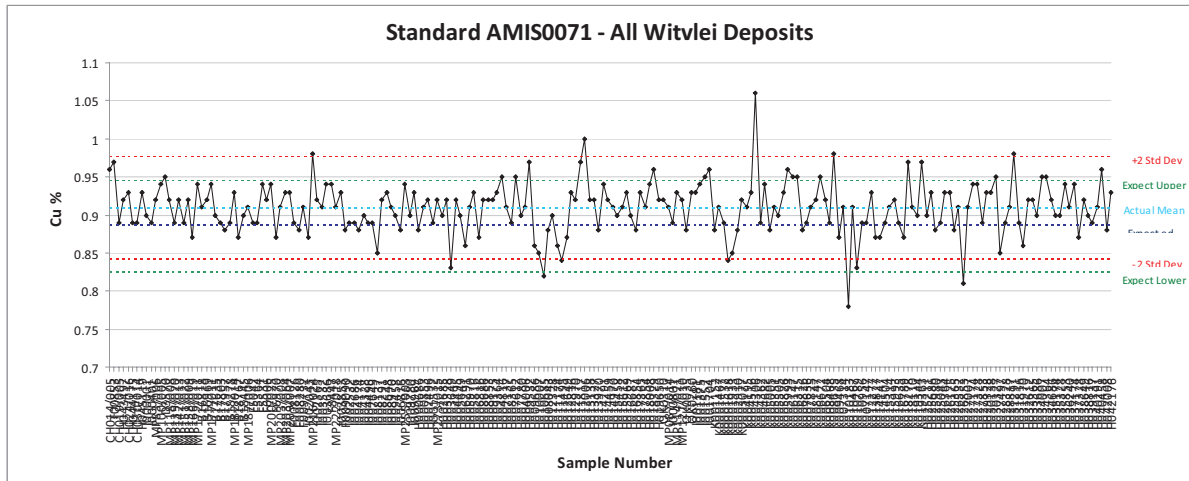
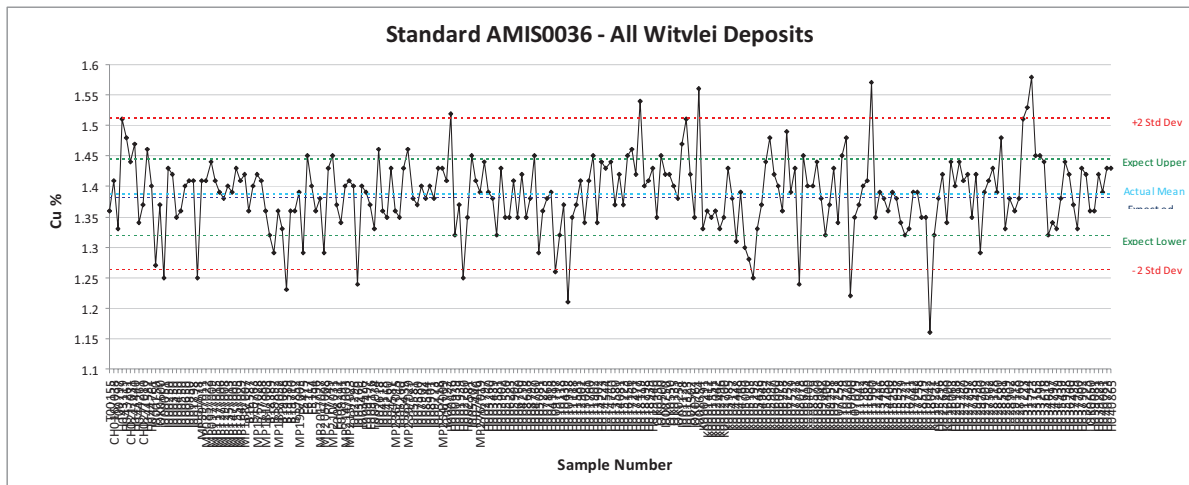




Possible contamination of blanks has occurred as shown by the graph above. This could be due to the source blank material (pool filter sand) being contaminated at source or possibly at some stage during the sampling stream.



Red dotted lines represent the interval of 2 standard deviations of the certified value either side of the mean.



Although QAQC results exist for externally sourced reference materials/standards for the Namib Lead Mine and Tailings drilling, the data relating to what standards used was not available. In general, the externally-sourced Certified Reference Materials perform well at Genalysis laboratories.

PART VI

MOZAMBIQUE COMPETENT PERSON'S REPORT

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Australian & International Exploration & Evaluation of Mineral Properties

28 October 2009

The Directors
North River Resources plc
30 Farringdon Street
London
EC4A 4HJ

The Directors
Astaire Securities Plc
30 Old Broad Street
London
EC2N 1HT

Dear Sirs

COMPETENT PERSONS REPORT ON THE MOZAMBIKAN MINERAL ASSETS OF NORTH RIVER RESOURCES PLC

At your request, Al Maynard & Associates (“AM&A”) has prepared a Competent Persons’ Report on the Mozambican mineral assets of North River Resources plc (“North River”). It is our understanding that this report will be included in its entirety in an Admission Document for the AIM market of the London Stock Exchange (“LSE”).

The objective of this report is to: (1) confirm the veracity of the available technical information; (2) to comment on the exploration potential of the project areas, and (3) to consider the appropriateness of the work programs and budget proposed by North River.

AM&A has based its assessment of North River’s Mozambique Prospecting Licences, which incorporate the Mavuzi and Murrupula Projects, on detailed discussions with the management of North River and its consultants, a review of technical information compiled by North River, reports prepared by OmegaCorp Mineraiis Limitada (“OmegaCorp”) and their consultants, as well as published technical documents. A listing of the documents referenced is provided at the end of this report. Consents have been sought from North Rivers’ consultants to include technical information and opinions expressed by them. None of the other entities referred to in this report have consented to their inclusions in this report and have only been referred to in the context of reporting material fact. AM&A accepts responsibility for this report in accordance with the AIM Rules.

As part of the due diligence process for the transfer of Prospecting Licences from OmegaCorp to NRR, NRR commissioned an Independent Technical Expert, Don Horn from the Broad Tree Group, to conduct a site visit of the Mavuzi Project and generate a report on the Mozambican Projects. The Murrupula Project was not visited due to time constraints. AM&A has not visited the project sites for the purposes of this report and

instead relies upon the report from the Broad Tree Group as well as internal reports and correspondence with OmegaCorp and associated parties.

AM&A has based its findings upon information known as of 28 December 2009 and is satisfied that all material information in the possession of North River and its consultants has been fully disclosed to AM&A. North River has agreed to indemnify AM & A from any liability arising from its reliance upon information provided or from information not provided. A draft version of this report was provided to the directors of North River before listing for comment in respect of omission and factual accuracy.

AM&A has prepared this report on the understanding that the Mozambique Prospecting Licences are currently in good standing. AM&A has not attempted to establish the legal status of the tenements with respect to ownership, third party claims or potential environmental and access restrictions and is not qualified to make legal representations in this regard. Rather we have relied upon information provided by North River and OmegaCorp. It is our understanding that the current ownership status and standing of the tenement has been the subject of independent legal verification.

The proposed exploration programmes developed by the management of North River and reviewed by AM&A have been designed to realise the potential of the project in a prudent and efficient manner. AM&A has been advised by North River that these amounts are sufficient to meet North Rivers' minimum expenditure obligations for the Prospecting Licences as specified by Mozambique Ministry of Mineral Resources.

Based on AM&A's assessment of North River's Mavuzi and Murrupula Projects, it is our opinion that they are of merit and that the evaluation programs proposed have been carefully conceived and costed. AM&A considers that the Projects have sufficient technical merit to justify the proposed program and associated expenditure.

This report has been prepared by Mr Allen J. Maynard in accordance with the Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ("**the VALMIN Code**") which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("**AusIMM**"), and the Australian Institute of Geoscientists ("**AIG**").

Mr Maynard is a geologist with in excess of 30 years experience in the estimation, assessment and evaluation of precious metals and base metals and other mineral exploration properties. He is a Corporate Member of AusIMM and a Member of AIG.

Mr Maynard is not a sole practitioner and this report has been the subject of internal review within AM&A. AM&A is an independent firm providing specialist mining industry consultancy services in the fields of geology, exploration and resource estimation. The Company has prepared independent technical reports and valuations on a variety of mineral commodities in Australia, Africa, China and South East Asia, South America and elsewhere.

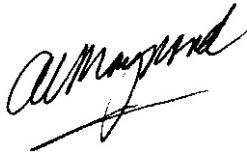
AM&A has reviewed the information contained elsewhere in the Admission Document for North River which relates to the information contained in this report and confirms that the information presented is accurate, balanced and complete and is not inconsistent with this report.

Neither AM&A nor those involved in the preparation of this report have, or have previously had, any material interest in North River or in the mineral properties considered in this report. AM&A is independent of North River, its directors and advisors. Its relationship with North River is solely one of professional association between client and independent consultant. AM&A is remunerated for this report by way of a professional fee determined in accordance to a standard schedule of rates which is not contingent on the outcome of this report.

This report is complete up to and including 28 October 2009. AM&A has given, and not before lodgement of North Rivers' Admission Document, its written consent to being named as author of this report and to the inclusion of this in its Admission Document, as well as the inclusion of statements made by AM & A and to the references of its name in other sections of the Admission Document, in the form and context in which the report and those statements appear.

AM&A accepts responsibility for this report for the purposes of a Competent Person's Report under the AIM Rules. Having taken all reasonable care to ensure that such is the case, AM&A confirms that to the best of its knowledge, the information contained in the report is in accordance with the facts, contains no omission likely to affect its import, and no change has occurred from 28 October 2009 to the date hereof that would require any amendment to the report. AM&A also confirms that where any information contained in the report has been sourced from a third party, such information has been accurately reproduced and, so far as we are aware and are able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Yours faithfully,



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Australian & International Exploration & Evaluation of Mineral Properties

Competent Person's Report

for

North River Resources plc

THE MAVUZI AND MURRUPULA PROJECTS - MOZAMBIQUE

Prepared by:

Allen J Maynard
BAppSc(Geol), MAIG, MAusIMM

28th October, 2009

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EXECUTIVE SUMMARY

North River Resources plc (“NRR”) have entered into an agreement with OmegaCorp Mineraiis Limitada (“OmegaCorp”), a wholly owned subsidiary of Mantra Resources Limited (“Mantra”), whereby two projects comprising a total of five Prospecting Licences located in Mozambique are transferred from OmegaCorp to NRR.

The Projects that are the subject of this report are located in northern Mozambique and are known as the Mavuzi Project and the Murrupula Project. The primary focus of OmegaCorp has been directed towards the Mavuzi Prospect and Boa Viseau Prospect both of which are incorporated into the Mavuzi Project.

The historical Mavuzi uranium mine and a second old production centre, the Castro mine, constitute the Mavuzi Prospect where the initial discovery of uranium in 1948 resulted in the reported production of 50 tonnes of U_3O_8 between 1948 and 1950 with uranium mining continuing until 1974.

The style of the recognized Mavuzi uranium prospects are shear-hosted, late stage, potassic, carbonate-silica replacement and disseminated uranium-iron oxide mineralisation. The deposits form in crosscutting relationships to a variety of host lithologies, including anorthosites, gabbros, calc-silicate rocks and gneisses. The primary uranium mineral present is davidite.

Drilling conducted by OmegaCorp at three of the five Mavuzi prospects indicates vein style davidite-carbonate-calc-silicate-albite alteration along the seven kilometre long Mavuzi to Castro trend. Further potential remains along the northern extent of this trend, particularly in the vicinity of the Castro and Inhatobui prospects where drilling has not as yet been conducted.

Uranium mineralisation at potentially economic grades was encountered at all three drilled prospects along the identified trend. A typical intersection included 4m at 360ppm U_3O_8 from 1m downhole. Additional repeat structures, trend offsets and zones of mineralisation at depth all represent potential for additional uranium mineralisation to be encountered at the Mavuzi Prospect.

Gold mineralisation at the Boa Viseau Project is broadly associated with east-northeast trending meta-carbonates and occurs as relatively narrow, hydrothermal quartz veins. Limited diamond drilling results included an intersection of 6.4m at 2.01g/t gold from 46m downhole. Gold mineralisation was found to be associated with the footwall of a silicified zone associated with narrow milky quartz veins in carbonatite host rock. The gold mineralisation appears related to moderately silicified, coarsely grained, ferroan dolomite and a fine disseminated pyrite alteration zone.

The occurrence of hydrothermal gold mineralisation associated with structural features indicates the presence of gold mineralised fluids in the area. The potential exists for further gold mineralisation to occur in contemporaneous structures in the area which may carry an improved grade and wider intersections. The location of the gold mineralisation is supported by evidence of historical mining in the immediate area in the form of a number of shafts and smaller workings.

OmegaCorp has undertaken early stage regional exploration in the Murrupula Project area, covering licenses located in north eastern Mozambique located some 600km due east of the Mavuzi Project. Exploration targets at the Murrupula Project include uranium mineralisation associated with the granite and pegmatite bodies, precious and base-metal mineralisation along or within the felsic and mafic gneisses, and Ta-Sn-REE mineralisation associated with semi-precious gemstone bearing, zoned pegmatites.

First and second pass reconnaissance exploration consisting of stream sediment sampling and soil sampling grids has identified two anomalies considered worthy of further investigation.

The major target is a gold anomaly defined by stream and soil sampling with a peak value of 26,900ppb gold (26.9g/t gold). Alluvial gold workings were also noted coinciding with calc-silicate alteration along a contact between biotite schists and gneiss. The anomaly is approximately 2km long by 300m wide and open to the west. The anomaly is certainly very encouraging and warrants further detailed geological mapping as well as infill soil sampling to determine the prospects for a possible drilling program.

The second target contains alluvial tantalum workings and anomalous Bi-Pb-As and REE as identified by stream sediment and soil sampling. This anomaly requires further work which would initially involve infill soil sampling.

Proposed work at the Mavuzi and Murrupula projects will initially consist of a comprehensive review of all previous data including the generation of a central GIS database incorporating all existing information.

Information of particular interest will be stream sediment and soil sampling data, rock chip and channel sampling information, geophysical data as well as drilling results. Exploration data will be reconciled with the current geological mapping and interpretation with a view to identifying further areas of interest. Following the data reinterpretation, regional and local geological reconnaissance/ mapping may be undertaken to gain a better understanding of the structural and stratigraphic nature of the mineralisation at both the Mavuzi and Murrupula Projects.

Both the gold anomaly and tantalum anomaly in soils collected at the Murrupula Project will be followed up with infill soil sampling and extensional sampling of the existing soil sampling grid. The infill and extensional soil sampling will provide greater resolution soil data within the previously identified highly anomalous areas whilst also determining the potential extent of the anomalous zone. Should the infill soil sampling program generate adequate drill targets, an exploration drilling program will be planned.

1.0 INTRODUCTION

North River Resources plc (“NRR”) have entered into an agreement with OmegaCorp Mineraiis Limitada (“OmegaCorp”), a wholly owned subsidiary of Mantra Resources Limited (“Mantra”), whereby two projects comprising a total of five Prospecting Licences located in Mozambique are transferred from OmegaCorp to NRR.

1.1 Competent Person

This report has been prepared by James Allchurch B.Sc. (Hons) MAIG, a geologist with 10 years experience in mineral exploration and consulting and Allen J. Maynard B.App.Sc (Geol) MAusIMM and MAIG, a geologist with 30 years in the exploration and mining industry and 25 years in mineral asset valuation. Allen J. Maynard holds the appropriate qualifications, experience and independence to qualify as independent “Competent Person” under the definitions of the *‘AIM Note for Mining and Oil & Gas Companies – June 2009’*.

Al Maynard and Associates Pty Ltd (“AM&A”) is an independent geological consultancy established 25 years ago. Neither AM&A nor any of its directors, employees or associates have any material interest either direct, indirect or contingent in NRR nor in any of the mineral properties included in this report nor in any other asset of NRR nor has such an interest existed in the past. This report has been prepared by AM&A strictly in the role of the Competent Person. Professional fees payable for the preparation of this report constitute the only commercial interest in NRR. Payment of fees is in no way contingent upon the conclusions of this report.

1.2 Compliance

This report has been prepared in accordance with the *‘AIM Note for Mining and Oil & Gas Companies – June 2009’* issued by the London Stock Exchange.

1.3 Standard

This report has been prepared by Mr Allen J. Maynard in accordance with the Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports (“**the VALMIN Code**”) which is binding upon Members of the Australasian Institute of Mining and Metallurgy (“**AusIMM**”), and the Australian Institute of Geoscientists (“**AIG**”).

1.4 Description of Resources and Reserves

Currently, no reserves or resources have been or can be defined with regard to the Mozambican Projects. Accordingly, no table as set out in Appendix 3 of the *‘AIM Note for Mining and Oil & Gas Companies – June 2009’* has been included in this report.

1.5 Data Sources

The principal data source for this report was the '*Mavuzi and Meponda Projects - Independent Technical Valuation of Mineral Assets*' report which was incorporated into the Mavuzi Scheme Booklet for the merger of Mavuzi and Mantra lodged December 2007. The technical report was completed by CSA Global.

It is noted that the Licences constituting the Meponda Project located in Niassa Province have since been relinquished and are therefore not included in this report.

Further information was sourced from published and internal reports and announcements from both Mavuzi and OmegaCorp/Mantra. Additional information was gathered from recent reports and discussions with associated parties.

As part of the due diligence process for the transfer of Licences from OmegaCorp to NRR, NRR commissioned an Independent Technical Expert, Don Horn from the Broad Tree Group, to conduct a site visit of the Mavuzi Project and generate a report on the Mozambican Projects (Horn, 2009). The Murrupula Project was not visited due to time constraints. AM&A has not visited the project sites for the purposes of this report and instead relies upon the report from the Broad Tree Group as well as internal reports and correspondence with associated parties of Mavuzi and OmegaCorp.

2.0 OVERVIEW OF PROJECTS AND COUNTRY SETTING

The five Licences that are the subject of this report are incorporated into two Projects located in northern Mozambique, known as the Mavuzi Project and the Murrupula Project.

The primary focus of OmegaCorp has been directed towards the Mavuzi Project Licence area in the Tete Region between Zimbabwe and the southern part of Malawi, in the northwestern part of the country. The Boa Viseau gold prospect and Mavuzi uranium prospect have the most advanced exploration status within the Mavuzi Project, including geological mapping at 1:5,000 scale, stream sediment sampling, soil sampling, trenching and drilling.

The historical Mavuzi uranium mine and a second old production centre, the Castro mine, constitute the Mavuzi Prospect where the initial discovery of uranium in 1948 resulted in the reported production of 50 tonnes of U_3O_8 between 1948 and 1950 with uranium mining continuing until 1974.

The style of the recognized Mavuzi uranium prospects are shear-hosted, late stage, potassic, carbonate silica replacement and disseminated uranium-iron oxide mineralisation. The deposits form in crosscutting relationships to a variety of host lithologies, including anorthosites, gabbros, calc-silicate rocks and gneisses. The primary uranium mineral present is davidite.

Gold mineralisation at the Boa Viseau Project was identified through gold anomalies in soil and is broadly associated with east northeast trending meta-carbonates and occurs as relatively narrow, hydrothermal quartz veins. Gold mineralisation was found to be associated with the footwall of a silicified zone associated with narrow milky quartz veins in carbonatite host rock. The gold mineralisation appears related to moderately silicified coarsely grained ferroan dolomite and a fine disseminated pyrite alteration zone.

OmegaCorp has undertaken early stage regional exploration in the Murrupula Project area, covering licenses located in north eastern Mozambique located some 600km due east of the Mavuzi Project. Exploration targets associated with the Murrupula Project include uranium mineralisation associated with the granite and pegmatite bodies, precious and base-metal mineralisation along or within the felsic and mafic gneisses, and Ta-Sn-REE mineralisation associated with semi-precious gemstone bearing, zoned pegmatites.

First and second pass reconnaissance exploration consisting of stream sediment sampling and soil sampling grids has identified two anomalies at the Murrupula Project considered worthy of further investigation.

Details of the Licences are listed below in the Summary Table of Assets (Table 1) with Project locations shown in Figure 1.

Table 1: Summary Table of Assets

Project	Licence	Holder	Interest	Status	Licence Expiry	Area (ha)
Mavuzi Mozambique	890L	Omega	100%	Exploration	6/5/2010	20,800
	1054L	Omega	100%	Exploration	28/7/2010	20,760
	1119L	Omega	100%	Exploration	8/8/2010	13,020
Murrupula Mozambique	1829L	Omega	100%	Exploration	13/8/2012	23,840
	1830L	Omega	100%	Exploration	30/7/2012	23,040

Note: Legal title to the above Licences are to be transferred to NRR after 31 December pursuant to the agreements with OmegaCorp
 Omega: OmegaCorp Mineraiis Limitada (a subsidiary of Mantra Resources Ltd)

2.1 Mozambique Geographical and Geological Setting

The Republic of Mozambique covers an area of 801,590 square kilometres and extends from latitude 10°28' S at the mouth of the Rovuma River in the north to latitude 26°52' in the far south of the country. Mozambique is bordered to the north by Tanzania, to the west by Malawi, Zambia and Zimbabwe, and in the southwest, by South Africa and Swaziland. Its Indian Ocean seaboard stretches over a length of 2,470 kilometres. The country's total area is made up of 788,590 square kilometres of dry land and 13,000 square kilometres of inland lakes and rivers.

The capital city and main port of Mozambique is Maputo. Coastal cities are Beira, Inhambane, Nacala, Quilemane, Pemba and Xai-Xai. Provincial capitals include the major towns of Tete, Chimoi, Nampula and Lichinga (see Figure 1).

Mozambique in 2009 has a population estimated at 22.9 million, comprising several major tribal groupings with diverse languages, dialects, cultures, and histories. Many are linked to similar ethnic groups living in neighbouring countries. The north-central provinces of Zambezia and Nampula are the most populous, with about 45% of the population. Portuguese is the official language, with English also being widely spoken.

Mozambique's geology is highly varied. The southwestern, central and northeastern provinces consist mainly of Precambrian terrains (ranging from Archaean to Upper Proterozoic rocks) covered predominantly in the south and east by Phanerozoic (ranging from Jurassic through to Tertiary) sedimentary rocks. The main tectonic components of the country are shown in Figure 2. More detailed descriptions of the geology of each of the two main areas of interest are included in the relevant sections below.

Mozambique is located over the eastern margin of the African continent. The terrane alongside the western border with Zimbabwe is an extension of the Zimbabwe Craton, dominated by Archaean granitic gneiss complexes, with subordinate 'greenstone' belts and widely separated, shallow Palaeoproterozoic sedimentary basins. The eastern margin of these rocks was re-tectonised during the Mesoproterozoic Era (approximately 1,700-1,350 Ma).

The Mesoneoproterozoic terrane that characterises the Greater Tete Region, where OmegaCorp's main exploration effort was concentrated, reflects an inter-cratonic environment (between the Zimbabwe and Bangweulu or Congo Cratons). The Zambezia, Nampula, and Niassa Provinces consist dominantly of re-tectonised (1,700-1,350 Ma) Proterozoic gneissic terrane.

The Great East African rifting event (170 Ma) that is partly occupied by major lakes such as Lake Malawi, and its associated 'branches', have their southward, along-strike extensions in Mozambique. These have typically been filled by the Karoo terrigenous sediments and volcanism associated with the end of the Karoo sedimentation. Much of the coastal plain that dominates the central and southern parts of the country was laid down during the Cretaceous (136-65 Ma). Finally, a phase of rifting from 35-5 Ma occurred. These areas are of interest for commodities such as coal and natural gas (CSA Global, 2007).

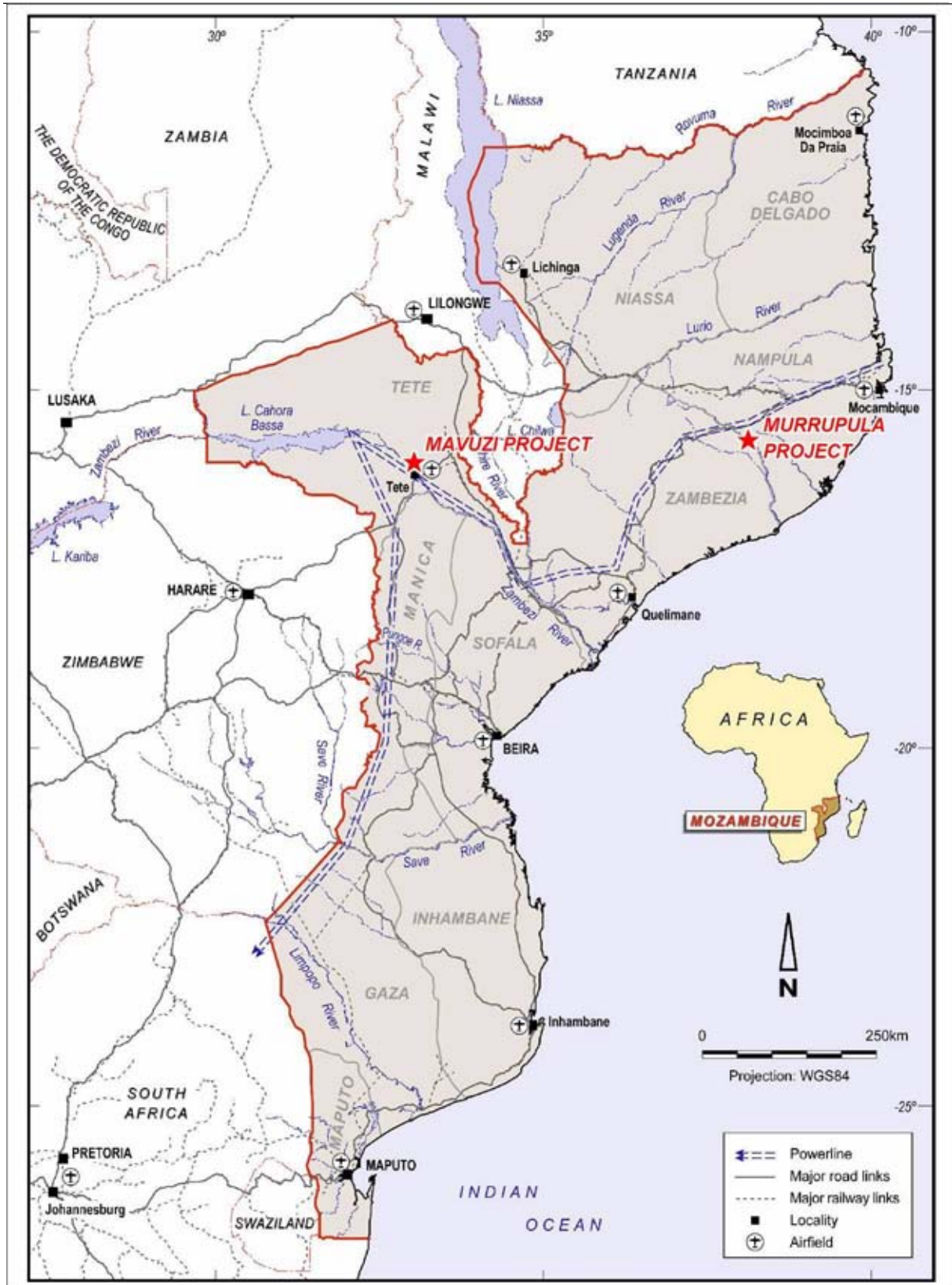


Figure 1: Project Locations, Provinces, Cities, Ports and Infrastructure - Mozambique

2.2 Mozambique Political

Almost five centuries as a Portuguese colony came to a close with Mozambique gaining its independence in 1975. Large-scale emigration by Europeans, economic dependence on South Africa, a severe drought and a prolonged civil war hindered the country's development. The ruling Front for the Liberation of Mozambique (FRELIMO) party abandoned Marxism in 1989, and a new constitution the following year provided for multiparty elections and a free market economy. A UN-negotiated peace agreement between FRELIMO and rebel Mozambique National Resistance (RENAMO) forces ended an extended period of civil war in 1992.

In December 2004, Mozambique witnessed a peaceful transition as Joaquim Chissano stepped down after 18 years in office. His newly elected successor, Armando Emilio Guebuza, has continued the sound economic policies that have encouraged foreign investment.

Political stability since the multi-party elections in 1994 has led to dramatic improvements in the country's growth rate. Economic reform has been extensive and more than 1,200 state-owned enterprises (mostly small) have been privatised. Additionally, customs duties and management have been streamlined and reformed, and the government introduced a highly successful value-added tax in 1999 to increase domestic revenues. Further changes include commercial Code reform, comprehensive judicial reform, financial sector strengthening, continued civil service reform and improved government budget, audit, and inspection capability.

In 2008, Mozambique's GDP (purchasing power parity) was estimated to be US\$18.6 billion with GDP per capita (purchasing power) estimated at US\$896. Real growth was 8.0% between 1996 and 2006, with the underlying inflation rate expected to be 7.8%. The GDP composition by sector in Mozambique is estimated as 24.2% agriculture, 41.2% industry and 34.6% services.

A substantial trade imbalance persists, although the opening of the MOZAL aluminium smelter, the country's largest foreign investment project to date, has increased export earnings. In late 2005, and after years of negotiations, the government signed an agreement to gain Portugal's majority share of the Cahora Bassa Hydroelectricity (HCB) Company which provides abundant widely available power from hydro-electric power grids and major revenue from export to South Africa and Zimbabwe.

Mozambique's once substantial foreign debt has been reduced through forgiveness and rescheduling under the IMF's Heavily Indebted Poor Countries (HIPC) and Enhanced HIPC initiatives, and is now at a manageable level.

2.3 Mining Industry

Mining activities in Mozambique contribute only 2% to GDP. Currently most of the country's official mineral output is derived from three mining concerns, which include gold, bauxite and graphite. Most of the major projects currently undergoing construction or feasibility are focussed on heavy mineral sands, coal, natural gas as well as downstream aluminium smelters, hot briquetted iron and steel plants.

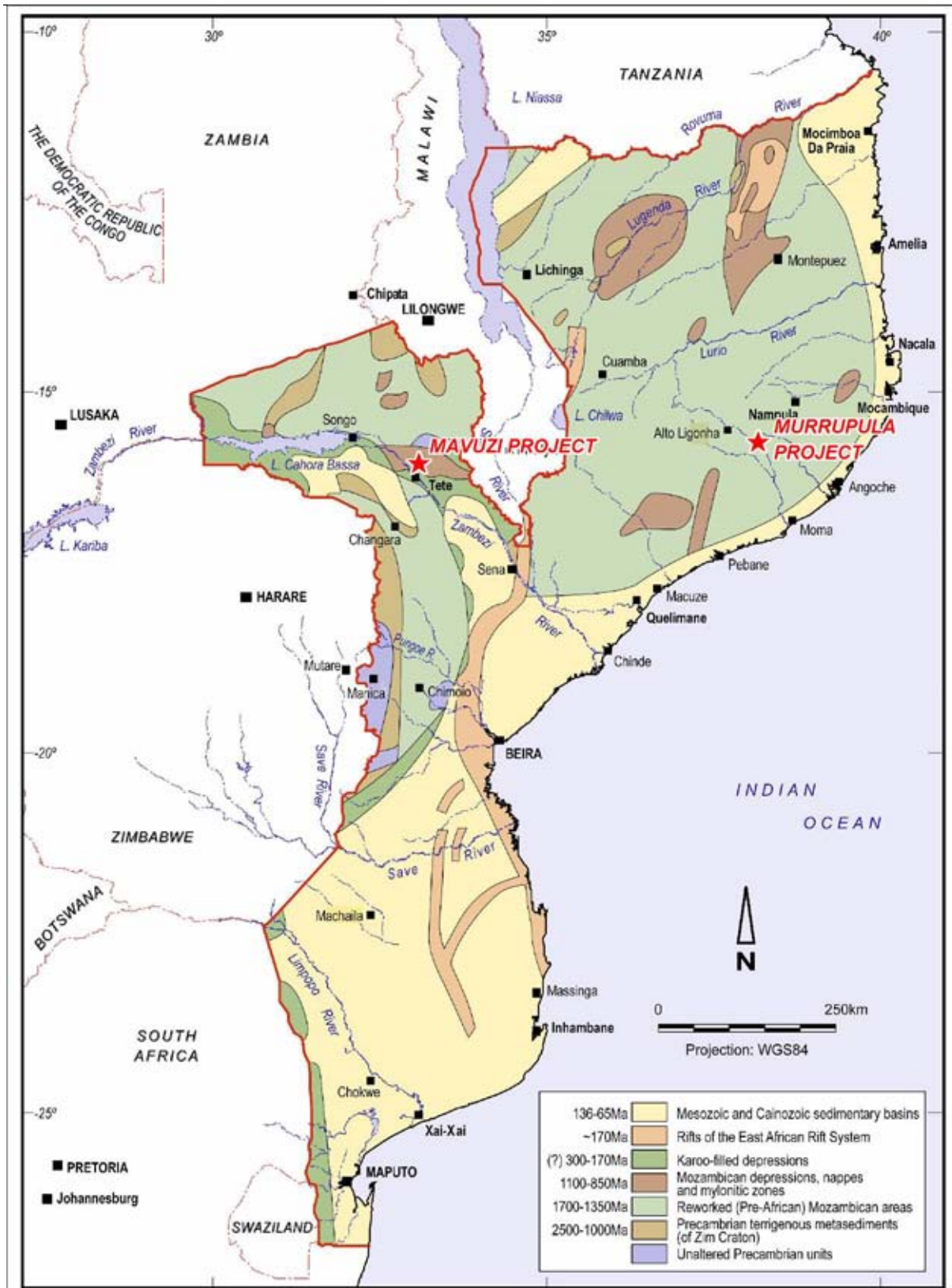


Figure 2: Major Tectonic Components of Mozambique

2.4 Mining Law

The Mozambican Government is firmly committed to encouraging foreign investment in developing Mozambique's mining industry. To this end, a new mining and geological policy has been implemented with the revision of the Mining Law (2002) and Regulations (2003).

The revision was funded by the World Bank and a new cadastral system implemented. The new Law and Regulations have streamlined the licensing procedure and introduced reasonable minimum constraints on prospecting and mining activities which has provided security of tenure and created a more favourable investment and exploration environment. There have been further changes to mining policy in 2007 which include increases in certain royalties.

3.0 MAVUZI PROJECT

The Mavuzi Project is located in the Tete Region of Mozambique and is comprised of the following prospects:

- Mavuzi Prospect (Prospecting Licence 890L). Mavuzi incorporates the Mavuzi, Airstrip, Kaboazi Creek, Inhatabue and Castro uranium prospects.
- Boa Viseau Gold Prospect (Prospecting Licence 1119L and 1054L).

The total area of the Mavuzi project is 54,580ha. Expenditure commitments and rental costs for the Project Licences are outlined in Table 2.

Table 2: Mavuzi Project Licence Costs

Project	Licence	Licence Expiry	Area (ha)	Expenditure Commitment \$US	Licence Rent \$US
Mavuzi Mozambique	890L	6/5/2010	20,800	\$58,000	\$10,015
	1054L	28/7/2010	20,760	\$70,000	\$9,996
	1119L	8/8/2010	13,020	\$29,000	\$6,269
TOTAL			54,580	\$157,000	\$26,280

Figure 3 shows Mavuzi Project Licence extents and geology.

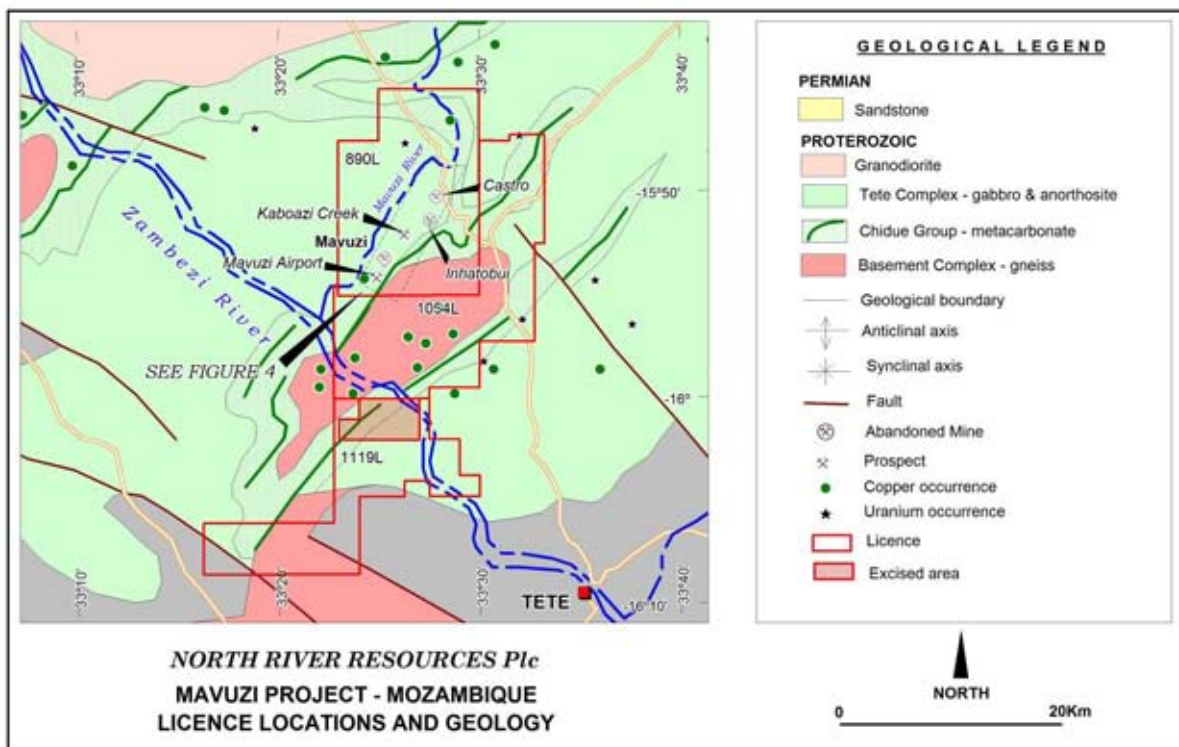


Figure 3: Mavuzi Project Licence Locations and Geology

3.1 Mavuzi Project Setting

The Mavuzi Project Area is centred 30 kilometres north west of the provincial capital Tete, along the northern margin of the Zambezi River Valley.

The topography is generally deeply incised and is bordered by rugged slopes leading down from rolling hilly plateau areas. The area hosts a thin cover of eroded soils, covered by small bushes, trees and grassland. Villages are scattered or developed along the principal tracks with subsistence, slash and burn agricultural being practiced throughout the area.

The climate is subtropical with a well-defined three month hot, rainy season from December to February with temperatures varying 24°C to 36°C and 90mm to 160mm average monthly rainfall between December and March. The remainder of the year is warm and relatively dry.

3.2 Mavuzi Project Regional Geology

The Project in the Tete Region occupies an interesting and complex position in the regional structural framework of Mozambique. It occurs at the confluence of several major tectonic zones, including the Zambezi Mobile Belt, the superimposed Karoo Basin sequences with their associated volcanics and the East African Rift and late stage carbonatite intrusives that occur to the east of Tete.

The Project is located in the northern Mozambique fold belt or Ulziit Terrane, an accretionary fold belt, of considerable complexity containing a wide variety of mineral deposit types which include Cu-Mo porphyry systems, tin, fluorite, mercury and uranium deposits (CSA Global, 2007).

3.3 Mavuzi Project Local Geology

Quaternary - Cretaceous

Quaternary sequences at the Mavuzi Project comprise alluvial drainage fill, scree slopes and thin skeletal soil colluviums. The regolith is largely an erosional terrain.

Mesozoic - Lower Karoo Group

The depositional history of Lower Karoo sediments starts with a period of glaciation followed by deposition of major coal bearing sequences in the Early Permian aged Moatize (Ecca) Formation. The Lower Karoo ends with the deposition of mixed, coarse to fine grained clastic deposits of the Matinde (Marl-Sandstone) Formation during the Middle and Late Permian, and finally with the Cadzi Formation. Only the Matinde and Moatize Formations are recognised in the Tete area.

The Matinde Formation is a thick succession of alternating, cross-bedded, very fine to coarse-grained, gritty or pebbly sandstones which are well exposed along the Zambezi River about Tete. The lowest Moatize Formation comprises white to grey coloured arkosic, occasionally pebbly sandstones, fine-grained clayey or micaceous sandstones and subordinate black argillites with coal seams. The coal measures are well developed in the

Moatize area, northeast of Tete, with high quality coal occurring in the thermal aureoles about intrusive dolerite dykes within the sediments.

Intrusives

The 1:250,000 scale published geological map now show the carbonates around Monte Muande (Licence 1054L) as carbonatites of Cretaceous age. However there is likelihood that the carbonatites may be older.

At the Mavuzi project minor syenitic intrusions of a presumed Pan-African age (uppermost Precambrian/Cambrian) are commonly associated with both the upper and lower contacts of the Chídué Formation. These intrusives occur as north east trending bodies, paralleling the major, earlier transcurrent fault systems that control the doming and surface expression of the Mesoproterozoic gneissic basement. Minor basic dykes occur throughout the area, and some of these are related to the Tete Igneous Complex.

Proterozoic Basement

The dominant geological unit in the Mavuzi Project area is the Tete Igneous Complex which consists of thick accumulations of gabbro and anorthosite and lower, fractionated, gabbro, dolerite and localised pyroxenite suites. The units are generally fairly flat to gently folded, but are strongly faulted. The sequences also have tectonic, altered contacts associated with thrusting. The age of intrusion has been dated at 1,100-1,000Ma.

The mafic intrusion rests on / is tectonically emplaced above the Chídué Formation, which according to Lächelt (2004) consists of different varieties of gneisses, frequently supplemented by limestones, marbles, amphibolites, iron-quartzites, ironstones and lenses of ultramafics. Also recognised are laminated, calc-silicate and carbonate sequences, with minor intermediate composition mafic tuffs, felsic schists and marbles / limestone. In the Boa Viseau prospect area the carbonates diminish southwards towards the Zambezi River as the felsic component appears to increase. It is uncertain if this is a lateral facies change or a stacking of basement gneissic material due to thrusting.

The Chídué Formation rests on basement gneisses called the Chacocoma Gneiss which are made up of felsic gneisses, minor felsic schists and amphibolites, and with thin slivers of calc-silicate schists, pegmatite, syenite and red porphyritic granite with deformed mafic xenoliths.

3.4 Mavuzi Prospect

The Mavuzi Prospect is located on Prospecting Licence 890L which covers an area of 20,800ha centred on the Mavuzi fault zone on the north-eastern margin of the Chacocoma Gneisses. The Mavuzi fault zone is comprised of the Mavuzi and Muande fault systems which are northeast to east northeast trending, sinistral fault corridors that dip steeply west and have an apparent throw component of east side up.

Enriched uranium is confined to the western portions of these zones where it is controlled by internal, dilational and link structures where the structural corridor is refracted.

The historical Mavuzi uranium mine and a second old production centre, the Castro mine (located about five kilometres to the north-north-east of the Mavuzi mine), are both located

on Licence 890L where the initial discovery of uranium in 1948 resulted in the reported production of 50 tonnes of U_3O_8 between 1948 and 1950. Uranium production was derived from a documented 500m strike interval focussed on a series of adits with shaft extraction points.

Uranium mineralisation at the Mavuzi mine was hosted by generally steeply dipping, narrow lodes and shears. These structures were accessed by a series of adits and shafts up to 450m long and 25m deep respectively. At the Castro mine the underground workings may have been less important with a significant percentage of the production having come from the surface mining of placer deposits of davidite developed over the line of outcrop of the mineralised structures. It is suspected that the Mavuzi operations may have produced a davidite concentrate as the end product and that these were shipped elsewhere for final recovery of the uranium.

Uranium mining continued in the area until 1974 when operations ceased due to political unrest. From 1950 uranium production is undocumented however site observation of underground mining and camp/administrative infrastructure at Mavuzi suggest a relatively large operation. Possibly as much as a 2km strike interval was mined underground between Mavuzi and Mavuzi Airstrip from an interconnected series of adits and shafts.

3.4.1 Mavuzi Prospect Mineralisation

The style of the recognized Mavuzi uranium prospects are shear-hosted, late stage, potassic, carbonate silica replacement and disseminated uranium-iron oxide mineralisation. The deposits form in crosscutting relationships to a variety of host lithologies, including anorthosites, gabbros, calc-silicate rocks and gneisses.

Uranium mineralisation at the Mavuzi Mine consists of coarse grained davidite $((La,Ce)(Y,U)(Ti,Fe^{3+})_{20}(O,OH)_{38})$, with crystals up to several decimetres in diameter, disseminated within dominantly carbonate veins, with local cores of pinkish quartz, molybdenite flakes and surrounded by diopside-albite alteration (Ruzicka and Brigden, 2005; Lächelt, 2004).

3.4.2 Mavuzi Prospect Previous Exploration

Mineral exploration work at the Mavuzi Prospect has thus far comprised detailed and regional geological mapping and ground radiometrics, regional and detailed soil sampling and stream sediment sampling, systematic rock chip and channel sampling over identified targets, heli-borne magnetic and radiometrics, as well as reverse circulation (RC) drilling.

Geological Mapping and Ground Radiometrics

Grid mapping was completed over the Mavuzi, Mavuzi Airport and Kaboazi Creek prospects. This mapping was completed on a 1:1,000 scale. Based on the understanding of the geology from this mapping, the mapping was then continued at 1:5,000 scale on extensions of the grids to the north and south of the Mavuzi Airport and Kaboazi Creek prospects.

Geological mapping and ground radiometrics conducted over the entire Mavuzi River target area indicate that the individual radiometric anomalies, which may be up to 1.6km long x 0.4km wide, are aligned along several lineaments as demonstrated by the ground radiometric data presented in Figure 4.

These lineaments may represent faults and feeder structures for the introduction of uranium mineralisation. There appear to be at least two principal lineaments. An eastern lineament defined by the Castro, Inhatobui and Kaboazi East radiometric anomalies and a western lineament defined by the Kaboazi Creek and Mavuzi Mine anomalies. The Mavuzi Airport anomaly may lie on a faulted extension of the western lineament or may define its own lineament. The principal mineralised structures appear to be concentrated near the anorthosite-gabbro contact with a possible preference for the gabbro as a host (Mavuzi Summary, 2006).

Airborne Magnetism and Radiometrics

The radiometric data highlights the distinctive IOCG magnetite-apatite alteration of the Monte Muande area as well as the Mavuzi uranium/thorium area and the intermittent strike extension to the north. At Mavuzi, the uranium trend shows a series of enechelon arrayed NNE fracture zones (Mantra, 2009).

Soil, Stream Sediment and Rock Chip Sampling

Stream sediment samples were largely collected on a density of approximately 2 per square kilometre over the northern extents of the Mavuzi Project. Whilst soil and infill stream sediment samples have been concentrated on the Mavuzi, Castro/Inhatobui and Boa Viseau areas.

Stream and soil sampling at the Mavuzi prospect returned no notable precious or base metal occurrences. Stream and soil sampling did however serve to identify the Boa Viseau prospect, the results of which are discussed in Section 3.5.

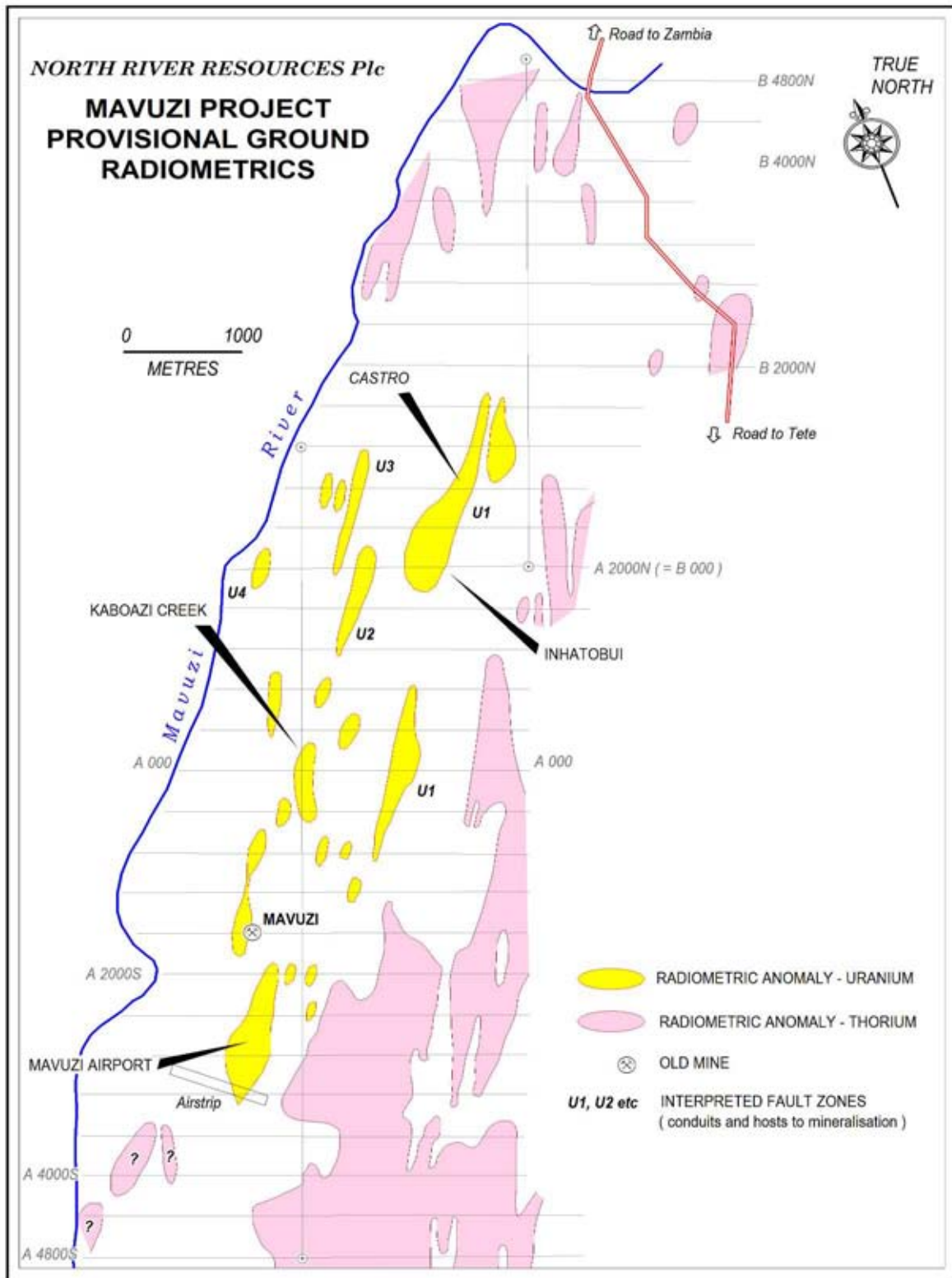


Figure 4: Mavuzi Prospect Ground Radiometrics

RC Drilling

In October/November 2005 OmegaCorp carried out a 47 hole (3,659m) program of angled, RC drilling. This drill program was designed to assess the potential for vein/shear hosted and associated disseminated uranium mineralisation at shallow depth along strike from the Mavuzi Mine and at the Kaboazi Creek and Mavuzi Airport prospects to the north northeast and south southwest.

At the Mavuzi Mine prospect 15 holes were drilled for a total advance of 1,375m covering a strike of 600m. The results indicated the presence of uranium mineralisation over approximately 450m of strike length with both shallow anomalism and a continuation to depth. Five holes recorded more than one zone of anomalism. The widest downhole intercept was obtained in hole MVT 028 with 7m at 0.018% (180ppm) U_3O_8 from 17m downhole. Several holes appear to have intercepted old workings, indicating the possibility that higher-grade material (>1% U_3O_8) may have been extracted historically.

At the Kaboazi Creek prospect 20 holes totalling 1,647m were completed covering about 300m of strike length. The northern half of the prospect did not return any anomalous intercepts. In the southern half of the area the drilling intercepted shallow anomalism in hole MVT 016 with 4m at 0.036% (360ppm) U_3O_8 from 1m downhole. Approximately 50m to the south, hole MVT 018 returned a best intercept of 8m at 0.022% (220ppm) U_3O_8 from 75m indicating a potential for mineralisation to continue at depth. Hole MVT 47 A, approximately 150m to the southwest of the southernmost drilling on the Kaboazi Creek prospect, was drilled as the final hole of the program to test a radiometric anomaly identified during the geological mapping. This hole revealed two mineralised zones – the first of 6m at 0.027% (270ppm) U_3O_8 starting at 1m downhole; the second of 4m at 0.05% (500ppm) from 26m downhole. These intersections may represent a faulted extension of the Kaboazi Creek structure or a new zone of mineralisation.

At the Mavuzi Airport prospect 12 holes totalling 637m were drilled to cover a strike length of 400m. Nine holes over a strike length of 250m returned anomalous intercepts and highlighted the potential for disseminated mineralisation with intercepts such as 7m at 0.030% (300ppm) U_3O_8 from 31m downhole in hole MVT 040 (Mantra, 2009).

The prospect geology and drill locations of the Mavuzi, Mavuzi Airport and Kaboazi Creek are provided in Figures 5, 6 and 7 respectively.

The Castro and Inhatobui prospects are yet to be drill tested.

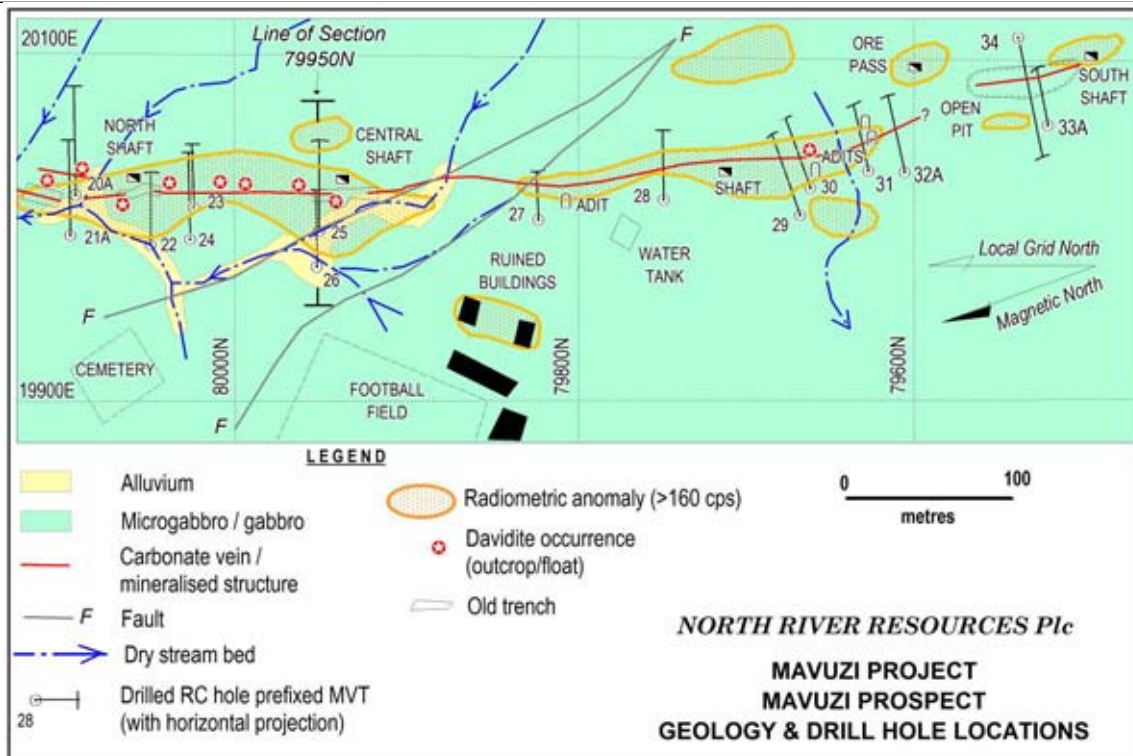


Figure 5: Mavuzi Prospect Geology and Drill Hole Locations

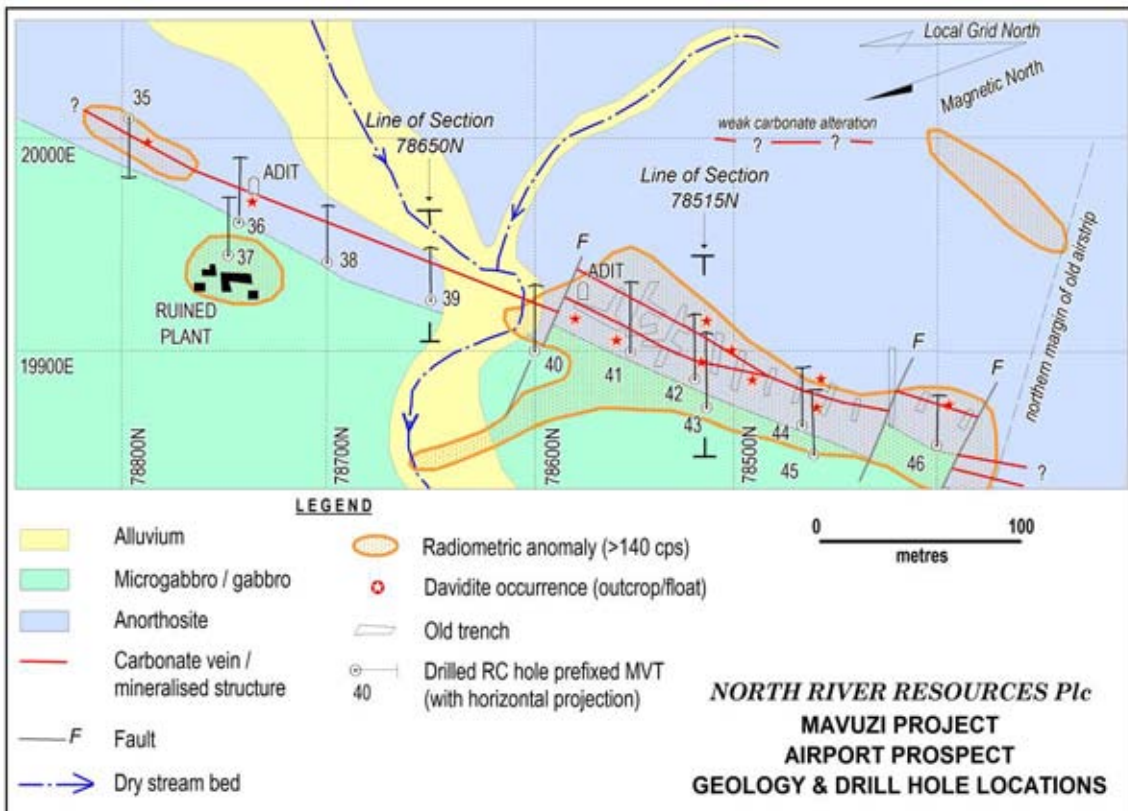


Figure 6: Airport Prospect Geology and Drill Hole Locations

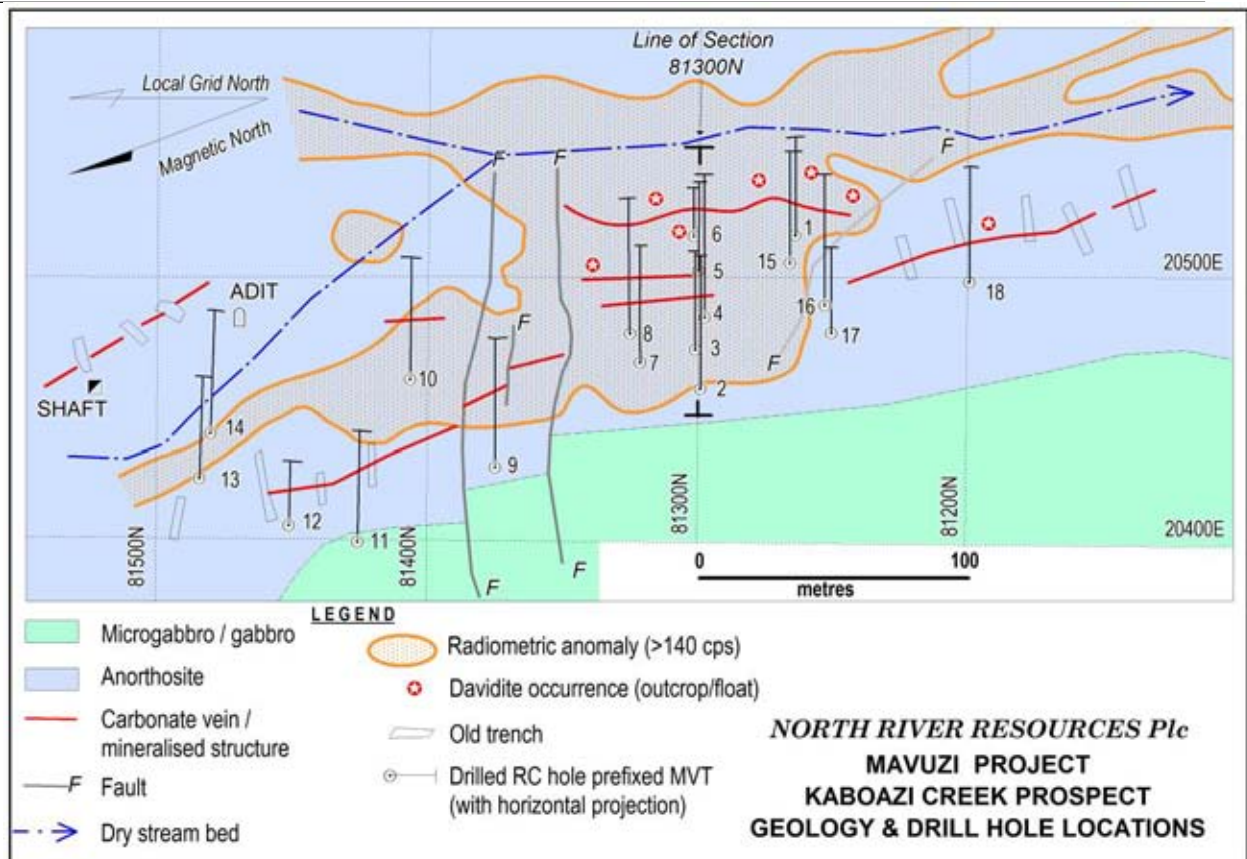


Figure 7: Koboazi Creek Prospect Geology and Drill Hole Locations

3.4.3 Mavuzi Prospect Potential

Drilling at three of the five prospects indicates vein style davidite-carbonate-calc-silicate-albite alteration along the seven kilometre long Mavuzi to Castro trend. Further potential remains along the northern extent of this trend, particularly in the vicinity of the Castro and Inhatobui prospects where drilling has not as yet been conducted.

Uranium mineralisation at potentially economic grades was encountered at all three drilled prospects along the identified trend. Additional repeat structures, trend offsets and zones of mineralisation at depth all represent potential for additional uranium mineralisation to be encountered at the Mavuzi Prospect. The potential for high grade mineralisation is supported by historical mining that targeted higher grade zones of davidite.

Radiometric uranium anomalies defined by spectrometer remain untested at Inhatobui and Castro. Small pits and alluvial scrapes occur on narrow vein and alluvial mineralisation along the northern side of low hills. A conceptual target may exist at the base of gabbros where fluids may have concentrated davidite at the anorthosite contact. Evidence of this is suggested by the 'leakage' of davidite anomalies at the exposed contact on the contour along the hillside. The blind/concealed body of mineralisation or conceptual target is considered to be 1,500m long x 200m wide and 10 to 15m thick (Horn, 2009).

Exploration at the Mavuzi prospect has historically focussed on uranium mineralisation. In late 2007 both Mavuzi and Mantra indicated that the exploration focus would begin to include

the identification of hydrothermal deposits of gold and copper through the identification of calcareous metasediments of the Chídué Formation.

3.5 Boa Viseau Prospect

The Boa Viseau prospect comprising Licences 1054L and 1119L has an area of 33,780ha and is located within metacarbonates of the Chídué Group at the boundary between rocks of the Tete Complex gabbros and the underlying Chacocama gneisses.

The Boa Viseau prospect has been mapped at a 1:2,000 scale from the Zambezi River in the southern part of the 1054L Licence across the main carbonate ridge over 8.6km to the northern portion of the Licence. The mapping has identified primarily carbonate lithologies in the northern mapping area hosting gold mineralisation, with a change to gneisses, carbonates and felsic intrusive lithologies in the southern portion hosting copper mineralisation. Carbonates in the northern area outcrop as steep ridges, with gneisses and metasediments having a lower relief. Porphyritic granitoids are seen to grade in texture from unstrained to mylonitic creating complexity in differentiating deformed granites from gneissic lithologies. In the southern portion of the Licence there is a change from carbonate outcropping as steep ridges to gneisses and Tete Complex pyroxenites intercalated with carbonates and banded magnetite quartz veining. The geology becomes more complex as fault structures of differing ages interact with both Tete Complex intrusives and carbonate intrusives. Malachite and azurite are commonly observed in both float and outcrop in the southern area with initial soil sampling results supporting this. These initial results also appear to indicate a coherent anomaly coincident with the interpreted upper zone of the carbonate unit which has been mapped as being adjacent to a possibly structurally controlled contact with the underlying gneisses (CSA Global, 2007).

3.5.1 Boa Viseau Prospect Mineralisation

Gold mineralisation is broadly associated with the east north east trending meta-carbonates of the Chídué Formation. Mineralisation appears to be narrow, hydrothermal, moderate grade gold in quartz veins.

Limited diamond drilling indicated that gold mineralisation was found to be associated with the footwall of a silicified zone associated with narrow milky quartz veins in carbonatite host rock. The gold mineralisation appears related to moderately silicified coarsely grained ferroan dolomite and a fine disseminated pyrite alteration zone.

The location of the gold mineralisation described above is supported by evidence of historical mining in the immediate area in the form of a number of shafts and smaller workings.

3.5.2 Boa Viseau Prospect Previous Exploration

The Boa Viseau prospect was identified through a comprehensive stream sediment and soil sampling program and complemented by existing geophysical data. Concentrated soil and rock chip sampling gave rise to a short diamond drilling program.

Geological Mapping and Geophysical Data

Geological mapping of the area identified primarily carbonate lithologies in the northern mapping area hosting gold mineralisation, with gneisses, carbonates and felsic intrusive lithologies in the southern portion hosting copper mineralisation.

The Total Magnetic Intensity (RTP) data highlights the major alteration along the Monte Muande IOCG style trend zone and weak alteration rims and intercalated Chidué Formation units along the outer margin of the variously domed Charcocoma Gneiss complex.

The induced polarisation (IP) indicates strong resistor and conductor anomalies immediately east of the identified gold mineralisation at Boa Viseau. Drilling has shown that the resistor coincides with the silica-carbonate mineralisation. The conductors appear to be associated with strong disseminated pyrite development in the thrust contact zone between the carbonatite and basement gneisses below.

A small IP survey covering the anomalous copper values in soils in the south west of the Licence identified three areas of weak anomalism.

Stream Sediment Sampling

Stream sediment sampling was undertaken at a density approximating two samples per square kilometre.

The resulting gold anomaly indicates a central structure about which the sample values are above 0.1g/t Au, with an apparent strike length of up to 4km and width up to 1km. Geochemical anomalism and geology of the Boa Viseau Prospect is presented in Figure 8.

The core anomaly is surrounded by a halo of sporadically anomalous gold values (up to 2.44g/t) measuring some 6km x 4km. The true width of any mineralisation is interpreted to be significantly narrower, given the steep terrain in the area and dispersion associated with the drainage pattern. There is a partially coincident copper anomaly in conjunction with weak copper staining seen in quartz from two historical shafts, which supports a geological association between the gold and the copper.

The copper anomaly in the southwest is defined by values >180ppm Cu. To the north-east it terminates approximately 2km beyond the end of the gold anomaly whilst to the south-west the copper halo is still open on reaching the Zambezi River. The width of the copper halo is generally between 1-1.5km and spans the line of the crest of the Boa Viseau ridge.

Stream sediment sampling was successful in generating the above previously unidentified strong gold anomaly through modern exploration methods centred on historical workings along a topographic high.

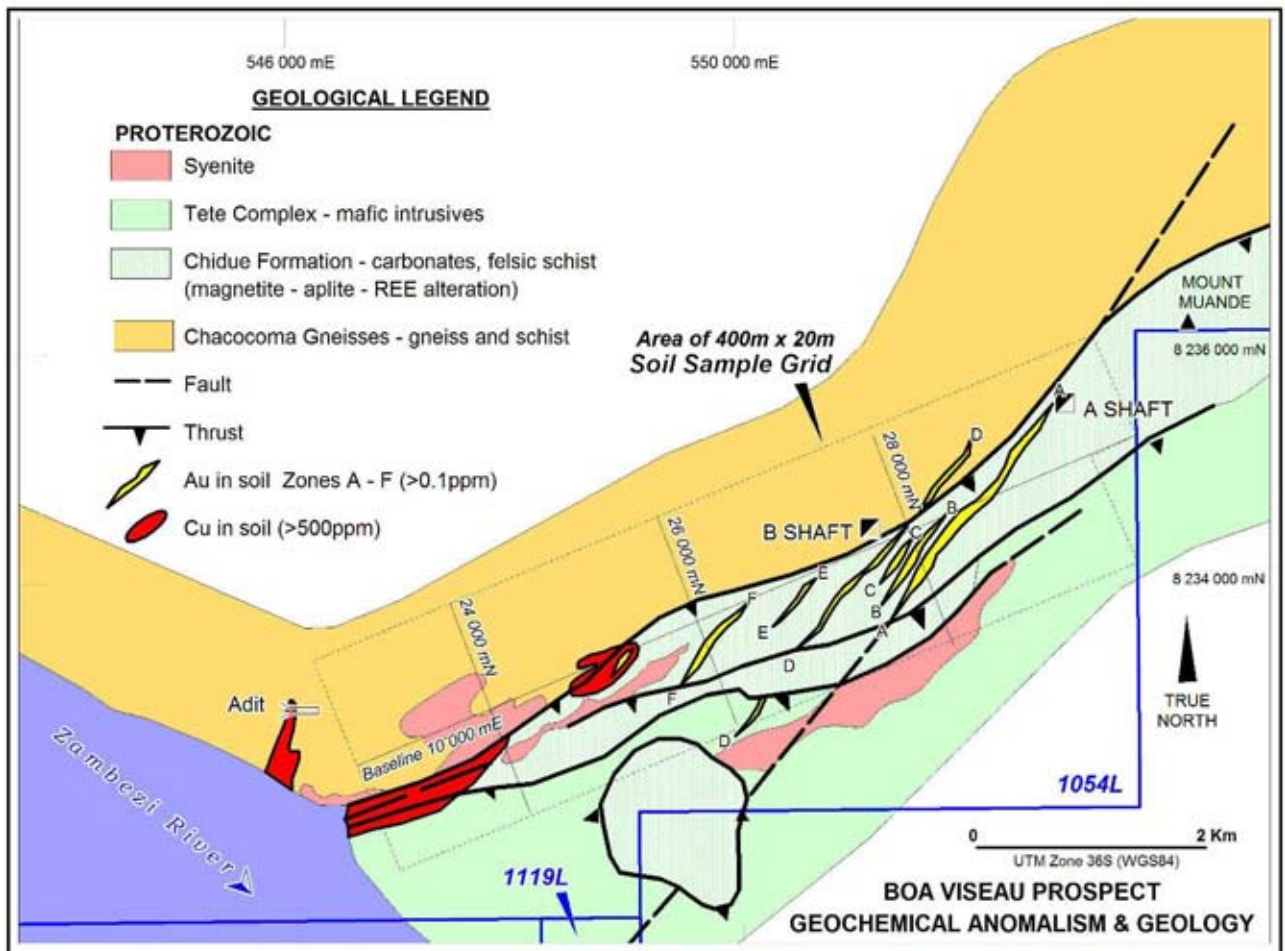


Figure 8: Boa Viseau Prospect Geochemical Anomalism and Geology

Soil Sampling

Soil sampling at the Boa Viseau Prospect was initially undertaken on a 400m x 50m grid with initial orientation sampling undertaken on a 10m spacing subsequently followed by a 20m spacing. This sampling confirmed the presence of a strong gold anomaly centred upon the area between the historical mine shafts at locations “A” and “B” and a well defined copper anomaly terminating at the Zambezi River (Figure 8). The large >300ppm copper anomaly in the south west of the grid near the Zambezi River has no other elemental association. Sporadic malachite-magnetite veinlets in meta-carbonates were found in this area.

The Boa Viseau prospect was effectively delineated by 200m x 20m infill soil sampling along the east north east trending carbonate ridge line, terminating in the north east with the Monte Muande carbonatite intrusion. Gold results in stream and soils on the western side of the carbonate unit represent the best grade in the grid area and coincide with historic mining locations. This area contains gold mineralisation defined by soils over a 3km x 200m area associated with quartz ±pyrite ±chalcopyrite ±hematite and silica altered meta-carbonate rocks. Best soil grades are up to 2g/t gold with some rock chip sampling to 6g/t gold. Shaft “A” at the north eastern end of the largest soil anomaly is sunk on a vertical <1m wide quartz-sulphide vein with malachite staining which had samples collected and assayed

giving up to 10g/t gold. Mullock from around the shaft assayed at only 0.1g/t gold indicating limited wall rock mineralisation surrounding the vein.

Soil sampling lines are offset at the north eastern end of the grid area near the Licence boundary and possibly indicate the start of a faulted continuation of mineralisation around the northern side of the magnetic anomaly (carbonatite). The last line of sampling contains mostly low gold values and closes off the anomaly (apart from a single assay of 0.35g/t gold). The highest rock chip grade of 45g/t gold was collected in this northern area at the end of the soil grid. It has been indicated by the lead OmegaCorp geologist that the rock chip sampling was not supervised and may be from selected float samples and therefore not representative of bedrock. The soil anomalies are lower grade in this area and of a smaller strike length than the drilled southern anomaly.

Diamond Drilling

A limited diamond drilling program was completed and comprised two drill holes for 451m of drilling in the December 2007 quarter. These were completed in a scissor orientation with the aim of providing lithostructural data. The first hole was lost at 65m and re-drilled. Both MVDD002 and MVDD003 have been geologically/ geotechnically logged. Both alteration and lithological information has been interpreted and the results of this work are summarised in the section presented as Figure 9. The holes were drilled in to a geochemically anomalous zone that is interpreted to extend over 500m in strike length. The best results are summarized in Table 3 below.

Table 3: Boa Viseau Diamond Drilling Results – 0.5g/t Au cut-off

Hole ID	Total Depth (m)	From (m)	To (m)	Width (m)	Au Grade (g/t)
MVDD003	197	46.10	52.50	6.40	2.01
		58.50	59.50	1.00	0.53
		73.00	73.80	0.80	0.55

Note: Samples were half diamond-core. Intersections quoted used a minimum 2 metre internal dilution. All gold assays were completed at ALS-Chemex, Johannesburg, South Africa by Method Au-ICP23 using an aqua-regia digestion on a 30gm charge, and an ICP-AES finish.

The gold mineralisation was found to be associated with the footwall of a silicified zone associated with narrow milky quartz veins in a carbonatite host rock. There is also evidence of shearing and dislocation of small tensional veins and boudinaging of these veins at 49.8m depth associated with >3g/t gold grades. The highest grade (6.3g/t Au over 0.7m interval) corresponds with oxidised jointing and may have a supergene influence on the grade from this interval.

The dip on the gold system remains uncertain, but now appears that it may be a moderate 30-50 degrees east, rather than the original sub-vertical interpretation. The overall alteration controlling structures however still appear to be steeply dipping based on both field and IP dipole-dipole observations (Mantra, 2008).

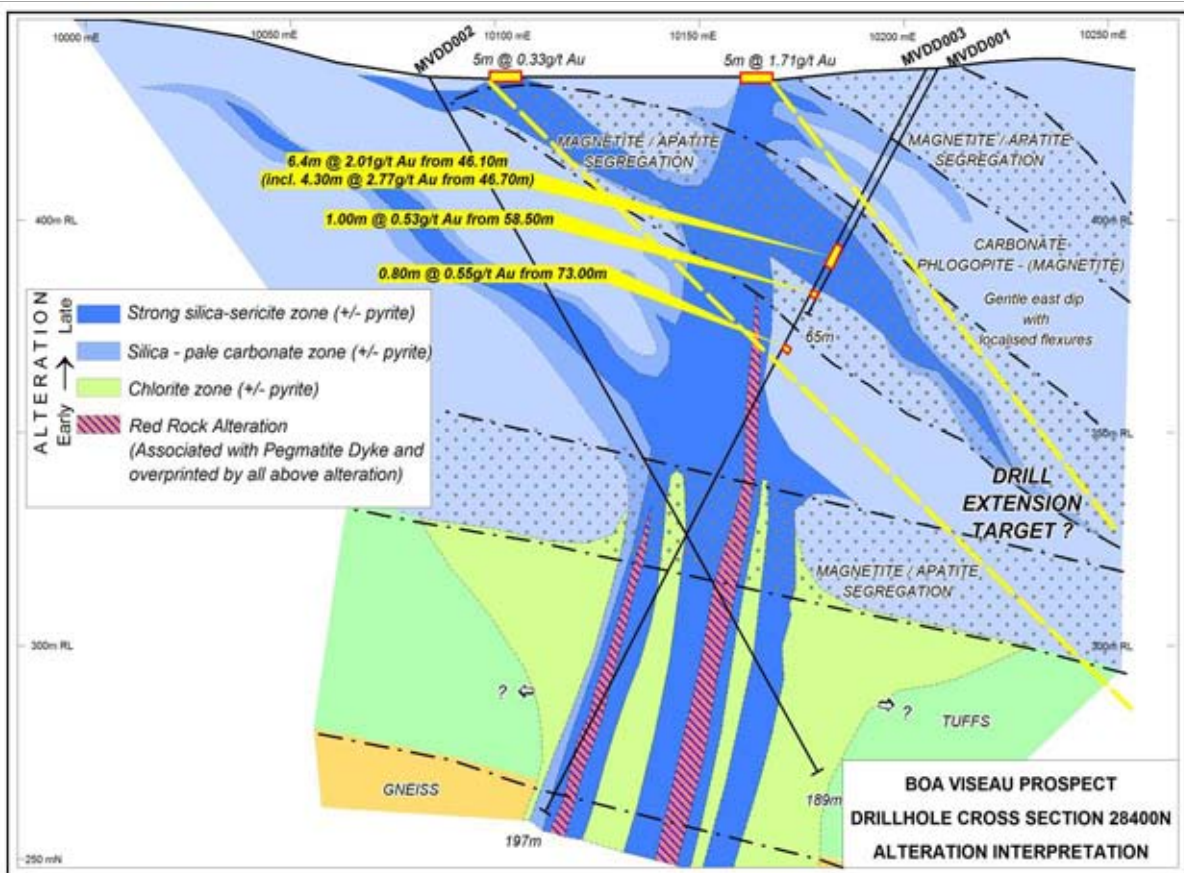


Figure 9: Boa Viseau Gold Intersections, 28400N Section. (showing the gold intercepts (>0.5g/t Au) and possible depth projections)

3.5.3 Boa Viseau Prospect Potential

Limited diamond drilling targeting gold mineralisation as indicated by soil sampling geochemical data has confirmed gold mineralisation hosted in boudinaged milky quartz veins with pyrite, hematite and magnetite alteration.

The occurrence of hydrothermal gold mineralisation associated with structural features of the Chidué Formation indicates the presence of gold mineralised fluids in the area defined by soil sampling. The potential exists for further gold mineralisation to occur in contemporaneous structures in the area which may carry an improved grade and wider intersections.

IP data and soil sampling results have identified copper anomalies in the south west of Licence 1054L, near the Zambezi River. These targets warrant further work.

4.0 MURRUPULA PROJECT

The Murrupula Project is located in Numpula Province, 600km east of the Mavuzi Project and 70km south west of the regional city, Nampula.

The following Licences comprise the Murrupula Project.

- Prospecting licence 1829L.
- Prospecting licence 1830L.

The total area of the Murrupula project is 46,880ha. Expenditure commitments and rental costs for the Project Licences are outlined in Table 4.

Table 4: Murrupula Project Licence Costs

Project	Licence	Licence Expiry	Area (ha)	Expenditure Commitment \$US	Licence Rent \$US
Murrupula Mozambique	1829L	13/8/2012	23,840	\$23,000	\$5,519
	1830L	30/7/2012	23,040	\$25,000	\$5,333
TOTAL			46,880	\$48,000	\$10,852

Figure 10 shows the Murrupula Project Licence extents and geology.

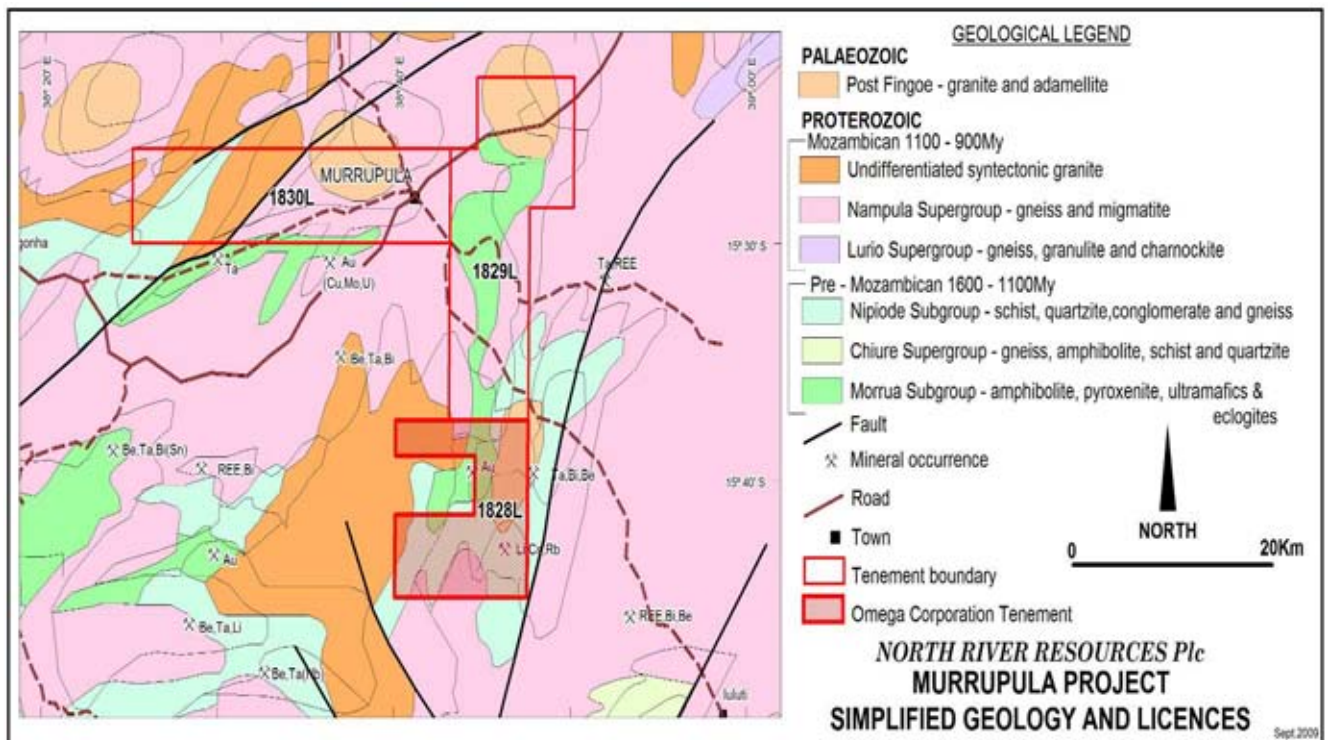


Figure 10: Murrupula Project Licence Locations and Geology

4.1 Murrupula Project Setting

The Murrupula Project Licences occur in an area of open, rolling hills and shallowly incised valleys. Topographic relief in the area is over 300 to 400m in height. The area occurs as a north east trending ridge up to 900m AMSL dividing south east draining local rivers and the larger, north east draining Rio Lurio to the north.

The climate is semi-tropical with mean annual temperatures between 16-32°C. Heavy monthly rainfall (180-230mm per month) occurs between December and March. The remainder of the year is hot and dry.

The area is covered by tall grasses together with scattered bush areas and cultivated plots and fields. Cassava and rice crops exist along valley floors along with widespread cashew and tropical fruit trees. Though most of the area is cleared for agriculture, remnants of open forest exist on the valley sides and immediately along the base of the prominent inselbergs located in the area.

4.2 Murrupula Project Regional Geology

The geology of the map area is dominated by Mesoproterozoic medium- to high-grade Nampula Complex gneisses that were reworked during the Pan-African Orogeny and intruded by early Palaeozoic late Pan-African granitoids and pegmatites. These rocks comprise the Nampula Sub-province, a tectono-stratigraphic division of the Mozambique Orogenic Belt, which is situated to the southeast of the east-northeast–west-southwest trending granulitic Lurio Belt (Lächelt 2004).

4.3 Murrupula Project Local Geology

Quaternary - Cretaceous

Quaternary aged localised areas of river gravels, sands, silt and alluvial cover are evident in the current drainages. In addition, remnants of lateritised Tertiary aeolian sands and eroded, older river terrace sediments occur as deflation surfaces in the area.

Basement rock outcrop is limited in extent and occurs along the margins of the edge of the current drainages and at breaks in slope terrain, or as very prominent inselbergs, up to 150m in height. The depth of weathering is between 5 to 30m deep. Remnant lateritic and ferruginous horizons and in places carbonate nodular rich soils (over the mafic gneisses) are observed in the field.

Pan African Intrusives

Palaeozoic aged granitoids of the Murrupula Suite intrude the Proterozoic basement in the Murrupula area. The granitoids are divided into three units; a locally leucocratic, equigranular, medium grained granite; a fine-medium grained granite with local porphyritic textures; and a third, coarse grained, porphyritic granite. The U-Pb Shrimp dating on these granites give ages of 532±5Ma.

These rocks have relatively highly radiometric responses with common RADEYE total count ranges of 100-150cps in outcrop, with soils being 40-60cps.

Proterozoic Basement

Mesoproterozoic aged Nampula Gneiss Complex rocks make up the basement sequences at Murrupula. These rocks are dated between $1,128\pm 13\text{Ma}$ and $1,077\pm 26\text{Ma}$ by U-Pb Shrimp dating methods. The Complex sequence is broken down into three groups: a younger intrusive phase called the Culicul Suite that intrudes the calc-silicate, quartzite and ultramafic gneisses of the Molocue Suite and the early tonalitic gneisses of the Rapale and Mamala Gneisses of the Mocuba Suite (GTK 2006). These are described in some further detail below.

This Culicul Suite sequence of granitic gneisses is dated at $1,077\pm 26\text{Ma}$ and comprises augen granite and gneisses, augen leucocratic gneisses and equigranular textured, medium grained granite gneisses. These rocks have low radiometric counts, with common RADEYE total count ranges of 20-40cps in outcrop and with soils being 5-15cps.

The Molocue Suite is a varied sequence of pelites and psammopelites exhibiting gneissic textures with interbeds of metamorphosed chemical sediment, sedimentary, mafic and ultramafic gneisses. The suite is dated by U-Pb Shrimp methods at $1090\pm 22\text{Ma}$. The suite includes marbles and calc-silicate gneisses, sheared and altered gabbro termed ultramafic gneisses, meta-arkosic gneisses, mafic gneisses, quartzites and amphibolites. These rocks have low radiometric counts, with common RADEYE total count ranges of 20-60cps in outcrop, with soils being 10-30cps.

The Mamala Gneisses are banded tonalitic rocks comprising leucocratic quartz-feldspar gneiss and are dated at $1,092\pm 13\text{Ma}$. The Rapale Gneiss Member is a hornblende bearing tonalite-granodiorite gneiss of probable similar association and age to the Mamala Gneiss. Banded biotite gneiss and migmatitic granite and leucocratic granites of the Mocuba Suite are the oldest dated rocks in the area, being dated at around $1128\pm 13\text{Ma}$.

4.5 Murrupula Project Mineralisation

The Murrupula Licence area was acquired to target granitoid hosted uranium, pegmatite hosted tantalum and REE, and shear hosted precious metals.

4.6 Murrupula Project Previous Exploration

The record of historical exploration activity in the Murrupula Licence area has been limited to a few scattered eluvial and shallow, hard-rock pegmatite occurrences recorded on regional mapping.

OmegaCorp originally held three Licences at the Murrupula Project as depicted in Figure 10 however it is noted that NRR have not acquired the southern-most Licence 1828L.

Field work completed by OmegaCorp was conducted over the three Licences and has included reconnaissance phase exploration of the regional and project geology, a review and interpretation of the regional radiometrics and aeromagnetic data, car and foot-borne

reconnaissance geological mapping of the Murrupula Licence area at 1:50,000 scale and a 416, -80 mesh, regional stream sediment sampling program.

A total of 1,516 soil samples were also collected in the Murrupula Licence area during the period September-October 2008.

Geological Mapping and Reconnaissance

Reconnaissance mapping and field inspections identified previously unrecorded alluvial gold workings on the license areas, 3km due east of Murrupula township (Brigden 2008). The alluvial workings strike along 1,500m of drainage, some 600m south of the highway. The miners were obtaining fine, sub-rounded, high purity gold grains between 0.2 to 2.0 millimetres in size in their concentrators. No sulphides were observed in the concentrate.

The basement rocks in the areas of mining are biotite and biotite-feldspar gneisses (ultramafic precursors) that dip between 30°-50° east and strike west northwest. They are overlain by a zone of quartz-feldspar gneisses (felsic) with localised silica-diopside alteration and thick, foliated gneisses. A low ridge just south of the workings is characterised by fine, clear quartz float and is interpreted as felsic intrusive gneisses. An area of high radiometric response 5,000m due east of the gold workings is interpreted as Cambrian aged granite intrusives.

The suggested source of the gold is the yellow stained quartz veins and possible silica-diopside alteration that was observed in stone quarries, 500m to the west of the gold working, above the projected contact between ductile ultramafic and overlying, competent felsic gneisses.

In addition to the four reported pegmatites in the License areas, another two unreported tantalite and aquamarine bearing pegmatite zones have been identified in the western part of the License areas. The coarse grains that are collected are sub-rounded and may be suggestive of some degree of transportation in the Ta-bearing workings in the north-western license area. The workings here occur on low ridges over a surface area of approximately 200m x 200m. No bedrock outcrop is evident in the immediate areas of the Ta workings though abundant cobbles of quartz, rare coarse muscovite flakes and quartz-feldspar gneisses suggest the eluvial cover is fairly shallow.

The RADEYE was used throughout the reconnaissance mapping phase. As well as giving indications of the radiometric background levels in the basement suites work also identified a zone of elevated radiometric response, maximum 270cps, from around the southern base of the inselbergs, two kilometres west of Murrupula town-site. This radiometric zone is in an area of deep red-brown soils, developed on the southerly scree slope of a tall inselberg of Cambrian aged Murrupula Granite, along an inferred, buried shear/fault zone. The radiometric response may be a U enrichment in lateritic, paleo-soils or it may reflect buried mineralisation along the interpreted faulted contact basement gneisses and younger, radiometrically 'hot' granites.

Regional Stream Sediment Sampling

416 regional stream sediment samples (-80 mesh) were collected at a nominal sampling density of 2 samples per square kilometre throughout the three Murrupula Licences (Figure 11).

Stream sediment sampling identified three anomalous trends which were followed up with subsequent soil sampling.

These anomalies included the Murrupula Prospect associated with the eluvial and alluvial gold workings described above. The area had a subtle but coherent zoned stream sediment Ag-Zn-Au-As-W-Na-Sb-Mo-Cu anomaly related to an inferred structure along the competency contrast between meta-ultramafic and psammitic sequences. The expected precious metal mineralisation expected is either intrusive related quartz stockworks or deformed and recrystallised quartz-diopside-carbonate veining controlled by gently northerly dipping orientated shearing.

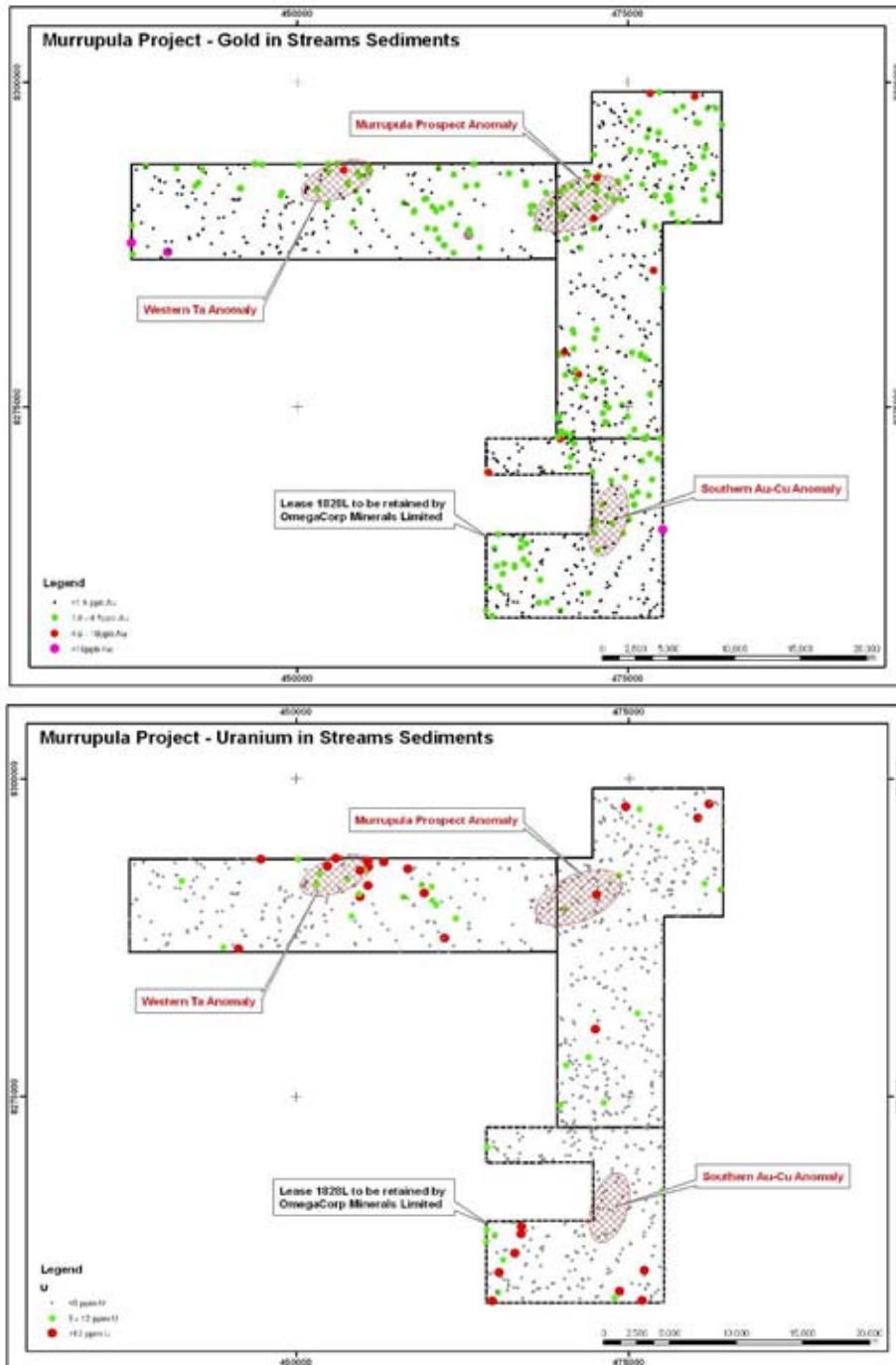


Figure 11: Murrupula Project Stream Sediment Geochemistry

The second target was the Western Ta Anomaly. A NE trending, As-Mo-Pb-W-Li-U-Bi anomaly was defined by regional stream sediment sampling over a 2-3km strike length. The anomaly is associated with previously unreported Ta eluvial workings along a low ridge.

The last anomaly to be tested by the soil sampling was the Southern Au-Cu Anomaly located on Licence 1828L, where the regional stream sediment sampling defined a discrete N-S orientated, Au-Cu-As-V-Co-Fe anomaly related to possible mafic gneisses over a 1-2km strike length. The source of the anomaly is possibly VMS or epigenetic related mineralisation.

Soil Sampling

The three stream sediment sampling anomalies described above were further investigated through three separate soil sampling grids.

A total of 1,516 soil samples were collected in the Murrupula Project area during the period of September-October 2008. The interpretation of the soil sampling results has supported and enhanced two of the original three regional stream sediment anomalies.

At the Murrupula Prospect, soil sampling has defined an east to east northeast trending 2km x 300m Au in soil anomaly through 400m spaced soil lines and 20m spaced samples. Gold in soil values range up to 26,900ppb Au. Strong tungsten anomalism up to 8.1ppm W and a weaker but discrete tellurium concentration of up to 0.16ppm Te is also associated with the gold anomaly. The trend is open for over 1km westwards before reaching the perimeter of Murrupula town site. In addition, anomalous Cu and Ni define the strike extensions of mafic gneisses.

Strong linear trends of east to east northeast trending highly anomalous antimony, with zones of arsenic (up to 13ppm As) and tungsten (up to 3.7ppm) are observed 700m north of the gold zone. This antimony trend extends for over 6km with values up to 0.63ppm Sb in soil.

Interpretation of this geochemistry defines two east to east northeast structures (thrusts) with the identified gold mineralisation occurring between the two structures.

The Western Ta anomaly highlighted a zone of Pb-Bi-As anomalism associated with shallow, eluvial tantalite occurrences. An 800m diameter zone of coincident Bi-Pb anomaly with Bi in soil ranging up to 53.8ppm Bi and lead up to 31ppm Pb occurs directly over the areas of eluvial tantalite workings. A linear arsenic geochemical trend strikes NNE from the mineralised area for over 1,500m. The arsenic ranges in soils up to 15ppm As.

Soil sampling at the southern anomalous zone located within Licence 1828L, as identified by stream sediment sampling, failed to highlight a coherent anomalous multi-element zone and on this basis was not acquired by NRR.

4.7 Murrupula Project Potential

First and second pass reconnaissance has identified two anomalies considered worthy of further investigation.

The major target is a gold anomaly defined by stream and soil sampling located 1.5km east of the township. A peak value of 26,900ppb Au was returned from 400m spaced soil lines (20m spaced samples). Alluvial gold workings were also noted coinciding with calc-silicate alteration along a contact between biotite schists and gneiss. The anomaly is approximately 2km long by 300m wide and open to the west.

The anomaly is certainly very encouraging and warrants further detailed geological mapping in the anomalous area as well as infill soil sampling to determine the prospects for a possible drilling program.

The second target contains alluvial tantalum workings and anomalous Bi-Pb-As and REE as identified by stream sediment and soil sampling. This anomaly requires further work which would likely involve infill soil sampling.

5.0 PROPOSED WORK PROGRAM

5.1 Expenditure Commitment

NRR plans to commit £290,000 to the Mavuzi and Murrupula Projects through to June 2011. This projected expenditure will satisfy all Prospecting Licence expenditure commitments and rental fees as stipulated by the Mozambique Ministry of Mineral Resources. Exploration expenditure is designed to further investigate the prospectivity of the Mavuzi and Murrupula Projects as well as identifying targets for a potential drilling program.

5.2 Work Program

The work program to be undertaken in Mozambique will include some or all of the following:

- Ongoing review and compilation of all previous data into a GIS database in order to best allow for the efficient review and interpretation of existing information.
- Reinterpretation of existing data which will incorporate a review of all data collected at the Mavuzi and Murrupula Projects thus far. Information of particular interest will be stream sediment and soil sampling data, rock chip and channel sampling information as well as drilling results. Exploration data will be reconciled with the current geological mapping and interpretation with a view to identifying further areas of interest.
- Following the data reinterpretation, regional and local geological reconnaissance/mapping may be undertaken to gain a better understanding of the structural and stratigraphic nature of the mineralisation at both the Mavuzi and Murrupula Projects.
- Geophysical information covering the Mavuzi and Murrupula Projects will be reviewed and reinterpreted with the intent of generating targets for soil sampling and possibly drilling.
- Both the gold anomaly and tantalum anomaly in soils collected at the Murrupula Project will be followed up with infill soil sampling and extensional sampling of the existing soil sampling grid. The infill and extensional soil sampling will provide greater resolution soil data within the previously identified highly anomalous areas whilst also determining the potential extent of the anomalous zone.
- Should the infill soil sampling program generate adequate drill targets, an exploration drilling program will be planned.

6.0 CONCLUSIONS

The Mozambican Projects that are the subject of this report represent a land position in some of the more prospective areas of Mozambique. Detailed exploration work (including drilling) has been completed at the Mavuzi Project and the Murrupula Project can be regarded as prospective exploration ground where good quality first-pass exploration reconnaissance has been conducted.

A 47 hole RC drilling program completed at the Mavuzi Prospect targeting shear-hosted primary uranium mineralisation confirmed the presence of economic grades of uranium at the three areas investigated. The best intersection returned 4m at 500ppm U_3O_8 from 26m downhole. Additional repeat structures, trend offsets and zones of mineralisation at depth all represent potential for additional uranium mineralisation to be encountered at the Mavuzi Prospect. The potential for high grade mineralisation is supported by historical mining that targeted higher grade zones of davidite.

The gold anomaly that came to be the Boa Visea Prospect was discovered through a comprehensive stream sediment program and follow up infill soil sampling. Limited diamond drilling targeting gold mineralisation as indicated by the soil sampling geochemical data has confirmed gold mineralisation hosted in boudinaged milky quartz veins with pyrite, hematite and magnetite alteration. The occurrence of this hydrothermal gold mineralisation associated with structural features indicates the presence of gold mineralised fluids in the area defined by soil sampling. The potential exists for further gold mineralisation to occur in contemporaneous structures in the area which may carry an improved grade and wider intersections.

First and second pass exploration reconnaissance consisting of initial regional stream sediment sampling and follow up soil sampling has revealed two anomalies of interest at the Murrupula Project. The primary anomaly is a 2km x 300m Au in soil anomaly that has a peak value of 26.9g/t Au. Further work is recommended in order to confirm the suspected shear-hosted gold source and to ascertain the potential. The secondary target is located in an area of alluvial tantalum workings where anomalous Bi-Pb-As and REE results have been identified.

Proposed work at the Mavuzi and Murrupula projects will initially consist of a comprehensive review of all previous data including the generation of a central GIS database incorporating all existing information.

Following the data reinterpretation, regional and local geological reconnaissance/ mapping may be undertaken to gain a better understanding of the structural and stratigraphic nature of the mineralisation at both the Mavuzi and Murrupula Projects.

Both the gold anomaly and tantalum anomaly in soils collected at the Murrupula Project will be followed up with infill soil sampling and extensional sampling of the existing soil sampling grid. The infill and extensional soil sampling will provide greater resolution soil data within the previously identified highly anomalous areas whilst also determining the potential extent of the anomalous zone. Should the infill soil sampling program generate adequate drill targets, an exploration drilling program will be planned.

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8.0 GLOSSARY OF TECHNICAL TERMS AND ABBREVIATIONS

adamellite	A rock of granitic composition characterized by the presence of quartz, plagioclase feldspar, and potassic feldspar accompanied by biotite and/or hornblende. The two feldspar types occur in approximately equal proportions.
adit	Horizontal tunnel into a hill.
Ag	Silver.
AIG	Australian Institute of Geoscientists.
albite	A form of the very abundant rock-forming minerals of the feldspar family.
alluvium	A sediment deposited by water.
alteration	The change in the mineral composition of a rock, commonly reactions due to hydrothermal activity.
AMSL	Above Mean Sea Level
amphibole	Common rock forming mineral composed of silicates rich in magnesium, iron, aluminium, calcium and sodium.
amphibolite	A metamorphic rock consisting of amphibole and plagioclase.
anticlinal	arch-like form convex upwards.
anomalous	Deviating from the normal: usually refers to significant or unusual data.
anorthosite	is a phaneritic, intrusive igneous rock characterized by a predominance of plagioclase feldspar (90–100%), and a minimal mafic component (0–10%).
apatite	a group of phosphate minerals, usually referring to hydroxyapatite, fluorapatite, chlorapatite and bromapatite.
aplite	fine-grained light colour granite – mainly quartz & feldspar.
aqua-regia	A highly corrosive, fuming yellow or red solution, also called nitro-hydrochloric acid.
Archaean	The oldest rocks of the Earth's crust - older than about 2,400 million years.
argillite	a fine-grained sedimentary rock composed predominantly of indurated clay particles.
arkose	Feldspathic sandstone.
arsenopyrite	An ore of Arsenic – Iron arsenic sulphide.-also known as mispickel.
As	Arsenic.
assay	Accurate laboratory determination of the concentration of a given element in a sample.
Au	Gold.
AUSIMM	Australasian Institute of Mining and Metallurgy.
azurite	a soft, deep blue copper mineral produced by weathering of copper ore deposits.
base metal	A metal inferior in value to precious metals e.g. copper, lead, zinc.
basement	A general term for rocks considered older than and/or below the target rocks.
batholith	body of intrusive igneous rock that crystallised deep within the earth.
Bi	Bismuth.
BLEG	Bulk leach extractable gold analysis; an analytical method for accurately determining low levels of gold.
Cainozoic	The division of geological time extending from 65 million years ago to the present.
calc-silicate	Referring to a metamorphic rock consisting mainly of calcite and calcium-bearing silicates.
Cambrian	A geological period from 542 ± 0.3 million years ago to 488.3 ± 1.7 million years ago
carbonaceous	Containing fossil organic material in the form of coal or graphite.
carbonate	carbonate is a salt or ester of carbonic acid, characterized by the presence of the carbonate ion, CO ₂ ⁻³ or a carbonate functional group O=C(O ⁻) ₂ .
carbonatite	extrusive igneous rocks defined by mineralogic composition consisting of greater than 50 percent carbonate minerals.
cassiterite	Tin dioxide – principal ore of tin.
Ce	Cerium.
chalcopyrite	Copper iron sulphide –Brassy-yellow copper mineral.
charnockite	A term applied to any orthopyroxene-bearing granite, composed mainly of quartz, perthite or antiperthite and orthopyroxene (usually hypersthene), as an end-member of the <i>charnockite series</i> .
chargeability	A geophysical measurement of how much electricity can be stored in the ground that is commonly used to development an estimate of the abundance of metallic sulphide minerals below the surface.

chert	A very fine grained rock composed of silica, often banded.
clastic	Referring to fragments of pre-existing rocks produced by weathering and erosion - if they accumulate and lithify, clastic rocks result.
Co	Cobalt.
colluvium	Sediment mass deposited from transport down a slope by gravity.
cordierite	A Mg-Al-silicate metamorphic mineral.
costean	A trench through the surface soil or debris to expose the bedrock or undisturbed weathered rock for mapping and sampling.
covellite	Copper sulphide – indigo coloured copper mineral.
cps	counts per second
Cretaceous	geologic period and system from circa 145.5 ± 4 to 65.5 ± 0.3 million years ago (Ma).
Cu	Copper.
cuprite	A red, brown or black ore of copper; cuprous oxide.
davidite	A uranium-bearing mineral that exists as two types, either La or CE.
dendritic	Branching – tree-like pattern.
diamond hole/drilling	a type of drilling with an annular diamond-impregnated bit that returns cylindrical rock samples for evaluation.
diopside	A monoclinic pyroxene mineral with composition MgCaSi ₂ O ₆ .
diorite	An intrusive rock intermediate in composition between acid and basic.
dipole-dipole	A geophysical survey method whereby electrical currents in the earth are measured to help define exploration targets at depth.
dolerite	an intrusive, mafic (dark-coloured) igneous rock consisting essentially of calcium-rich plagioclase and some pyroxene mineral, usually augite. Its grain size (texture) lies between coarse-grained gabbro and fine-grained basalt.
dolomitic	pertaining to dolerite – very fine grained, hard black igneous rock.
eclogite	a coarse-grained mafic (basaltic in composition) metamorphic rock.
electromagnetic survey	See EM survey.
eluvium	Sediment mass deposited from transport by channelled or overbank stream flow or by the wind. Also eluvial.
Early Proterozoic	Older part of the Proterozoic era.
EM survey	Electromagnetic survey, a method of measuring the alternating magnetic fields associated with electrical currents artificially or naturally maintained in the subsurface.
enargite	A black copper mineral – copper, arsenic, sulphide.
epicontinental	found on or in a continent.
faulting or fault	Fractures in rocks on which there has been movement on one of the sides relative to the other and parallel to the fracture.
Fe	Iron.
felsic	A group name for light coloured silicate minerals that are poor in iron and magnesium and for rocks in which these minerals are abundant.
feldspar	A group of abundant rock-forming aluminous silicate minerals containing potassium, sodium, calcium or barium.
ferroan	Iron bearing.
ferruginous	Containing iron.
flysch	old term for marine sandstone sedimentation.
folding	Bending of strata or of any planar structure.
g/t	Grams per tonne.
gabbro	Gabbro (pronounced /'gæbroʊ/) refers to a large group of dark, coarse-grained, intrusive mafic igneous rocks chemically equivalent to basalt.
galena	Ore of lead- lead sulphide, usually cubic shape crystals.
GDP	Gross Domestic Product.
geochemistry	The study of the variation of chemical elements in rocks or soils: adj. geochemical.
geophysics	The study of the earth by quantitative physical methods.
geosyncline	A large linear trough on the earths surface in which sediments or volcanic rocks are deposited.
GIS	Geographic Information System.
gm	Gram
gneissic	Describes metamorphic banding or alignment of minerals in an igneous rock due to regional metamorphism.
gossan	A ferruginous deposit remaining after the oxidation of the original sulphide minerals in a vein or ore zone.
granite	A coarse grained igneous rock consisting essentially of quartz and more alkali feldspar than plagioclase.
granitic/granitoid	Pertaining to granite.
Granitoid plutons	plutons comprising granite rock types.

granophyre	A microgranite.
greywacke	A consolidated rock in which sand-sized grains of feldspar, rock fragments and quartz are set in a matrix of clay material.
ha	Hectare.
Hg	Mercury.
half graben	A depression bounded by a normal fault, more asymmetric. no sharp fault on other side.
hornblende	A mineral, a member of the amphibole group
ICP-AES	Inductively coupled plasma atomic emission spectroscopy.
igneous	Formed by solidification of hot mobile material termed magma.
Induced polarisation	See IP
inselbergs	an isolated rock hill, knob, ridge, or small mountain that rises abruptly from a gently sloping or virtually level surrounding plain an isolated rock hill, knob, ridge, or small mountain that rises abruptly from a gently sloping or virtually level surrounding plain.
Intercalated	In between layers of rock.
intracratonic	Within a craton.
intrusive	A body of igneous rock that was intruded while molten in to the Earth's crust.
IOCG	Iron Ore Copper Gold.
IP	Induced Polarization, which describes either a certain type of geophysical survey or the results it produces Induced polarization surveys involve injecting electrical current into the ground, using a generator and transmitter, and measuring the decay of the "induced" currents (hence the term) when the current is turned off, using a receiver, which is a kind of voltmeter. Generally speaking the intensity of the "IP effect" is stronger for rocks that contain metallic particles, such as pyrite, in minute amounts-as little as 1-2%. Because gold or porphyry copper deposits often contain such small amounts of "disseminated" mineralisation, IP is the tool of choice for locating these types of targets.
Karoo	The Karoo is a vast geological basin located in southern Africa with an area of more than 400,000 square kilometers. From a geological point of view it has been an inland basin for most of the past 250 million years.
La	Lanthalum
lag	A residual accumulation of coarse hard rock fragments on the surface after the removal of finer material by wind or water.
laterite	A strongly leached iron and aluminium rich rock, formed at the surface by weathering in tropical conditions.
leucocratic	Light-colored; applied to igneous rocks that are relatively poor in mafic minerals.
Li	Lithium.
lithology	Relating to rocks.
lithosol	Surface cover primarily comprising rocks and rock fragments rather than soil.
lode	A body of ore or valuable mineral.
LREE	Light Rare Earth Elements.
m	Metre.
M	Million.
Ma	Million years ago.
mafic	an adjective describing a silicate mineral or rock that is rich in magnesium and iron.
magnetic survey	Geophysical survey which records the magnetic intensity of the Earth's field and any local distortions caused by immediately underlying rocks.
magnetite	A ferrimagnetic mineral with chemical formula Fe ₃ O ₄
malachite	a carbonate mineral normally known as "copper carbonate" with the formula CuCO ₃ .Cu(OH) ₂
Mesa	Flat-topped little hill.
Mesoproterozoic	A time period from 1400 to 1800 million years ago. A sub division of the Proterozoic.
Mesozoic	A time period from 65 to 247 million years ago.
meta	A prefix meaning that the rock type has undergone metamorphism.
metallurgy	The science of extracting metals or other wanted products from ore.
micro-	A prefix, used to modify a mineral or rock name and indicating it is very fine grained.
mica	sheet silicate (phyllosilicate) minerals.
migmatite	A rock at the frontier between igneous and metamorphic rocks formed under extreme temperature conditions during prograde metamorphism, where partial melting occurs in pre-existing rocks.
mineralisation	Any mineral of possible economic interest.
Mo	Molybdenum.
ML	Mining Lease, a title that allows mining.
Mtu	metric tungsten unit – approx 10kg of WO ₃

Mullock	Waste rock generally associated with gold mining.
my	Million years ago
mylonite	a fine-grained, compact rock produced by dynamic crystallization of the constituent minerals resulting in a reduction of the grain size of the rock.
Na	Sodium.
nappe	a large sheetlike body of rock that has been moved more than 2 km or 5 km from its original position.
O	Oxygen.
OH	Hydroxide.
orogenesis	movements of the earth that form mountains.
palaeo	A prefix relating to a past, ancient or fossil feature.
Palaeoproterozoic	A time period from 1800 to 2400 million years ago. A sub division of the Proterozoic.
Palaeozoic	A time period from 570 to 248 million years ago.
Palladium	naturally occurring element – Pd.
Pb	Lead.
phyllite	Slaty rock with mica crystals giving a lustre. Phyllitic.
pegmatite	a very coarse-grained, intrusive igneous rock comprised of interlocking grains usually larger than 2.5 cm in diameter.
pelite	clastic rock with a grain size of less than 1/16mm (originally sand or silt) Examples include slate and mudstone
penetration	The action of weathering and erosion to form an ultimately flat, sub-horizontal surface.
Permian	is a geological period that extends from 299.0 ± 0.8 to 251.0 ± 0.4 Ma.
PGE	Platinum Group Elements; platinum, palladium, osmium, iridium, rhodium, ruthenium.
pluton	General term for a body of intrusive rock irrespective of its size, shape or composition.
poly-metallic	Of more than one mineral/metal species.
porphyry	a variety of igneous rock consisting of large-grained crystals, such as feldspar or quartz, dispersed in a fine-grained feldspathic matrix or groundmass
plagioclase	A common feldspar mineral.
platinum	naturally occurring element – Pt.
ppm	Parts per million (same as grams per tonne, or g/t).
Precambrian	spans from the formation of Earth around 4500 Ma (million years ago) to the beginning of the Cambrian Period about 542 Ma,
Proterozoic	Geological period approximately 2400-570 Ma ago. The Proterozoic is further subdivided into Palaeo (2400-1800), Meso (1800-1400) and Neo (1400-570).
psammo	Sand.
pyrite	A mineral composed of iron and sulphur, often associated with more valuable minerals.
pyrrhotite	Another form of iron sulphide – may be slightly magnetic.
quartz	Silica rich rock –may be crystalline or amorphous.
Quaternary	a geological period spanning 2.588 +/- 0.005 million years ago to the present
RAB	Rotary Air Blast drilling method – not RC.
RC	See reverse circulation drilling.
REE	Rare Earth Elements.
regolith	a layer of loose, heterogeneous material covering solid rock.
resistivity	A geophysical method which measures how well (or how poorly) the rock conducts electrical current. Resistivity data are measured simultaneously with IP data.
resource	In-situ mineral occurrence for which there are reasonable prospects for eventual economic extraction. The location, quantity, geological characteristics and continuity are known, estimated or interpreted from specific geological evidence and knowledge.
reverse circulation drilling	Drilling method employing a repeated hammering action on a drill bit which yields sample material which is delivered to the surface inside the rod string by compressed air.
rock-chip	The collection of representative samples of rock fragments within a limited area. rocks.
RTP	Reduced to pole.
sandstone	A cemented or otherwise compacted detrital sediment composed predominantly of quartz grains.
Sb	Antimony.
scheelite	Calcium tungstate - one of the two principal tungsten minerals.
schist	The schists form a group of medium-grade metamorphic rocks, chiefly notable for the preponderance of lamellar minerals such as micas, chlorite, talc, hornblende, graphite, and others.
scorodite	An iron arsenic oxide.

sediments	Solid material, both mineral and organic, that is in suspension, is being transported or has been moved from its site of origin by air, water or ice, and has come to rest on the Earth's surface either above or below sea level.
shale	A laminated sediment in which the constituent particles are predominantly clay sized (smaller than 0.0039mm in diameter).
silica	Silicon Dioxide.
silt	A sediment in which most of the particles are between 0.0625mm and 0.0039mm diameter.
siltstone	A very fine-grained clastic rock composed predominantly of silt sized particles.
skeletal lithosol	a thin shallow soil showing minimal profile development and dominated by the presence of weathered rock and rock fragments.
slate	A finely foliated metamorphic rock that results from the metamorphism of rocks such as shale under stress.
slaty	Pertaining to slate.
Sn	Tin.
sphalerite	Zinc sulphide – ore of zinc.
stratigraphy	Composition, sequence and correlation of stratified rocks in the Earth's crust.
stream sediment sampling	A geochemical sampling technique based on the assumption that if traces of an element, such as gold, occur in a stream sediment, they have been derived from the area or catchment that the stream drains.
strike	The direction of the trace of a geological unit or structure on a horizontal surface.
suphlide	A mineral compound characterised by the linkage of sulphur and a metal ion. eg. Fe.
supergene	Secondary ores or minerals formed by downward enrichment processes due to concentration of the minerals by dissolution and precipitation associated with ground water.
surface enrichment	Upgrading of the relative quantity of a mineral or ore at the Earth's surface, due to weathering processes.
syenite	An igneous rock composed primarily of alkali feldspar together with other minerals, such as hornblende.
synclinal	sloping downward toward each other to create a trough
t	metric tonne.
Ta	Tantalum.
tablelands	Elevated flat-lying ground.
Te	Tellurium.
tectonism	The major structural processes forming faults and folds in the Earth's crust.
tetrahedrite	Copper and antimony sulphide with silver – ore of copper & silver.
Ti	Titanium.
tourmaline	A family of boron-silicate-Na/Al/Mg etc minerals formed in igneous and metamorphic rocks, and often associated with other economic mineralisation.
tuff (aceous)	A compacted pyroclastic rock of cemented volcanic ash.
U	Uranium.
U-Pb Shrimp dating	Uranium–Lead Sensitive High Resolution Ion Microprobe dating. The SHRIMP microprobe uses a beam of ions to produce secondary ions, which are separated by mass and energy by the mass spectrometer and measured by a collector. Primarily used for isotope dating.
U ₃ O ₈	Uranium Oxide.
unconformity	Lack of parallelism between rock strata in sequential contact, caused by a time break in sedimentation.
V	vanadium.
volcaniclastic	A sedimentary rock whose constituents are derived from breakdown of volcanic primary rocks.
VMS	Volcanogenic Massive Sulphides.
W	Tungsten.
weathering	The effects on rock and ore minerals of prolonged exposure to atmospheric elements such as water and oxygen.
wolfram	Iron-manganese tungstate – one of the two principal tungsten minerals.
Y	Yttrium.
Zn	Zinc.
zonation	Pertaining to zones.

PART VII

AUSTRALIA COMPETENT PERSON'S REPORT

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Australian & International Exploration & Evaluation of Mineral Properties

28 October 2009

The Directors
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The Directors
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Dear Sirs

COMPETENT PERSONS REPORT ON THE CORONET HILL PROJECT - NORTH RIVER RESOURCES PLC

At your request, Al Maynard & Associates (“AM&A”) has prepared a Competent Persons’ Report on the Coronet Hill Project held by North River Resources plc (“North River”). It is our understanding that this report will be included in its entirety in an Admission Document for the AIM market of the London Stock Exchange (“LSE”).

The objective of this report is to: (1) confirm the veracity of the available technical information; (2) to comment on the exploration potential of the project areas, and (3) to consider the appropriateness of the work programs and budget proposed by North River.

AM&A has based its assessment of North River’s Coronet Hill Tenement on detailed discussions with the management of North River and its consultants, and on a review of technical information compiled by North River, previous tenement holders and the Northern Territory Department of Primary Industry, Fisheries and Mines (“DPIFM”), as well as published technical documents and various company reports. A listing of the documents referenced is provided at the end of this report. Consents have been sought from North Rivers’ consultants to include technical information and opinions expressed by them. None of the other entities referred to in this report have consented to their inclusions in this report and have only been referred to in the context of reporting material fact. AM&A accepts responsibility for this report in accordance with the AIM Rules.

AM&A have not undertaken a recent site visit to North River’s Coronet Hill Tenement. However, AM & A is familiar with the project area through several visits to the Coronet Hill district over the preceding decade.

AM&A has based its findings upon information known to us at 28 October 2009 and has satisfied itself that all material information in the possession of North River and its consultants has been fully disclosed to AM&A. North River has agreed to indemnify AM&A from any liability arising from its reliance upon information provided or from information not provided. A draft version of this report was provided to the directors of North River before listing for comment in respect of omission and factual accuracy.

AM&A has prepared this report on the understanding that the Coronet Hill Tenement is currently in good standing and that there is no cause to doubt the eventual granting of any applications. AM&A has not attempted to establish the legal status of the tenements with respect to ownership, Native Title claims or potential environmental and access restrictions and is not qualified to make legal representations in this regard. Rather we have relied upon information provided by North River and on an independent tenement search. It is our understanding that the current ownership status and standing of the tenement has been the subject of independent legal verification.

The proposed exploration programmes developed by the management of North River and reviewed by AM&A have been designed to realise the potential of the project in a prudent and efficient manner. AM&A has been advised by North River that these amounts are sufficient to meet North Rivers' minimum expenditure obligations for the tenements as specified by DPIFM.

Based on AM&A's assessment of North River's Coronet Hill Tenement project it is our opinion that it is of merit and that the evaluation programs proposed have been carefully conceived and costed. AM&A considers that the Tenement has sufficient technical merit to justify the proposed program and associated expenditure.

This report has been prepared by Mr Allen J. Maynard in accordance with the Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ("**the VALMIN Code**") which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("**AusIMM**"), and the Australian Institute of Geoscientists ("**AIG**").

Mr Maynard is a geologist with in excess of 30 years experience in the estimation, assessment and evaluation of precious metals and base metals and other mineral exploration properties. He is a Corporate Member of AusIMM and a Member of AIG.

Mr Maynard is not a sole practitioner and this report has been the subject of internal review within AM&A. AM&A is an independent firm providing specialist mining industry consultancy services in the fields of geology, exploration and resource estimation. The Company has prepared independent technical reports and valuations on a variety of mineral commodities in Australia, Africa, China and South East Asia, South America and elsewhere.

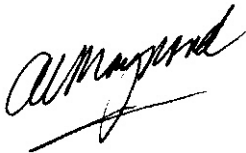
AM&A has reviewed the information contained elsewhere in the Admission Document for North River which relates to the information contained in this report and confirms that the information presented is accurate, balanced and complete and is not inconsistent with this report.

Neither AM&A nor those involved in the preparation of this report have, or have previously had, any material interest in North River or in the mineral properties considered in this report. AM&A is independent of North River, its directors and advisors. Its relationship with North River is solely one of professional association between client and independent consultant. AM&A is remunerated for this report by way of a professional fee determined in accordance to a standard schedule of rates which is not contingent on the outcome of this report.

This report is complete up to and including 28 October 2009. AM&A has given, and not before lodgement of North Rivers' Admission Document, its written consent to being named as author of this report and to the inclusion of this in its Admission Document, as well as the inclusion of statements made by AM&A and to the references of its name in other sections of the Admission Document, in the form and context in which the report and those statements appear.

AM&A accepts responsibility for this report for the purposes of a Competent Person's Report under the AIM Rules. Having taken all reasonable care to ensure that such is the case, AM&A confirms that to the best of its knowledge, the information contained in the report is in accordance with the facts, contains no omission likely to affect its import, and no change has occurred from 28 October 2009 to the date hereof that would require any amendment to the report. AM&A also confirms that where any information contained in the report has been sourced from a third party, such information has been accurately reproduced and, so far as we are aware and are able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Allen J Maynard', with a stylized flourish underneath.

Allen J Maynard

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Australian & International Exploration & Evaluation of Mineral Properties

Competent Persons' Report

for

North River Resources plc

“CORONET HILL”

POLY-METALLIC PROJECT

NORTHERN TERRITORY

AUSTRALIA

Prepared by:

Allen J Maynard

BAppSc(Geol), MAIG, MAusIMM

28th October 2009

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EXECUTIVE SUMMARY

This report is to be included in an Admission Document in conjunction with the proposed admission of ordinary shares of North River Resources plc (“North River”) to the AIM market of London Stock Exchange (“Admission”). It has been prepared by Al Maynard & Associates Pty Ltd (“AM&A”) principal geologist Allen J Maynard, MAIG, MAusIMM with more than 30 years experience in mineral exploration and 25 years evaluating mineral properties in more than 20 countries.

Pursuant to a Farmin Agreement between North River Resources Pty Ltd (“NRPL”), a wholly owned subsidiary of North River and Segue Resources Limited (“Segue”), dated 26th July, 2006, as amended and restated on 6th November 2006 and 24 July 2009 (“Farmin Agreement”), NRPL is entitled to earn a 20% interest in exploration licence EL10004 located the Northern Territory of Australia (“Tenement”) by expending such amount as the parties may agree (currently being £200,000) up to a maximum of £500,000 on the Tenement on or before 18 August 2010. Subject to having expended this initial expenditure, NRPL is entitled to earn a further 31% (in aggregate a 51% interest) in the Tenement by expending a further amount equal to £2,000,000 less the initial expenditure on the Tenement on or before 18 August 2012.

The historic mining centre of Coronet Hill is located 220km south-east of Darwin in the Northern Territory of Australia (Figures 1 & 2). The Tenement securing the project area is on a major, mineralised structure known as the Coronet Fault that trends northwest-southeast. Historical mine workings along the Coronet Fault and adjacent points were mined intermittently for silver, copper and tin between 1888 and 1918. Alluvial tin was also produced elsewhere from workings at the Mary River Camp and the Ross mine (Figure 3).

Successive waves of appraisals of the area the subject of the Tenement by historic and modern explorers has shown the Coronet Fault zone and parallel structures to be anomalous in tin, tungsten, silver base metals over 4km of strike within the Tenement. Work in recent years was principally directed towards precious and base-metals and tin and tungsten were secondary targets. Previous exploration concentrated upon evaluation of the sulphide-rich and narrow historic lodes. There is evidence that the tin and tungsten mineralisation is not only of greater strike extent than previously tested, but may also occur in the alteration zones laterally adjacent to the lodes. Furthermore paralleling structures and cross structures have received little modern exploration.

The Tenement is situated in the southern part of the Pine Creek Inlier (“PCI”). This major mineral province of the Northern Territory covers about 66,000km² and is centred 170km south of the city of Darwin. The region is notable as one of the world’s largest and richest uranium provinces and also as a significant producer of gold, base metals, silver, iron, tin and tungsten. Geologically the Pine Creek Inlier consists of Proterozoic-aged (530-2500 million years old) meta-sedimentary rocks overlying a gneissic and granitic Archaean-aged (2500-3800 million years old) basement.

Geological models of tin occurrences commonly involve mineralisation within close proximity to igneous margins. In this respect the tenement is highly prospective due to its setting proximal to a granitic intrusion known to be responsible for poly-metallic mineralisation occurrence in the area. Geophysical evidence clearly demonstrates the presence of a sub-surface intrusive body in parts of the tenement.

The previous tenement holder was encouraged by this fact and commissioned an independent assessment of the tin potential of the area (J. Fabray, 2004). This report concurred with the view that there is good potential for a hard-rock, economic tin resource to be discovered in the area. It is evident that the Coronet Fault is a significantly under-explored feature responsible for structurally channelling mineralisation in the region.

A significant program of work has been conducted by NRPL over the past three years. This exploration included geochemical and geophysical techniques to identify priority targets for drilling. A program of gradient-array induced polarisation (IP) has highlighted zones of high chargeability indicative of massive to disseminated sulphide mineralisation along the fault that will require further geochemical sampling and detailed geological mapping.

It is also intended to investigate the possibility of hydrothermally-sourced platinum group element (“PGE”) mineralisation in the Tenement. This unusual style of PGE mineralisation has been identified at Coronation Hill, a significant gold-platinum-palladium resource located approximately 25km to the north-west which bears some striking similarities to the geological setting at Coronet Hill.

1. TENEMENT

Details of the Tenement are listed below in the Summary Table of Assets (Table 1) and its location is shown in Figures 1 and 2.

Asset	Holder	Interest (%)	Status	Expiry Date	Licence Area
EL10004 - Northern Territory, Australia	Segue	100%	Exploration Licence	18/8/2010	6 km ² (2 Blocks)

Table 1: Summary Table of Assets.

The Tenement is currently granted for a total of two graticular blocks. In the Northern Territory, tenement areas are described by reference to graticular sections (units of latitude and longitude) or blocks. The areas of these blocks vary slightly, dependent on the distance from the Equator. An approximation of 3km² for one block can be applied. The tenement was granted on 19th August 2002 (“**grant date**”) and is subject to standard terms and conditions under the *Mining Act 1980 (NT)*. The tenement is valid until the 18th of August 2010 but can be extended for a period of 2 years, at the Minister’s discretion.

An exploration licence can be converted to a prospecting licence or a mining lease at any stage.

An exploration licence must be reduced in area at 24 months from its grant date and each 12 months after that date so that the number of blocks to be retained in the licence area for the ensuing 12 months is not more than half the number of blocks contained in the area at the commencement of the initial 12 month period or subsequent 12 month period. The Minister can, on application, waive this reduction.

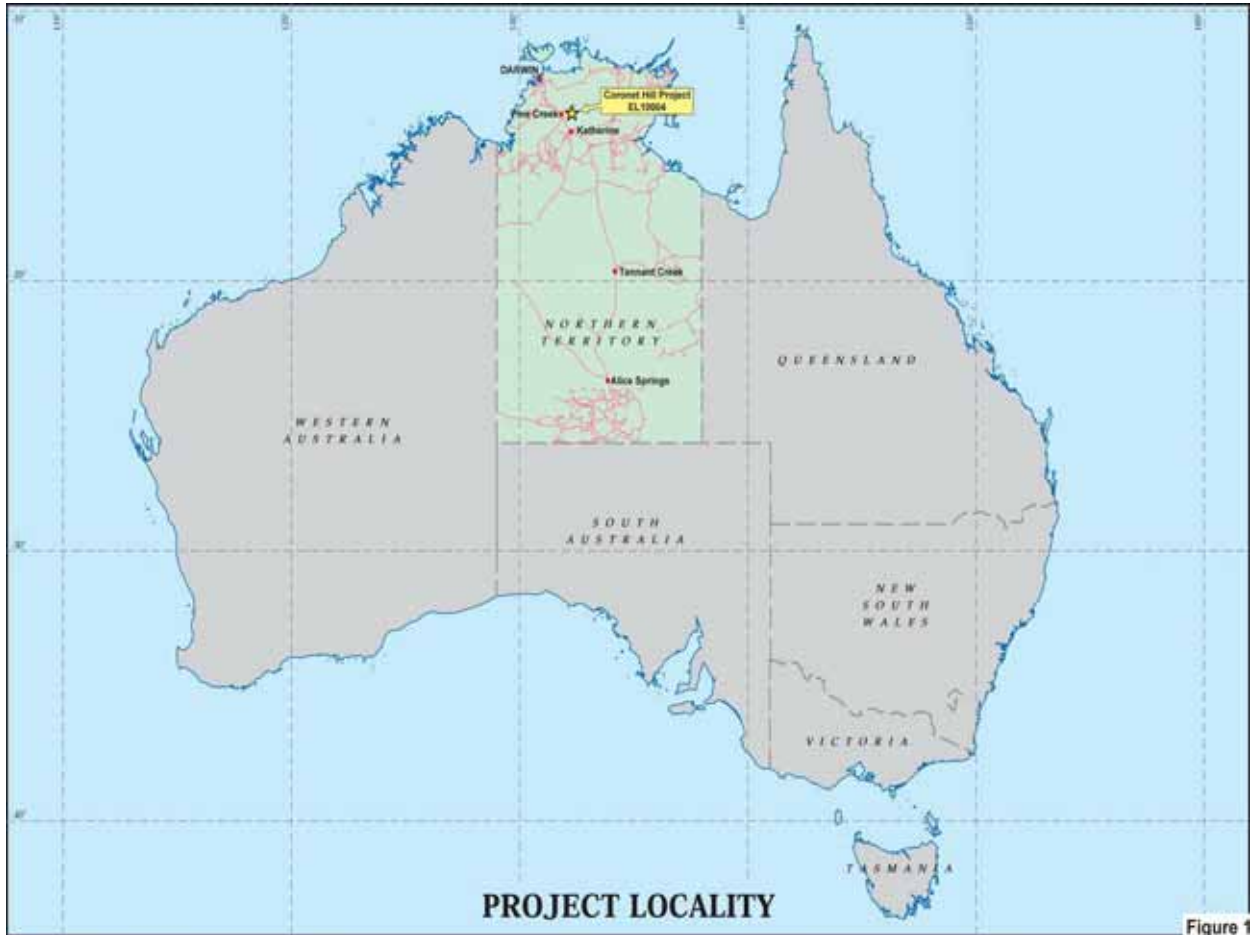


Figure 1: Project Location Map.

DATA SOURCES

The principal data sources are held in the Northern Territory Government's Department of Primary Industry, Fisheries & Mining ("DPIFM") Library in Darwin. Segue has also provided a copy of all recent exploration. These sources are listed in the Bibliography.

In view of the relatively localised and routine nature of Segue's recent and directly applicable field investigations, Al Maynard & Associates ("AM&A") has solely relied on those sources and its broad experience in the Pine Creek Geosyncline over the previous decade and did not visit the project area specifically for the purpose of this report. The most recent visit by AM&A was during September 2005.

2. DESCRIPTION OF RESERVES AND RESOURCES

The Tenement is at an exploration stage and has yielded significant results from the initial exploration delineating substantial anomalous zones. At this stage no reserves or resources have been or can be defined on the Tenement. Accordingly, no table as set out in Appendix 3 of the Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange has been included in this report.

3. COMPLIANCE

This report has been prepared in accordance with the '*AIM Note for Mining and Oil & Gas Companies – June 2009*' issued by the London Stock Exchange.

4. STANDARD

This report has been prepared by Mr Allen J. Maynard in accordance with the Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ("**the VALMIN Code**") which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("**AusIMM**"), and the Australian Institute of Geoscientists ("**AIG**").

5. BACKGROUND INFORMATION

5.1 LOCATION AND ACCESS

The Coronet Hill area is located about 60 kilometres east of Pine Creek and about 220 kilometres south-east of Darwin as shown on Figure 1.

Access to Coronet Hill from Darwin, the capital of the Northern Territory, is by the sealed Stuart Highway to Pine Creek and then east on the Kakadu Highway to Moline for a combined distance of 250 kilometres. The historical mining area is a further 30 kilometres on narrow, unsealed tracks from the Kakadu Highway in broadly a south-easterly direction.

The project area is located outside the south-western boundary of the Kakadu National Park, separated by permanent watercourses, the Mary and Little Mary Rivers.



Figure 2: Project Locality.

5.2 CLIMATE

The area lies in the tropical monsoon rain belt of northern Australia. Annual rainfall is about 1200-1400 millimetres. The bulk of this falls between December and March. Pre-monsoon tropical storms occur in October and November and can restrict activities temporarily. Very little rain usually falls between the start of May and the end of August. Temperatures range from 20-30°C in summer (“wet season”) and 10-30°C in winter (“dry season”).

5.3 TOPOGRAPHY AND VEGETATION

Topographically the area consists of steep strike ridges, low hills and undulating rubble-strewn rises with a well-developed dendritic pattern of drainage. Good outcrop is present along the creeks and on the crests of the ridges, whilst the hill slopes are covered with a thin veneer of near residual skeletal lithosols and colluvial to eluvial gravels. The rocks are deeply weathered in places. Transported soils are restricted to the main flood plain of the Little Mary River and to the lower portions of the larger tributary creeks.

Vegetation consists of open eucalypt woodland and tall perennial grasses typical of the open savannah of tropical Northern Australia.

6. GEOLOGY

6.1 GEOLOGICAL AND MINERALISATION OVERVIEW OF THE PINE CREEK INLIER

This section aims to provide a broad representation of the geology of the southern part of the Pine Creek Inlier as exposed on the Ranford Hill and adjacent 1:100 000 scale geological map sheets (“Sheets”), and the general styles of mineralisation therein. The stratigraphy of this part of the Pine Creek Inlier is shown in Figure 3. The following geological history is adapted from public records.

Most sedimentary-volcanic deposition and all the tectonism, metamorphism and igneous intrusion, are associated with the development of the Pine Creek Inlier during the Palaeoproterozoic time period. Since then the area has been relatively stable apart from minor tectonism and minor Mesoproterozoic, Palaeozoic, Mesozoic and Cainozoic continental or shallow-marine sedimentary deposition. Geosynclinal sedimentation began during the later part of the Palaeoproterozoic, after 2500 Ma, in an intracratonic basin, under mainly alternating continental and shallow-water marine conditions which gave way to deeper-water at later stages. A sequence termed Namoon Group sediments were deposited during this stage.

Proximal sandstone sequences, which rest on Archaean basement, are exposed in areas such as Rum Jungle, but not on the Project area map sheets. Interbedded carbonaceous silts, muds and carbonate rocks were then deposited over these sequences at the margins of the basin. In deeper parts, including these Sheet areas, a thicker sequence of fine clastic and chemical sediments followed and the Mundogie Sandstone sequence accumulated in the basin from a northern provenance as alluvial fans. This was overlain by and transitional with shallow-water, clastic and minor dolomitic deposits of the Wildman Siltstone.

A transgression followed minor uplift and peneplanation of the Mount Partridge Group, and the South Alligator Group of shallow-water, dolomitic and carbon-rich sediments were deposited. Felsic sub-aerial volcanism outside the Sheets during this stage, about 1880 Ma, formed intercalated ash-fall tuffs (the Gerowie Tuff) within the South Alligator Group. The Tenement area is hosted by South Alligator Group sediments.

Locally, hydrothermal-exhalative precious and base metal massive sulphide deposits (e.g., Mount Bonnie) formed during the waning stages of this volcanism. It coincided with an influx of flysch-type sediment of the Finnis River Group, particularly the Burrell Creek Formation. This was possibly related to deepening of the basin. Later, during this influx, minor felsic to intermediate volcanics were extruded. A source area to the south, composed dominantly of volcanic and minor Early Proterozoic sediments, is indicated.

Sills of Zamu Dolerite were intruded probably near the close of geosynclinal deposition between 1880 and 1870 Ma.

The dolerite and the Palaeoproterozoic sediments were then tightly to isoclinally folded, faulted and regionally metamorphosed to low grade between 1870 and 1800 Ma. On the Ranford Hill sheet, block faulting formed a shallow half-graben (Mount Callanan Basin) in the north-east, which was filled by felsic volcanics and sediments of the El Sherana and Edith River Groups at about 1800 Ma.

Several granitoid plutons, together comprising the Cullen Batholith, preceded by minor alkaline intrusions, were emplaced during and after the later stages of orogenesis, extensively contact-metamorphosing the dolerite and geosynclinal sediments. These intrusions were later cut by minor aplite, felsite, syenite and dolerite dykes. Metal-bearing hydrothermal quartz veins and stockworks were emplaced within the contact zone (termed aureole) either during granitoid emplacement or later.

Peneplanation occurred during a very long stable period, broken only in the south-west of the Pine Creek Inlier by:

- block faulting and deposition of the relatively flat lying Middle Proterozoic Tolmer Group;

- fault reactivation in the north-east, intrusion of Oenpelli Dolerite at about 1690 Ma and by deposition of the relatively flat-lying Mesoproterozoic sediments and volcanics of the Katherine River Group at about 1650 Ma; and
- deposition of the Kombolgie Sandstone of the Katherine River Group and Palaeozoic sedimentation of the Daly River Basin.

Deep chemical weathering, which produced the massive ironstones at Frances Creek, preceded Mesozoic deposition of a thin veneer of epicontinental to terrestrial sediments, the remnants of which form scattered mesas and tablelands.

Since then, the area has remained above sea level and has undergone weathering and erosion that produced laterites as well as sheet washes of sand and minor gravels derived from older strata.

The Pine Creek Inlier is significantly mineralised with world-class uranium deposits in the East Alligator area and lesser historic uranium mines in the South Alligator and Rum Jungle districts. Major gold mines have been operated from the mid 1980s, particularly around Pine Creek. Base metals have been mined in the Rum Jungle and Woodcutter's Fields, in the southern PGI and at Coronet Hill.

At Coronation Hill in the South Alligator Field, a considerable gold platinum-palladium deposit has been delineated surrounding a smaller historic uranium mine but has not been brought into production.

Alluvial tin and, locally, tantalum deposits have been worked in several areas.

6.2 CORONET HILL LOCAL GEOLOGY

Within the Tenement area, there is a dominant northwest-southeast grain provided by tight folding and parallel fault structures. Most of the Tenement, as mapped on the 1:100,000 scale Ranford Sheet, is underlain by the slaty to phyllitic mudstone, siltstone and greywacke of the Burrell Creek Formation. The underlying Mount Bonnie Formation of the South Alligator Group is exposed in anticlinal cores and in up-thrust faulted blocks. The most economically important example of the latter is that afforded by the Coronet Fault system (Figure 3).

However, detailed mapping around the Coronet Hill mines by exploration companies has revealed a complex setting. It was interpreted that the oldest sediments exposed are carbonaceous and lesser dolomitic mudstones of the Koolpin Formation ("Fm,"), which are conformably overlain by mudstone, chert and albitic chert of the Gerowie Tuff Formation.

Overlying these sediments are mudstones and BIF of the Mt Bonnie Formation, and then the Burrell Creek Formation. (Figure 3).

The Mt Davis Granite intrudes the sequence and the nearest edge of the granite to the Tenement is about two kilometres south-west of the main Coronet Hill workings. It has been interpreted from geophysical evidence that depth to granitic basement under the Tenement is quite shallow.

As previously mentioned, good outcrop is present along the creeks and on the crests of the ridges, while the hill slopes are covered with a thin veneer of near residual skeletal lithosols and colluvial/eluvial gravels. Transported soils are restricted to the main floodplain of the Mary River and to the lower portions of the larger tributary creeks. These conditions therefore provide excellent media for geochemical sampling exploration methods.

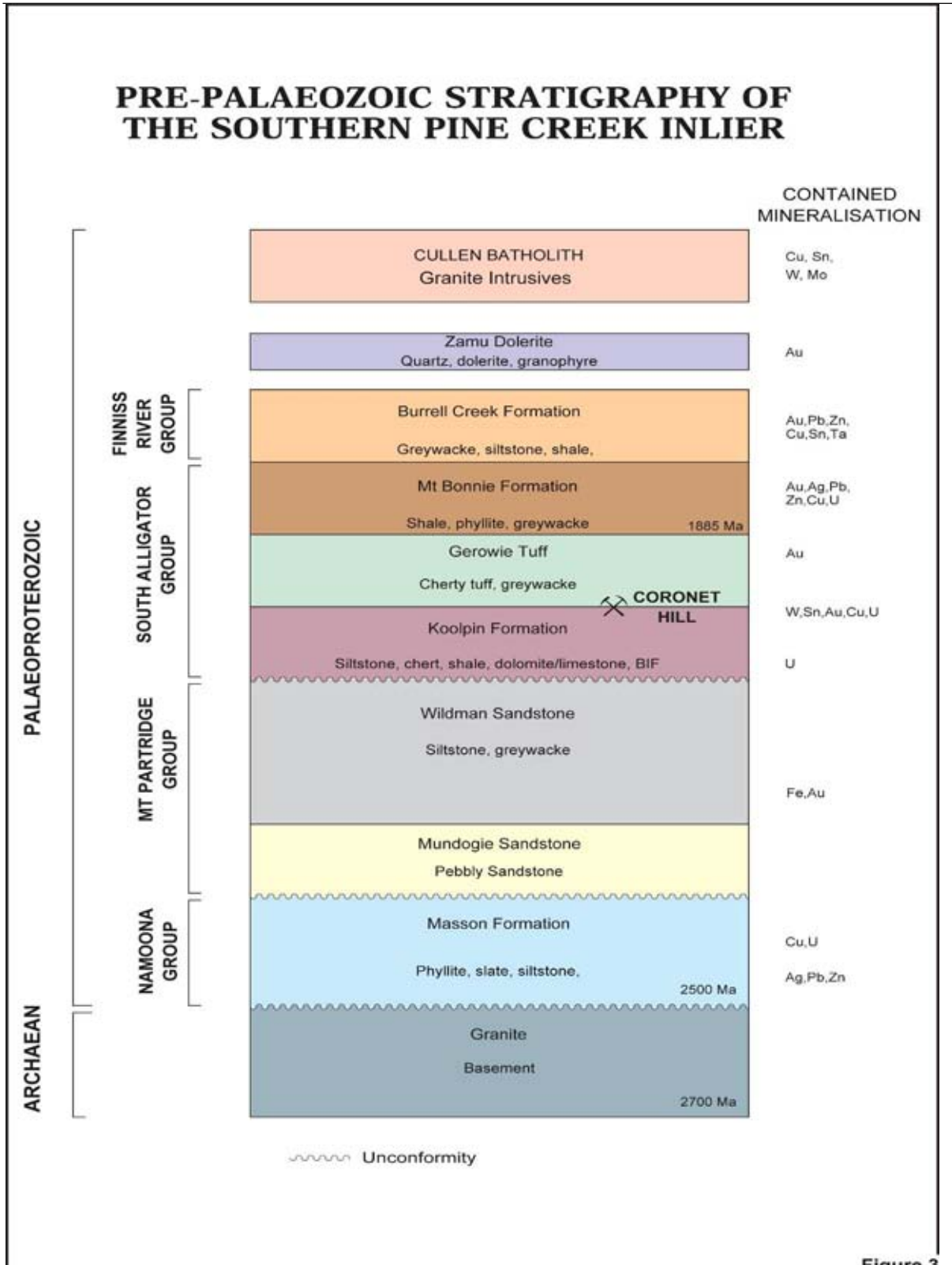


Figure 3: Stratigraphic Column of Pre-Palaeozoic Rock Types.

6.3 CONCEPTUAL MODEL

The Pine Creek Inlier was an area of intrusive activity during the Palaeoproterozoic era which led to the emplacement of granites. In the central region, intrusive activity is represented by the emplacement of the Cullen Batholith, a coalesced mass of granite bodies with several satellite plutons covering an area of about 3,000km². These granites are responsible for a wide variety of mineralisation as the result of hydrothermal alteration and contact metamorphism throughout the region.

The principal conceptual model applicable to exploration in the Coronet Hill area concerns tin-tungsten deposits occurring within the contact aureole of granitic batholiths, usually within 500-1000 metres from such contacts.

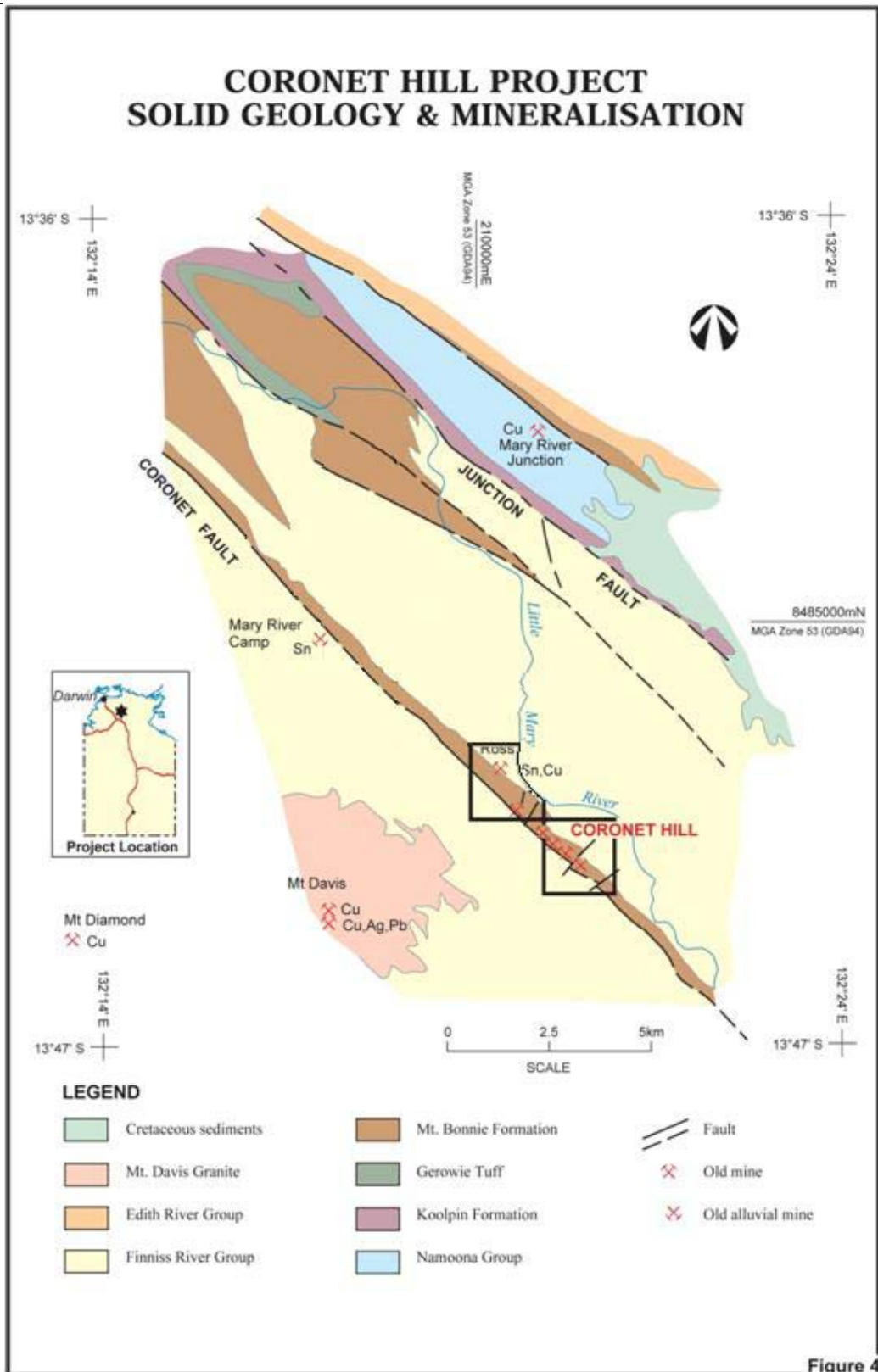


Figure 4: Coronet Hill Tenement over Geology.

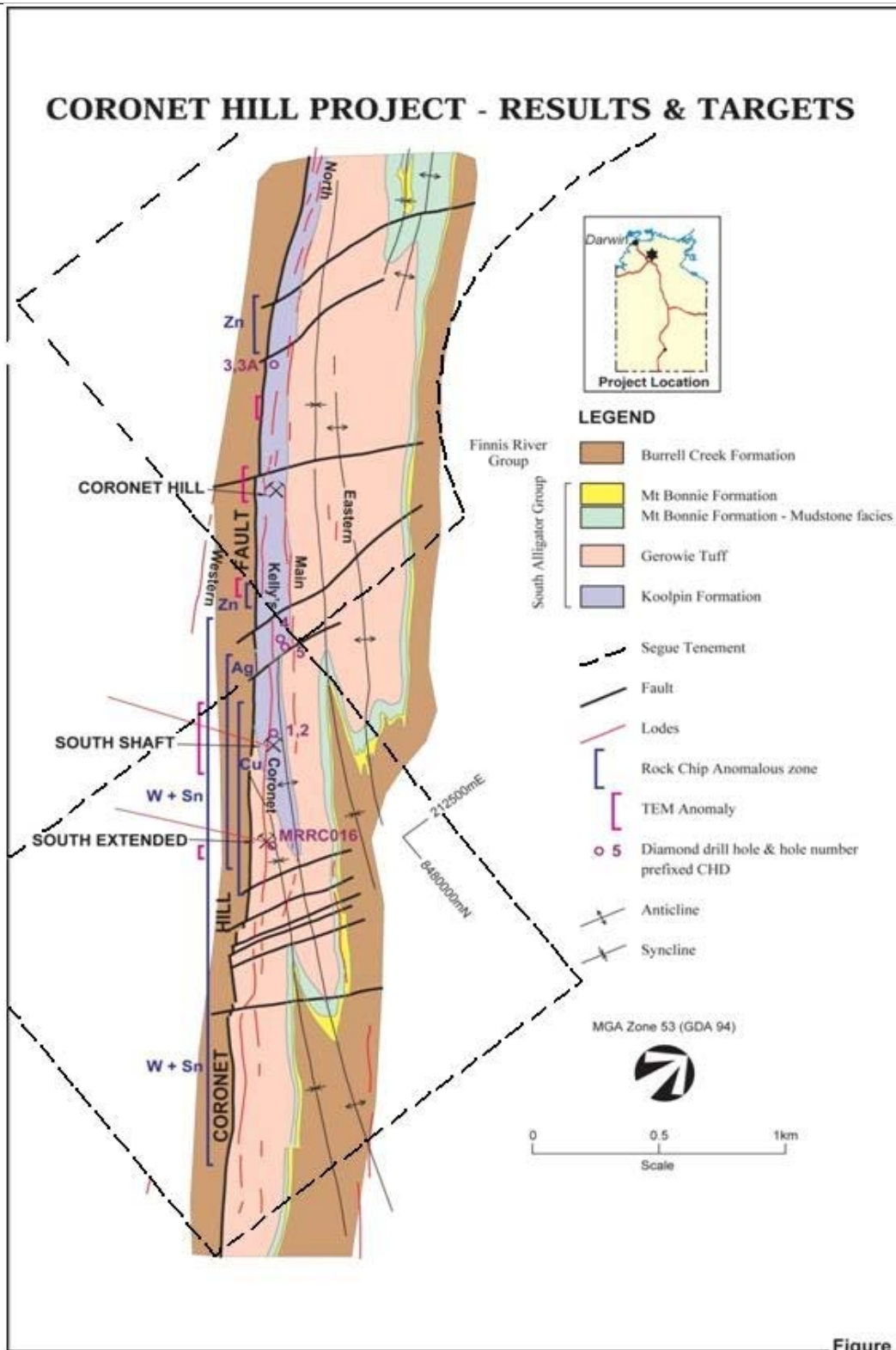


Figure 5: Tenements over Targets.

7. MINERALISATION AND THE MINES

7.1 CORONET HILL

Tin, tungsten, copper, arsenic and minor lead, bismuth, zinc, gold and silver mineralisation is known to occur in the Coronet Hill area. Mineralisation occurs in a number of sulphide-bearing veins within lodes over a known strike length exceeding 4km generally interpreted as fault-controlled and fault parallel. The entire Coronet Fault zone is strongly anomalous for tin, tungsten, copper, arsenic, silver and lead. The area was originally mined for silver then later for copper and tin (Figure 4).

Two outer sets of quartz-tourmaline veins, named the Eastern and the Western Lodes, converge north-westerly towards the main Coronet Fault and enclose a central set of sulphide-bearing veins. Five of the sulphide-bearing veins overlap each other and are arranged *en echelon* over the length of the field. These sulphide-bearing veins also converge towards the north-west.

The Main Lode and Kelly's Lode join into a composite quartz-tourmaline, sulphide-bearing vein named the North Lode. With few exceptions, all the mineralised veins dip steeply in a south-westerly direction (Figure 5). Although the quartz-tourmaline veins can attain thicknesses well in excess of a metre, they are commonly less than 30 cm.

Much of the North Lode is in siltstone: Kelly's Lode is on the boundary between siltstone and chert: while most of the Main Lode, Coronet Hill Lode and South Lode are within chert. These lodes are usually straight and regular, consisting of silicified chert (or siltstone) and vein quartz with local developments of massive scorodite (an iron-arsenic oxide) or gossan.

The Coronet Hill lode, which has the greatest lengths of massive gossan and scorodite in outcrop, provided the majority of the past production of copper ore. The workings consisted of two adits, from which about 300m of drives and cross-cuts were driven, and at least eight shafts, of which the deepest was about 40m.

The copper grade reportedly averaged about 5% with some enriched zones grading up to 16% Cu and 1225 g/t Ag. Less than 250 tonnes of ore grading about 22% Cu and 550 g/t Ag were extracted in the period 1916 to 1918. The veins were mined between 1888 and 1918. The primary ore contained:

Mineral	Ore Type
Chalcopyrite	Copper
Covellite	Copper
Enargite	Copper-Arsenic
Cuprite	Copper
Arsenopyrite	Arsenic sulphide
Pyrite	Iron sulphide
Pyrrhotite	Iron sulphide
Tetrahedrite	Copper-Antimony
Galena	Lead
Cassiterite	Tin
Wolfram	Tungsten
Scheelite	Tungsten

Lode and alluvial tin was produced from the Mary River Camp. The alluvials have a recorded production of 46 tonnes of tin concentrate between 1910 and 1913. Production between 1910 and 1913 was mainly from alluvial concentrations in the creeks. Limited mining was done on cassiterite-bearing quartz veins which were probably the source of the alluvial deposits. Minor amounts of tin were produced from quartz-tourmaline veins at the Ross Mine. The veins were about 0.3m wide and contained cassiterite, arsenopyrite and chalcopyrite and trended north-westerly.

7.2 PAST EXPLORATION OVERVIEW

Early investigations were conducted by Federal and Northern Territory government agencies from 1919 to the 1960s. The government initially praised the potential of the Coronet Hills area, advocating it as a site for a smelter to service the mines of the district and recommending a light railway connection to Pine Creek.

In 1951 the Northern Territory Geological Survey recommended exploration of and development on the lodes.

Company investigations began from the mid 1960s and they generally concentrated upon an appraisal of the base metal potential (see (a) – (f) below).

In 1962 Northern Territory government mapping and appraisal of the vein systems was carried out and a subsequent drilling program was promoted but apparently not carried out.

In a 1982 Northern Territory and Federal government publication it was stated that:

"The workings extend intermittently over a total length of about 2½ miles, and consist of two adits from which about 1000 feet of drives and cross-cuts have been driven, and at least eight shafts, of which the deepest is about 120 feet. Most of the work appears to have been done between 1916 and 1918.

The lodes average 2 to 3 feet thick, with occasional bulges up to 10 feet, but assay values are very erratic. Of a group of 35 samples taken in 1961, 12 gave assays of over 5 percent Cu, 20 contained 8 to 30 oz Ag per ton, and 2 contained over 15 percent Pb. Pyrite and arsenopyrite are always present in the primary ore, and scorodite (iron arsenate) commonly occurs in the oxidised zone. Gold is generally low (less than 1 dwt per ton), but up to 0.7 per cent bismuth and traces of antimony may be present."

(a) The first documented explorer from the mid 1960s was United Uranium NL who was able to secure tenure not only over Coronet Hill, but also other fields in the district and revisited the idea of a central treatment plant. Using known parameters of the Coronet Hill field, including a postulated productive length of 3000', a width of 3', a mineable depth of 3000', an in situ copper grade of 5%, and allowing for low grade material to be left as pillars, mining dilution etc, it rather optimistically postulated that 3.8 million tons of 4.2% Cu and 12 ozs Ag/ton material might be found, mined and milled. A drilling program to delineate reserves was proposed, but not carried out for unknown corporate reasons.

(b) The second documented explorer was Geopeko who from 1981 were active at the Coronet Hill area as part of a large regional program searching for Mt Bonnie stratiform base metal style mineralisation associated with Gerowie Tuff and Mt Bonnie Formation of the South Alligator Group. It concluded that a significant tonnage of ore grade material may be present at Coronet Hill and that the Gerowie Tuff was prospective for stratiform base metal mineralisation. However no work was carried out possibly due to budget constraints.

(c) Australian Coal and Gold Holdings and Troy Resources Ltd held a tenement which covered all of the area of the Tenement during the late 1980s. Initial target commodities included tin, gold, uranium and diamonds. Exploration consisted of gridding; detailed geological mapping; rock chip sampling; stream sediment sampling with geochemical analysis of the fine fraction and mineralogical examination of the coarse, heavy mineral fraction; and an airborne magnetometric/radiometric survey.

The Mary River Camp tin occurrences, which occur about 7km north-west of the Coronet Hill mine, were gridded and geologically mapped. This indicated a complex system of quartz-tourmaline veins, quartz veins and granite dykes with associated tin mineralisation. Tin values of up to 3.3% resulted from sampling of shallow prospecting pits.

Rock chip sampling was taken over two traverses 65-75m in length and about 100m apart. The southerly covered the main mineralised zone and the northerly was about 100m north of that zone.

Sample intervals were irregular and, unfortunately, various uncertainties in sample location and numbering render the results less than optimal. Nevertheless that traverse reportedly averaged about 0.1% tin which must be regarded as highly encouraging. Actual tungsten assays were not given but were described as "low".

A low density BLEG gold sampling program located two weak anomalies within the area the subject of the Tenement. Bulk sampling for tin at Mary River Camp was unsuccessful.

The companies undertook a rock chip sampling program of gossanous cherts over a strike length of 900m, with the cherts occurring about 500m north-east of the Coronet Hill line of lode. Base metal assay results peaked at 1.54% lead, 1910ppm zinc and 37.5ppm silver; apparently no assaying for tin or tungsten was carried out. Drilling follow-up was proposed but not undertaken possibly due to budget constraints.

Prospecting and gossan or rock chip sampling were carried out on the main Coronet Hill line. Eight RC holes for a total of 427m were drilled into the most likely prospects. Three holes were drilled at Kelly's Lode, two at South Shaft and two at South Extended Shaft (Figure 4). The eighth tested a small gossan zone about 100m west of Kelly's adit. Others tested the general lode systems.

The drilling beneath the gossan outcrops intersected massive and disseminated sulphide mineralisation consisting dominantly of arsenopyrite and pyrite. The zones of massive sulphide were thin (1.0 to 1.5m true thickness). Best values of economic significance were in hole MRRC-16 which assayed 2.96% copper, 0.6% lead, 0.7% zinc, 0.9% arsenic and 6.9 oz/t silver over a 5m down-hole interval and 1.5m true width. It was suggested that the hole intersected the mineralisation down-dip of the structure. Unfortunately the samples were not assayed for tin or tungsten and the tenure was relinquished possibly due to budget constraints.

(d) The same ground was later taken up by Mineral Resources Corporation P/L and Kakadu Resources NL. An initial 55 sample stream BLEG survey assessed the region. A total of 84 soil samples and 24 rock chip samples were taken in the northern parts of the tenement and along the north-western extent of the Coronet Fault. No near-surface indication of extensive economic mineralisation was found and the tenement was again relinquished as the JV had higher priority targets elsewhere.

(e) During much of the late 1980s to mid 1990s, the area was held by a consortium whose varying members had experience in Northern Territory gold and base metal development and production: it included Aztec Mining Co Ltd, Dominion Mining Limited, Territory Goldfields NL, Northern Gold NL and Normandy Metals Ltd. They concentrated on base metals and gold, and on tin and tungsten to a much lesser extent. Tenements covered all of the area the subject of the Tenement, but reporting of the data is very fragmented.

The initial investigations mainly covered areas north-west of the Tenement. Detailed stream sampling of -40 mesh material was carried out, with a sample density of 170 - 250 metres apart in all streams draining off or alongside the Coronet Fault. The north-western extent of the Coronet Fault was not found to be anomalous. Lead and

tin stream anomalies were confined to the historically mined areas. Rock chip follow-up of the stream tin anomalies only returned values up to 159ppm tin.

This work was followed by a lag sampling program on a 200 m x 700 m basis, and then by a 500 m x 100 m soil BLEG program for gold, arsenic and base metals, tin and tungsten, covering the Coronet Fault and immediately to the east of it.

Although this licence covered only one block of the Tenement, it did cover a strike length of two kilometres of the Coronet Fault 8km north-west of the main workings and at the extreme north-west part of the Tenement. The repetitive and intensive geochemical campaigns can be regarded as having eliminated any chance of near surface base and precious metal mineralisation in that block. However, strong tin anomalies resulted and there are occasional moderate tungsten anomalies.

Another tenement held by Aztec Mining, Normandy Metals and Northern Gold covered only the most south-easterly block of the Tenement. A first pass rock chip program found significant lead, arsenic and tin anomalism associated with the south-eastern end of the Coronet Fault, and a second parallel zone some 400m south-west of the Tenement. Stream BLEG gold values were not anomalous.

A further small tenement covered the most north-westerly part of the Coronet Fault within the Tenement. A very detailed stream sediment program, at a sampling density of $\pm 16/\text{km}^2$, was completed. The stream sediment analysis revealed a broadly coincident area of anomalous lead and tin that is located over and adjacent to the Coronet Fault zone. Copper, zinc, silver, arsenic, bismuth and gold were at background levels and tungsten anomalism was both weak and uncommon.

A rock chip sampling program over the gossanous lodes which sourced the tin, lead and arsenic stream sediment anomalies returned only low-level tungsten values.

In a further exploration licence, mapping and rock chipping programs were concentrated on the Coronet Fault zone. This work revealed the Coronet Hill target area is geochemically highly anomalous and defined a coincident lead and tin stream geochemical anomaly that required follow-up exploration. A metal zonation was recognised and areas with high base metals but low arsenic were indicated. Anomalous areas were pegged with mineral claims in order to carry out further exploration.

In order to maintain tenure over core ground in the face of statutory exploration licence partial relinquishment requirements, the main Coronet Hill mine area was pegged with mining claims. Gridding, mapping, detailed stream sediment sampling, gossan rock chip sampling and follow-up diamond drilling was undertaken on them. The mapping was detailed, and supported the close spaced stream sediment sampling (125 samples at 300 - 400 m spacing in all drainages along and off the Coronet Fault). The gossans were systematically rock chipped at intervals of 30 - 40m.

This rock chipping covered a strike length of about 10km and was the first program in which tungsten was consistently assayed. Of the 295 samples, most assays would be described as anomalous, with 36 exceeding 0.1% tungsten and five exceeding 1%. Figure 5 shows bracketed zones of anomalous tin, tungsten, copper, silver and zinc along the Coronet Fault.

There is no record of any ultraviolet lamping campaigns and so this program does not indicate the potential for tungsten mineralisation as scheelite in the altered rocks surrounding the 1-2m thick gossans.

A transient electromagnetic (TEM) survey was carried out at Coronet Hill using 25 traverses of about one kilometre in length, and spaced 100m apart. Several conductors were revealed, located above a consistent deeper conductor, which was present over the entire length of the survey grid. Of the shallower conductors one is prominent. It was tested by five diamond holes within MLN 20 but they indicated that the conductors were carbonaceous black shale. Hole CHD2 was only assayed between 261m-267m and returned the following:

➤ average tin	174 ppm	
➤ average tungsten	293 ppm	
➤ peak tungsten	1350 ppm	265-266m
➤ peak copper	1.8%	264-266m

Drill holes CHD 3 & 3A were targeted to test Coronet Hill structures in albitic chert beds below a strong zinc, lead and copper rock chip anomaly. Thin sulphide veinlets with galena, sphalerite, chalcopyrite and arsenopyrite were intersected. However there were no economically significant grades. Fourteen samples, based on the presence of sulphide mineralisation, were assayed with peak tin value of 135ppm and tungsten value of 30ppm.

CHD4 was targeted to test down dip from gossan developed on the surface in a shear link structure between Kelly's Lode and Main Lode. The hole was abandoned at 151m as it had become too steep. A second hole, CHD 5, was collared close-by and was drilled to test the same target. Narrow sulphide filled veins (predominantly pyrite and arsenopyrite) were intersected throughout the hole, but with no encouraging base metal assays. Again, the presence of base metal mineralisation determined the intervals for assaying which comprised only 13 samples. The peak tin assay was 100 ppm, but strong tungsten mineralisation is evident as follows:

140.0 – 140.5m	0.48%
179.7 – 180.8m	750 ppm

It was generally noted by the consortium that:

- The Coronet Hill mineralisation is polymetallic and there is good potential to locate areas of significant mineralisation with lower 'penalty' metals (i.e. low arsenic and bismuth which the refiner will charge for if in high amounts).

- A lateral mineral zonation was revealed (Figure 4).
- The EM conductive anomalies are caused by carbonaceous mudstone, however there are discrete subtle responses that could reflect sulphide mineralisation and still require explanation.
- The mineralisation style is similar to that which was then being mined at Woodcutters, to the east of Rum Jungle (Figure 1) in the Pine Creek Geosyncline. It occurs in dextral (right hand movement) strike slip faults and is best developed in northerly trending shear link structures that cross cut the north-west trend.
- The diamond drilling revealed wide alteration zones although the base metal sulphide-filled veins are only thin (<1 m).
- Geological mapping and airborne magnetics indicate that the Mt Diamond granite shallowly underlies most of the mapped area.

Northern Gold NL finally undertook a detailed soil sampling program. Lines were spaced at 400 m; samples were collected every 25 m and composited to 100 m. They were assayed for BLEG gold, arsenic and for base metals and volatile elements including tin and tungsten.

(f) A final exploration effort by Dominion Mining NL and Minotaur Gold NL was over a tenement which covered all but the southern portion of the Tenement. It was initially subjected to a lag geochemical sampling program. A number of weak zones of gold and incoherent base metal anomalism resulted. Follow-up was a low-key reconnaissance soil sampling and rock chip sampling program which did not provide any encouragement.

7.3 PGE POTENTIAL

It is intended to undertake at least preliminary investigations of the Coronet system to determine whether it may host PGE mineralisation. The rationale is the occurrence of the significant Coronation Hill deposit some 25km to the north-east, for which mineralisation has been published as standing at 4.85Mt at 4.31g/t gold, 0.19g/t platinum and 0.65g/t palladium.

Comparisons between the two mineralised systems are listed in Table 2 below.

Characteristic	Coronation Hill	Coronet Hill
Host stratigraphy	Koolpin Fm. Gerowie Tuff Debris Flow Conglomerate Capping Sandstone	Koolpin Fm. Gerowie Tuff
Host lithologies	Tuffaceous siltstone Quartz feldspar Porphyry Quartz diorite	Carbonaceous & dolomitic mudstones, mudstone, chert and albitic chert
Structural control	Very strong North-west trending fault systems	Strong North-west trending fault systems
Proximity to intrusions	Immediate	Mt Diamond granite “underlies shallowly”
Mineralisation	Gold, PGE (uranium, selenium, antimony, silver) Low sulphides, minor base metals	Tin, tungsten, copper, arsenic (lead, bismuth, zinc, gold, silver) High sulphides, strong base metals.
PGE	Yes	No known assays
Alteration	Sericite, chlorite, quartz	Quartz-tourmaline, chlorite, hematite, albite
Length of mineralised system	South Alligator field: 15-20km	Coronet Fault System: >10km
Mineral zoning	Yes	Yes

Table 2: Summary Table of Comparisons – Coronation Hill & Coronet Hill.

7.4 REVIEW OF SEGUE SOIL SAMPLING

The most south-easterly block of the Tenement has been subject to a soil sampling program by Segue in the 2006 field season. Sampling pattern was mostly 100m x 25m utilising the existing northeast-southwest Aztec grid. The principal known zone of mineralisation in that block had previously had minor drill assessment by Aztec’s relatively shallow drill holes MRRC 013, 015 and 016 and diamond drill hole CHD01 (Figure 5).

For comparative purposes a single line was run across the main zone of historic workings in the next block to the north-west (Figure 5).

Tungsten is expected to be particulate and thus not prone to geochemical dispersion. The main mineralised trend is evident over the 1km of tested strike, and mineralisation is strongest over the two most north-westerly sample traverses. It is open beyond that distance and extension of the survey is well warranted. That main anomaly is also 100 – 150m wide with a halo almost doubling that and so indicates potential for a broad mineralised zone.

A weaker, but consistently anomalous, trend is also evident near the upper contact of the main target stratigraphic unit approximately 300m north-east across strike.

The single traverse across the main workings – where the limited drilling to date has been concentrated – was only weakly tungsteniferous and better results returned from the south-west extremity of the sample line, indicating a possible new target zone.

Tin should be particulate and so dispersion is likely to be principally by mechanical means. While the main mineralised trend is evident, anomalism is spatially restricted. The best mineralised zone in terms of assay and thickness occurs over the most south-easterly four traverses. Mineralisation is strengthening and broadening to the south-east, and generally occurs beyond any existing drilling. Extensions to the sampling program are warranted. Anomalism to the south-west of the main mineralised line of lode is also evident in that south-west direction and there is also evidence of a second and parallel zone some 300m south-west of that main zone.

Lead anomalism tracks the main lines of lode clearly, and at least two other target zones are indicated stratigraphically to the north-east and there may be a new target emerging along the western boundary of that the sampled tenement block.

Potential for the discovery of new lode zones, or more dispersed mineralisation, is evident.

Copper assays indicate at least three other mineralised zones parallel, and in addition to the main line of lode and mineralisation is open along strike in both directions. This has not been closed off by the sampling along the traverses in both north-east and south-west directions.

The following are the salient features:-

- Mineral zoning is evident;
- The mineralisation system is open along strike, is broad, and consists of multiple target zones;
- Soil sampling is demonstrated to be a valid exploration technique and its coverage should be expanded throughout the Tenement;
- The sampling results clearly demonstrate the grossly inadequate drill testing of the Coronet Hill system to date; and
- Element assay coverage should be extended to include PGE.

7.5 OVERVIEW OF PAST WORK

The Coronet Fault zone has long been recognised as having base metal and tin potential. During the modern exploration phases of the 1980s and 1990s, tin prices were depressed and consequently there was little effort directed towards it other than being ancillary to assessment for gold and base metals. Tungsten has received even less attention and PGE none.

Segue Resources has conducted limited rock chip sampling across the Coronet Hill tenure. The results of sampling are listed in Table 3 below:

Sample	Au ppm	Ag ppm	As%	Cu%	Pb%	Sn ppm	Zn%	W ppm
MET 1	0.17	90	28.4	1.05	0.63	<50	0.01	3420
MET 2	0.27	399	24.8	4.68	5.4	654	2.17	2720
MET 3	0.16	320	32.8	8.83	0.53	1695	0.13	626
MET 4	0.42	78	26.8	0.68	0.06	<50	0.07	219
CH 1	0.24	292	16.9	9.21	4.02	1700	2.54	111
CH 2	0.2	192	13.7	0.48	0.77	4575	0.03	60
CH 3	0.15	77	32.9	4.85	0.33	<50	0.01	1470

Table 3: Rock Chip Assay Results.

7.5.1 Base Metals

Successive waves of geological sampling over the years, combined with mapping in this area of good outcrop, have clearly defined the near-surface target base and precious metal zones. Although drilling has been limited with respect to both the number of holes and the depth which they have tested, the dozen holes to date have not given any reason to believe that the thin mineralised lodes seen at surface are likely to host economic tonnages of ore at shallow depth.

Because of the widespread surface anomalism, there is a possibility for a significant base metal deposit to occur at greater depths than have been tested to date. Geophysical techniques, such as gravity, magnetics and EM will be required to define specific target zones along the extended mineralisation belt. While EM has previously been conducted and limited drilling of the larger EM anomalies found them to be caused by sulphidic black shales, those previous explorers did comment that other more subtle anomalies had not been explained and so they remain as targets.

7.5.2 Tin & Tungsten

There has been considerable geochemical investigation for tin and this has resulted in the recognition that the entire Coronet Fault zone in the Tenement is considered as strongly anomalous and an obvious target. The tin stream, soil and rock chip

anomalies have yet to be followed up. Together with a second anomalous zone 400-500m separated from the main Coronet Hill line of lode, a broader target has been defined. To date, the rock chip sampling, as was the case for the selective assaying of the drill core, has been concentrated on obvious gossan or strongly sulphidic zones.

Turning to tungsten, even less work has been done. Nonetheless it is apparent that the tungsten anomalism is just as extensive along the Coronet Fault zone as is tin. Furthermore, a tin-tungsten zonation is evident at Coronet Hill with a preferred target about 2.5km long (Figure 4) and the limited drill core assaying has recovered grades with economic potential.

Segue has advised that it has accessed some of the historic drill core and that ultraviolet (“UV”) lamping of it has revealed significant tungsten mineralisation in the form of scheelite.

Additional targets are that the tin and tungsten be hosted by quartz or sulphide veins as a stockwork or sheeted system around the main lodes, or be disseminated in the country rock around or between those lodes. Previous testwork for tin and tungsten was confined to the known lode systems. It is intended to initiate a detailed soil sampling program beginning in the most south-easterly block of the Tenement. This is a logical first step in the exploration for broader zones of tin and tungsten.

The mineralisation, by analogy with other producing fields, is highly likely to exhibit strong vertical zoning. Past explorers have interpreted depth to granite basement to be “quite shallow”, although modelled depths were not quoted. It is quite possible that the extent and tenor of mineralisation will improve strongly with depth.

7.5.3 *Platinum Group Elements*

There are sufficient similarities between Coronet Hill and Coronation Hill to justify at least the initiation of an appraisal of the former for PGE mineralisation. Given the relationship between PGE and precious metal mineralisation and faults at Coronation Hill, the faults and lode structures at Coronet Hill would be the obvious first target.

Coronation Hill is one of a very small number of hydrothermal platinum deposits in the world formed entirely from low to moderate temperature fluid action. Platinum-palladium-gold mineralisation occurs in structurally controlled lenses in Proterozoic meta-shale and in altered volcanics near an unconformity with overlying sediments.

It is hydrothermal replacement of wallrock that is responsible for mineralisation and there does not appear to be a preference for any particular rock type (Carville et al, 1990). Ore occurs in 2-35m wide tabular bodies which are sub-parallel to north-north-west splays of the regional structure. The location of these bodies is attributed to fracturing that provides channel-ways for mineralising solutions.

Interestingly, gold and PGE appear qualitatively related (Carville et al, 1990) and sulphide minerals only occur in trace amounts in mineralised zones. Although no significant gold mineralisation has been shown to exist at Coronet Hill, enough primary similarities exist between Coronation Hill and Coronet Hill to investigate a hypothesis of similar mineralisation styles. As far as it is possible to determine no PGE analyses have ever been completed on samples in this tenure.

8. Proposed Work Program

8.1 Expenditure Commitment

NRPL, pursuant to budgets agreed with Segue pursuant to the Farmin Agreement, proposes to spend a minimum of £65,000 (~AUD\$121,000) on or before 18 August 2010 in order to gather further information on the prospectivity of the Tenement. Furthermore, this expenditure will enable the Company to earn the 20% interest in Tenement pursuant to the Farmin Agreement, following which assessment will be made as to whether to expend the additional funds required to earn the further 31% interest in the Tenement. Detailed exploration budgets are contained in Table 4.

8.2 Work Program

The work program for the Tenement will include some or all of the following:

- Ongoing review and compilation of all previous data into a GIS database, thus increasing exploration efficiency to generate targets in the future.
- Regional and local geological reconnaissance/ mapping to gain a better understanding of the structural and stratigraphic nature of the mineralisation.
- Further surface rock chip and/or soil sampling to identify areas of geochemical anomalism.
- Geophysical surveying using multiple techniques, including initially both gradient array and dipole-dipole induced polarisation to assist with the identification of near surface massive and disseminated sulphides for drill targeting.
- Auger, RAB, RC and/or diamond drilling to test generated targets.

Table 4: Exploration Budget for Coronet Hill

Table 4: Exploration Budget for Coronet Hill		
Project: Coronet Hill Exploration Program	Amount	Total
	AUD\$	AUD\$
Heavy Earth Moving Equipment Hire		
Mob/Demo + Clearing of Road/Tracks, Drill Access /Pads	\$5,000.00	
Sub-total		\$5,000.00
RC Drilling for 10 Holes, totalling 2000 metres		
Drill Contractor		
-Mobilisation/Demobilisation	\$2,500.00	
-RC - (av. \$50.00/m) (estimated at 1000m)	\$50,000.00	
Geologist for drilling (15 Days @ \$500/day)	\$7,500.00	
Field Assistant (15 Days @ \$350/day)	\$5,250.00	
Vehicle (15 Days @ \$120/day)	\$1,800.00	
Accommodation Mary River Roadhouse - Geo (15 Days @ \$100/day)	\$1,500.00	
Accommodation Mary River Roadhouse – Field Assist (15 Days @ \$100/day)	\$1,500.00	
Accommodation Mary River Roadhouse – Drillers x3 (12 Days @ \$100/day)	\$3,600.00	
Sub-total		\$73,650.00
Assay Laboratories Analysis		
Geochemistry for RC Drill Samples (\$25/sample for 430)	\$10,750.00	
Sub-total		\$10,750.00
Drilling Consumables/General Consumables		
Drilling Consumables (foam, oils, PVC pipes etc)	\$500.00	
General Consumables (PVC Bags, calico bags, pens, markers etc)	\$2,000.00	
Sub-total		\$1,500.00
Trucking Bulk Sample to Perth		
Transportation of samples from site to WA	\$2,000.00	
Sub-total		\$2,000.00
Professionals Services		
Principal Geologist (average 5 Days/ month @ \$700/day x 3months)	\$10,500.00	
Sub-total		\$10,500.00
Travel		
Airfares	\$5,000.00	
Sub-total		\$5,000.00
Overheads		
Overheads (10%)	\$11,890.00	
Sub-total		\$11,500.00
Total	\$121,390.00	\$121,390.00

9. CONCLUSIONS

The Coronet Hill poly-metallic anomalous mineralisation has been demonstrated to exist over the considerable strike length of over four kilometres. The structural 'stacking' of lodes provides a good potential for further mineralisation to occur down-plunge, between those lodes and at depth. This could provide sufficient tonnage for a future mining operation.

It is considered that the Coronet Fault may represent a low angle thrust surface at depth, as indicated by strikingly parallel mineralised lodes. Clearly, mineralisation is structurally controlled and has a component of lateral movement. An understanding of the regional stress regime and sense of movement is critical to identifying mineralised plunge components created in zones of minimal compressive stress. This information can be gained from well-targeted diamond drill holes.

To date, efforts have been concentrated upon the outcropping lodes, and exploration of these has been mainly directed at base metals. Drilling has been surprisingly sparse and that so far carried out has only tested to shallow depths. Main targets are seen as:

- Tin and tungsten-bearing sulphides near surface and at depth, particularly near interpreted granite margins;
- PGE associated with fault structures and hydrothermal alteration; and
- Base metal sulphides at depth.

Recent soil sampling has re-confirmed surface poly-metallic anomalism associated with the main Coronet Fault and sub-parallel structures. This work has also highlighted numerous subtle anomalies that still require explanation.

A gradient-array IP survey is being implemented to target the known sulphide-bearing mineralisation, primarily pyrite, chalcopyrite and arsenopyrite. The aim of this IP survey is to delineate zones of high chargeability due to disseminated sulphide concentrations that will translate to direct drilling targets. Secondly the collected resistivity data will assist in delineating lithology, structure and zones of alteration to create second-order drilling targets.

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11 GLOSSARY OF TECHNICAL TERMS AND ABBREVIATIONS

adit	Horizontal tunnel into a hill.
AIG	Australian Institute of Geoscientists.
albite	A form of the very abundant rock-forming minerals of the feldspar family.
alluvium	A sediment deposited by water.
alteration	The change in the mineral composition of a rock, commonly reactions due to hydrothermal activity.
amphibole	Common rock forming mineral composed of silicates rich in magnesium, iron, aluminium, calcium and sodium.
amphibolite	A metamorphic rock consisting of amphibole and plagioclase.
anticlinal	Arch-like form convex upwards.
anomalous	Deviating from the normal: usually refers to significant or unusual data.
aplite	fine-grained light colour granite – mainly quartz & feldspar.
Archaean	The oldest rocks of the Earth's crust - older than about 2,400 million years.
Arsenopyrite	An ore of Arsenic – Iron arsenic sulphide.-also known as mispickel.
As	Arsenic.
assay	Accurate laboratory determination of the concentration of a given element in a sample.
Au	Gold.
AUSIMM	Australasian Institute of Mining and Metallurgy
base metal	A metal inferior in value to precious metals e.g. copper, lead, zinc.
basement	A general term for rocks considered older than and/or below the target rocks.
batholith	body of intrusive igneous rock that crystallised deep within the earth.
Bi	Bismuth.
BLEG	Bulk leach extractable gold analysis; an analytical method for accurately determining low levels of gold.
Cainozoic	The division of geological time extending from 65 million years ago to the present.
carbonaceous	Containing fossil organic material in the form of coal or graphite.
cassiterite	Tin dioxide – principal ore of tin.
chalcopyrite	Copper iron sulphide –Brassy-yellow copper mineral.
chargeability	A geophysical measurement of how much electricity can be stored in the ground that is commonly used to development an estimate of the abundance of metallic sulphide minerals below the surface.
chert	A very fine grained rock composed of silica, often banded.
clastic	Referring to fragments of pre-existing rocks produced by weathering and erosion - if they accumulate and lithify, clastic rocks result.
colluvium	Sediment mass deposited from transport down a slope by gravity but not by stream flow – or colluvial.
cordierite	A Mg-Al-silicate metamorphic mineral.
costean	A trench through the surface soil or debris to expose the bedrock or undisturbed weathered rock for mapping and sampling.
covellite	Copper sulphide – indigo coloured copper mineral.
Cu	Copper.
cuprite	A red, brown or black ore of copper; cuprous oxide.
dendritic	Branching – tree-like pattern.
diamond hole/drilling	A type of drilling with an annular diamond-impregnated bit that returns cylindrical rock samples for evaluation.
diorite	An intrusive rock intermediate in composition between acid and basic.
Dipole-dipole	A geophysical survey method whereby electrical currents in the earth are measured to help define exploration targets at depth.
dolerite	An intrusive, mafic (dark-coloured) igneous rock consisting essentially of calcium-rich plagioclase and some pyroxene mineral, usually augite. Its grain size (texture) lies between coarse-grained gabbro and fine-grained basalt.
dolomitic	Pertaining to dolerite – very fine grained, hard black igneous rock.
DPIFM	(Northern Territory) Department of Primary Industry & Fisheries & Mining.
electromagnetic survey	See EM survey.

eluvium	Sediment mass deposited from transport by channelled or overbank stream flow or by the wind. Also eluvial.
Early Proterozoic	Older part of the Proterozoic era.
EM survey	Electromagnetic survey, a method of measuring the alternating magnetic fields associated with electrical currents artificially or naturally maintained in the subsurface.
enargite	A black copper mineral – copper, arsenic, sulphide.
epicontinental faulting or fault	Found on or in a continent. Fractures in rocks on which there has been movement on one of the sides relative to the other and parallel to the fracture.
felsic	A group name for light coloured silicate minerals that are poor in iron and magnesium and for rocks in which these minerals are abundant.
feldspar	A group of abundant rock-forming aluminous silicate minerals containing potassium, sodium, calcium or barium.
flysch	Old term for marine sandstone sedimentation.
folding	Bending of strata or of any planar structure.
galena	Ore of lead- lead sulphide, usually cubic shape crystals.
geochemistry	The study of the variation of chemical elements in rocks or soils: adj. geochemical.
geophysics	The study of the earth by quantitative physical methods.
geosyncline	A large linear trough on the earths surface in which sediments or volcanic rocks are deposited.
GIS	Geographic Information System.
GIS Database	A form of electronic information storage – often used for map displays.
gneissic	Describes metamorphic banding or alignment of minerals in an igneous rock due to regional metamorphism.
gossan	A ferruginous deposit remaining after the oxidation of the original sulphide minerals in a vein or ore zone.
granite	A coarse grained igneous rock consisting essentially of quartz and more alkali feldspar than plagioclase.
granitic/granitoid	Pertaining to granite.
Granitoid plutons	Plutons comprising granite rock types.
granophyre	A microgranite.
greywacke	A consolidated rock in which sand-sized grains of feldspar, rock fragments and quartz are set in a matrix of clay material.
half graben	A depression bounded by a normal fault, more asymmetric. no sharp fault on other side.
hornblende	A mineral, a member of the amphibole group.
igneous	Formed by solidification of hot mobile material termed magma.
Induced polarisation	See IP.
Intercalated	In between layers of rock.
intracratonic	Within a craton.
intrusive	A body of igneous rock that was intruded while molten in to the Earth's crust.
IP	Induced Polarization, which describes either a certain type of geophysical survey or the results it produces induced polarization surveys involve injecting electrical current into the ground, using a generator and transmitter, and measuring the decay of the "induced" currents (hence the term) when the current is turned off, using a receiver, which is a kind of voltmeter. Generally speaking the intensity of the "IP effect" is stronger for rocks that contain metallic particles, such as pyrite, in minute amounts, as little as 1-2%. Because gold or porphyry copper deposits often contain such small amounts of "disseminated" mineralisation, IP is the tool of choice for locating these types of targets.
lag	A residual accumulation of coarse hard rock fragments on the surface after the removal of finer material by wind or water.
laterite	A strongly leached iron and aluminium rich rock, formed at the surface by weathering in tropical conditions.
lithology	Relating to rocks.
Lithosol	Surface cover primarily comprising rocks and rock fragments rather than soil.
lode	A body of ore or valuable mineral.
m	Metre.
M	Million.
Ma	Million years ago.
magnetic survey	Geophysical survey which records the magnetic intensity of the Earth's field and any local distortions caused by immediately underlying rocks.
Mesa	Flat-topped little hill.

Mesoproterozoic	A time period from 1400 to 1800 million years ago. A sub division of the Proterozoic.
Mesozoic	A time period from 65 to 247 million years ago.
meta	A prefix meaning that the rock type has undergone metamorphism.
metallurgy	The science of extracting metals or other wanted products from ore.
micro-mineralisation	A prefix, used to modify a mineral or rock name and indicating it is very fine grained.
Mo	Any mineral of possible economic interest.
ML	Molybdenum.
Mtu	Mining Lease, a title that allows mining.
O	metric tungsten unit – approx 10kg of WO ₃ .
Orogenesis	Oxygen.
palaeo	Movements of the earth that form mountains.
Palaeoproterozoic	A prefix relating to a past, ancient or fossil feature.
Palaeozoic	A time period from 1800 to 2400 million years ago. A sub division of the Proterozoic.
Palladium	A time period from 570 to 248 million years ago.
Pb	Naturally occurring element – Pd.
phyllite	Lead.
penetration	Slaty rock with mica crystals giving a lustre. Phyllitic.
pluton	The action of weathering and erosion to form an ultimately flat, sub-horizontal surface.
poly-metallic	General term for a body of intrusive rock irrespective of its size, shape or composition
PGE	Of more than one mineral/ metal species.
plagioclase	Platinum Group Elements; platinum, palladium, osmium, iridium, rhodium, ruthenium.
Platinum	A common feldspar mineral.
ppm	Naturally occurring element – Pt.
Proterozoic	Parts per million (same as grams per tonne, or g/t).
pyrite	Geological period approximately 2400-570 Ma ago. The Proterozoic is further subdivided into Palaeo (2400-1800), Meso (1800-1400) and Neo (1400-570).
pyrrhotite	A mineral composed of iron and sulphur, often associated with more valuable minerals.
Quartz	Another form of iron sulphide – may be slightly magnetic.
RAB	Silica rich rock –may be crystalline or amorphous.
RC	Rotary Air Blast drilling method – not RC.
resistivity	See reverse circulation drilling.
resource	A geophysical method which measures how well (or how poorly) the rock conducts electrical current. Resistivity data are measured simultaneously with IP data.
reverse circulation drilling	In-situ mineral occurrence for which there are reasonable prospects for eventual economic extraction. The location, quantity, geological characteristics and continuity are known, estimated or interpreted from specific geological evidence and knowledge.
rock-chip	Drilling method employing a repeated hammering action on a drill bit which yields sample material which is delivered to the surface inside the rod string by compressed air.
sandstone	The collection of representative samples of rock fragments within a limited area. rocks.
scheelite	A cemented or otherwise compacted detrital sediment composed predominantly of quartz grains.
scorodite	Calcium tungstate - one of the two principal tungsten minerals.
sediments	An iron arsenic oxide.
shale	Solid material, both mineral and organic, that is in suspension, is being transported or has been moved from its site of origin by air, water or ice, and has come to rest on the Earth's surface either above or below sea level.
silicate	A laminated sediment in which the constituent particles are predominantly clay sized (smaller than 0.0039mm in diameter).
silt	Pertaining to silica.
siltstone	A sediment in which most of the particles are between 0.0625mm and 0.0039mm diameter.
skeletal lithosol	A very fine-grained clastic rock composed predominantly of silt sized particles.
slate	A thin shallow soil showing minimal profile development and dominated by the presence of weathered rock and rock fragments.
Slaty	A finely foliated metamorphic rock that results from the metamorphism of rocks such as shale under stress.
Sn	Pertaining to slate.
sphalerite	Tin.
	Zinc sulphide – ore of zinc.

stratigraphy	Composition, sequence and correlation of stratified rocks in the Earth's crust.
stream sediment sampling	A geochemical sampling technique based on the assumption that if traces of an element, such as gold, occur in a stream sediment, they have been derived from the area or catchment that the stream drains.
strike	The direction of the trace of a geological unit or structure on a horizontal surface.
sulphide	A mineral compound characterised by the linkage of sulphur and a metal ion. eg. Fe
supergene	Secondary ores or minerals formed by downward enrichment processes due to concentration of the minerals by dissolution and precipitation associated with ground water.
surface enrichment	Upgrading of the relative quantity of a mineral or ore at the Earth's surface, due to weathering processes.
Syenite	An igneous rock composed primarily of alkali feldspar together with other minerals, such as hornblende.
t	Metric tonne.
tablelands	Elevated flat-lying ground.
tectonism	The major structural processes forming faults and folds in the Earth's crust.
tetrahedrite	Copper and antimony sulphide with silver – ore of copper & silver.
tourmaline	A family of boron-silicate-Na/Al/Mg etc minerals formed in igneous and metamorphic rocks, and often associated with other economic mineralisation.
tuff (aceous)	A compacted pyroclastic rock of cemented volcanic ash.
unconformity	Lack of parallelism between rock strata in sequential contact, caused by a time break in sedimentation.
volcaniclastic	A sedimentary rock whose constituents are derived from breakdown of volcanic primary rocks.
W	Tungsten (Wolfram).
weathering	The effects on rock and ore minerals of prolonged exposure to atmospheric elements such as water and oxygen.
wolfram	Iron-manganese tungstate – one of the two principal tungsten minerals.
Zn	Zinc.
zonation	Pertaining to zones.

ABBREVIATIONS

g	gram
kg	kilogram
km	kilometre
km ²	square kilometre
m	metre
m ²	square metre
m ³	cubic metre
mm	millimetre
t	tonne
oz	troy ounce, equivalent to 31.1035g.

UNITS OF CONCENTRATION

ppb	parts per billion
ppm	parts per million

PART VIII

FINANCIAL INFORMATION ON THE NORTH RIVER GROUP FOR THE FINANCIAL YEARS ENDED 30 JUNE 2007, 30 JUNE 2008 AND 30 JUNE 2009

1. Statutory Accounts for Financial Periods Ended 30 June 2007, 2008 and 2009

Statutory accounts of North River prepared in accordance with International Financial Reporting Standards for the financial periods ended 30 June 2007, 2008 and 2009 have been delivered to the Registrar of Companies. In respect of those accounts, North River's auditors gave reports that were unqualified and did not contain a statement under section 498 of the 2006 Act.

2. Published Report and Accounts for Financial Periods Ended 30 June 2007, 2008 and 2009

(a) *Historical financial information*

The published annual report and audited accounts of North River for the financial periods ended 30 June 2007, 2008 and 2009, (which have been incorporated in this document by reference) included, on the pages specified in the table below, the following information:

<i>Nature of information</i>	<i>For the year to</i>	<i>For the year to</i>	<i>For the year to</i>
	<i>30 June 2007</i>	<i>30 June 2008</i>	<i>30 June 2009</i>
	<i>Page No(s)</i>	<i>Page No(s)</i>	<i>Page No(s)</i>
Consolidated Income Statement	13	11	13
Group and Company Statements of Changes in Net Equity	16	14	16
Group and Company Balance Sheet	14	12	14
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Accounting policies	17 – 21	15 – 19	17 – 21
Notes to the financial statements	21 – 29	19 – 27	21 – 30
Independent auditor's report	11 – 12	9 – 10	11 – 12

- (b) The published accounts can be viewed at <http://www.northriverresources.com>. Recipients of this document may request a hard copy of the financial information of North River by writing to John Bottomley, Company Secretary at One America Square, Crosswall, London EC3N 2SG, or by telephoning +44 (0)20 7544 5555. Relevant documents will be posted within two Business Days of receipt of such a request.

PART IX

**ACCOUNTANTS' REPORT AND HISTORICAL FINANCIAL
INFORMATION ON WAGE FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2006, 31 DECEMBER 2007 AND
31 DECEMBER 2008 AND THE SIX MONTHS
ENDED 30 JUNE 2009 AND CD FOR THE FINANCIAL YEARS
ENDED 28 FEBRUARY 2007, 31 DECEMBER 2007 AND
31 DECEMBER 2008 AND THE SIX MONTHS ENDED 30 JUNE 2009**

PART IX A

ACCOUNTANTS' REPORT

28 October 2009

The Board of Directors
North River Resources Plc
One America Square
Crosswall
London EC3N 2SG

Astaire Securities Plc
30 Old Broad Street
London
EC2N 1HT

Ambrian Partners Limited
Old Change House
128 Queen Victoria Street
London
EC4V 4BJ

Dear Sirs,



Quadrant House
4 Thomas More Square
London
E1W 1YW

Phone 020 7216 4600
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West Africa Gold Exploration (Namibia) (Proprietary) Limited

We report on the financial information set out in Part IX B. This financial information has been prepared for inclusion in the AIM Re-admission Document dated 28 October 2009 of North River Resources plc (“the Document”) on the basis of the accounting policies set out in Note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of West Africa Gold Exploration (Namibia) (Proprietary) Limited are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information in so far as it concerns the three years ended 31 December 2008. Furthermore it is our responsibility to report our opinion and our conclusion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

In our opinion, the financial information in so far as it concerns the three years ended 31 December 2008 gives, for the purposes of the Document, a true and fair view of the state of affairs of West Africa Gold Exploration (Namibia) (Proprietary) Limited as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

Previously qualified audit opinion

The audit opinions given by Grant Thornton Neuhaus, Registered Accountants and Auditors (Namibia), on the financial statements of West Africa Gold Exploration (Namibia) (Proprietary) Limited for the years ended 31 December 2008, 2007 and 2006 included the following paragraphs:

Qualification

These statements have been prepared on the going-concern basis. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The company's ability to continue as a going concern is dependent on the company trading on a profitable basis and the continuation of the financial support from the company's shareholder until the company is able to meet its obligations in the ordinary course of business.

The financial statements do not include any adjustments, relating to the recoverability and classification of assets or to the amounts and classification of liabilities that might be necessary if the company is unable to continue as a going concern.

Qualified opinion

In our opinion, except for the uncertainty referred to in the preceding paragraphs, the financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2008, 2007 and 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of Namibia.

The uncertainty referred to in the paragraphs quoted above is adequately disclosed in Note 23 to the financial information and our opinion is therefore unqualified in this respect.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

UHY Hacker Young
Chartered Accountants

Quadrant House
4 Thomas More Square
Thomas More Street
London E1W 1YW

PART IX B

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006

		31 December 2008 N\$ <i>(Restated)</i>	31 December 2007 N\$ <i>(Restated)</i>	31 December 2006 N\$ <i>(Restated)</i>
	<i>Note</i>			
CONTINUING OPERATIONS				
Exploration expenses		(60,077,901)	(16,850,155)	(6,604,904)
Administrative expenses		(12,487,960)	(4,685,655)	(2,246,353)
OPERATING LOSS		<u>(72,565,861)</u>	<u>(21,535,810)</u>	<u>(8,851,257)</u>
Interest received		240,202	189,852	17,928
LOSS BEFORE TAXATION		<u>(72,325,659)</u>	<u>(21,345,958)</u>	<u>(8,833,329)</u>
Taxation	5	<u>–</u>	<u>–</u>	<u>–</u>
LOSS AFTER TAXATION – CONTINUING OPERATIONS		<u>(72,325,659)</u>	<u>(21,345,958)</u>	<u>(8,833,329)</u>
Profit/(Loss) for the year from discontinued operations		<u>–</u>	<u>3,675,049</u>	<u>(2,349,741)</u>
LOSS FOR THE YEAR		<u><u>(72,325,659)</u></u>	<u><u>(17,670,909)</u></u>	<u><u>(11,183,070)</u></u>

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006

		<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
		2008	2007	2006
		N\$	N\$	N\$
	<i>Note</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>
NON-CURRENT ASSETS				
Property, plant and equipment	6	5,461,687	4,720,346	1,613,051
Intangible assets	7	1,141,874	434,266	25,029
TOTAL NON-CURRENT ASSETS		<u>6,603,561</u>	<u>5,154,612</u>	<u>1,638,080</u>
CURRENT ASSETS				
Loans to related parties	8	6,957,708	3,443,050	3,137,926
Non-current assets classified as held for sale	7	–	–	1,031
Trade and other receivables	9	4,522,507	1,600,225	1,198,910
Cash and cash equivalents	10	4,022,033	610,751	782,856
		<u>15,502,248</u>	<u>5,654,026</u>	<u>5,120,723</u>
CURRENT LIABILITIES				
Trade and other payables	11	(2,112,732)	(577,536)	(501,988)
NET CURRENT ASSETS		<u>13,389,516</u>	<u>5,076,490</u>	<u>4,618,735</u>
NON-CURRENT LIABILITIES				
Borrowings from related party	12	(114,435,367)	(35,549,933)	(18,903,727)
NET ASSETS		<u>(94,442,290)</u>	<u>(25,318,831)</u>	<u>(12,646,912)</u>
EQUITY				
Called up share capital	13	5,000,000	5,000,000	1,010
Equity reserve	15	3,202,200	–	–
Accumulated loss		(102,644,490)	(30,318,831)	(12,647,922)
TOTAL EQUITY		<u>(94,442,290)</u>	<u>(25,318,831)</u>	<u>(12,646,912)</u>

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006**

	<i>Share Capital</i> N\$	<i>Accumulated Loss</i> N\$ <i>(Restated)</i>	<i>Equity Reserve</i> N\$	<i>Total</i> N\$
As at 1 January 2006	1,010	(1,464,852)	–	(1,463,842)
Loss for the year	–	(11,183,070)	–	(11,183,070)
As at 1 January 2007	1,010	(12,647,922)	–	(12,646,912)
Shares issued	4,998,990	–	–	4,998,990
Loss for the year	–	(17,670,909)	–	(17,670,909)
As at 1 January 2008	5,000,000	(30,318,831)	–	(25,318,831)
Shared based payment	–	–	3,202,200	3,202,200
Loss for the year	–	(72,325,659)	–	(72,325,659)
As at 31 December 2008	5,000,000	(102,644,490)	3,202,200	(94,442,290)

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

CASH FLOW STATEMENT

FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006

	<i>31 December 2008 N\$ (Restated)</i>	<i>31 December 2007 N\$ (Restated)</i>	<i>31 December 2006 N\$ (Restated)</i>
	<i>Note</i>		
Cash flows from operating activities			
Operating loss	(72,565,861)	(21,535,810)	(8,851,257)
Adjustments:			
Depreciation charge	802,205	438,102	331,461
Imputed interest	240,202	189,852	–
Profit on sale of property, plant and equipment	21,568	3,367	–
Foreign exchange adjustment	–	–	17,928
Share-based payment	3,202,200	–	–
	<u>(68,299,686)</u>	<u>(20,904,489)</u>	<u>(8,501,868)</u>
Movement in working capital			
(Increase) in debtors	(2,922,282)	(401,315)	(1,118,596)
(Decrease)/increase in creditors	1,535,196	75,548	425,706
	<u>(1,387,086)</u>	<u>(325,767)</u>	<u>(692,890)</u>
Cash utilized by operating activities			
Net cash outflow from operating activities	<u>(69,686,772)</u>	<u>(21,230,256)</u>	<u>(9,194,758)</u>
Cash flows from investing activities			
Proceeds on sale of discontinued operations	–	3,675,049	(2,349,741)
Purchase of intangible assets	(1,116,788)	(569,212)	(73,172)
Purchase of property, plant and equipment	(1,155,934)	(3,800,813)	(1,607,907)
Proceeds from sale of discontinued operations	–	384,334	–
	<u>(2,272,722)</u>	<u>(310,642)</u>	<u>(4,030,820)</u>
Cash flow from financing activities			
Issued shares	–	4,998,990	–
Borrowing from related parties	78,885,434	16,674,927	16,955,008
Loans to related parties	(3,514,658)	(305,124)	(3,077,822)
	<u>75,370,776</u>	<u>21,368,793</u>	<u>13,877,186</u>
Increase/(Decrease) in cash and cash equivalents	3,411,282	(172,105)	651,608
Cash and cash equivalents at beginning of the year	10 610,751	782,856	131,248
Cash and cash equivalents at end of the year	10 <u>4,022,033</u>	<u>610,751</u>	<u>782,856</u>

Cash and cash equivalents comprise cash on hand and bank balances.

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

NOTES TO THE FINANCIAL INFORMATION FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this financial information are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated. The financial information has been prepared on the historical cost basis, except as otherwise noted.

Basis of preparation

This financial information has been prepared in accordance with International Financial Reporting Standards.

- (a) *Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted by the Company and may be applicable to the Company's operations*

<i>Standard or interpretation</i>	<i>Effective</i>
Various – IFRS and IAS statements	01.01.09
Improvements to IFRS	01.07.09
• IAS 1 Presentation of Financial Statements (Amendments)	01.01.09
• IAS 16 Property, Plant and Equipment (Amendments)	01.01.09
• IAS 23 Borrowing Costs (Amendments)	01.01.09
• IAS 27 Consolidated and Separate Financial Statements (Amendments)	01.07.09
• IAS 28 Investment in associates	01.01.09
• IAS 31 Investment in joint ventures	01.01.09
• IAS 32 Financial Instruments: Presentation (Amendments)	01.01.09
• IAS 36 Impairment of Assets (Amendments)	01.01.09
• IAS 38 Intangible Assets (Amendments)	01.01.09
• IAS 39 Financial Instruments: Recognition and Measurement (Amendments)	01.01.09
• IFRS 2 Share-based Payment (Amendments)	01.01.09
• IFRS 3 Business Combinations (Amendments)	01.01.09
• IFRS 8 Operating Segments	

- (b) *In addition IFRIC have issued the following standards and interpretations that are not applicable to the company*

• IFRIC 11 IFRS – Group and treasury share transactions	01.03.09
• IFRIC 12 Service concession agreements	01.01.09
• IFRIC 13 Customer loyalty programmes	01.07.09

The Directors do not anticipate that the adoption of the other standards and interpretations listed above will have a material impact on the Company's financial statements in the period of initial application.

Restatement

The Company's policy of recognising imputed interest on inter-company borrowings has been restated in order to comply with the accounting policies adopted by North River Resources Plc. The effect of the restatement is to eliminate the imputed interest on the inter-company loan previously expensed through the income statement and credited to shareholders' contribution in the balance sheet.

Revenue

Revenue comprises the invoiced value of sales in respect of trading operations and excludes investment income, discounts allowed, rebates and other non-operating income and value added tax.

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006**

Expense

Operating expenses are recognised in the income statement upon utilisation of the service or at the date of their origin. Interest income and expense are reported on an accrual basis.

Borrowing costs

Borrowing costs primarily comprise interest on the Company's borrowings. All borrowing costs are expensed in the period in which they are incurred and reported within 'finance costs'.

Exploration and evaluation assets

Exploration and evaluation assets are derived from the fair value paid as consideration for the investment in subsidiaries. An annual impairment review is carried out each year with any impairments recognised in the income statement.

Intangible assets

(a) *Exploration licences*

Exploration rights and licences are recorded at cost of acquisition and are depreciated on a straight-line basis over the license period. When there is little likelihood of a mineral right being exploited, or the value of mineral rights has diminished below carrying value, a write down is effected against income in the period that such determination is made.

(b) *Other*

Depreciation on other intangible assets is recorded on a straight line basis to their residual values over their estimated lives, software being 3 years.

Impairment of assets

Exploration assets

At each reporting date, the Company assesses whether there is any indication that the exploration licences may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the costs of assets, over their estimated useful lives, using the straight line method, on the following basis:

Buildings	50 years
Field/production equipment	4 years
Office equipment	4 years
Motor vehicles	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006**

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when a sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Disposal groups are groups of assets, and liabilities directly associated with those assets, that are to be disposed of together as a group in a single transaction.

Non-current assets (and disposal groups) classified as held for sale are initially measured at the lower of carrying value and fair value less costs to sell. At subsequent reporting dates non-current assets (and disposal groups) are re-measured to the latest estimate of fair value less costs to sell. As a result of this re-measurement any impairment is recognised by charging to the income statement, any increase in fair value is applied to reverse previous impairment charges on the non-current assets (or disposal groups) to a maximum of the original amortised cost.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The Company classified its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading which is principally for the purpose of selling in the short term. Derivatives are also categorised in this category unless designated as hedges. Assets in this category are classified as current assets.

(b) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Company's loans and receivables comprise of 'trade and other receivables' and 'cash and cash equivalents'. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

(c) *Available-for-sale financial assets*

Available-for-sale financial assets are non derivatives that are either designated to this category or not classified in any of the other categories.

The Company classifies its financial liabilities as trade and other payables and tax payable which are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Leases

Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

NOTES TO THE FINANCIAL INFORMATION FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006

Share capital and dividend payments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Accumulated losses include all current and prior period results as disclosed in the income statement.

Provisions

Provisions are recognised when the group has a present obligation as a result of a past event and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle that obligation at the balance sheet date and are discounted to present value where the effect is material.

Taxation

Current taxes are based on the results shown in the financial information and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax

Deferred tax is calculated on the comprehensive basis using the liability method, which requires provision for temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. Tax rates enacted at the balance sheet date are used to determine the deferred tax balances. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax is applied to share-based payments in accordance with IAS 12 Income Taxes.

Foreign currencies

Assets and liabilities in foreign currencies are translated into Namibian dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Namibian dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Mining exploration

Expenditure for exploration activities is charged against income until the viability of the mining venture has been proven.

Employee benefits

(a) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(b) *Defined benefit plan obligation*

The liability for defined benefit plan is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006

by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

(c) *Share based payments*

The Company has granted equity-settled share-based payments. The fair value of the incentive granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at the grant date and spread over the period during which the employees or third parties become unconditionally entitled to the incentives. When identifiable, the fair value is determined by the value of the services provided. When a fair value for the services provided cannot be ascertained the fair value is measured by reference to the fair value of the equity instrument granted.

Finally, if there is not a reliable measurement by reference to the fair value of the equity instruments granted then the fair value is measured at its intrinsic value (that is, the difference between market price and exercise price). The intrinsic value is re-measured at each reporting date until the equity instruments are exercised, forfeited or lapsed. The amount recognised as an expense is adjusted to reflect for the expected number of share incentives that are expected to be exercised. It is anticipated that share incentives will be exercised when the traded market price is in excess of the exercise price.

Judgements made in applying accounting policies and key sources of estimation uncertainty

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were:

(a) *Impairment of tangible and intangible assets*

The Group assesses at each balance sheet date whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value.

Intangible assets – exploration licences are depreciated over the estimated period of the licence period to be granted by the Ministry of Mines and Energy. In the event of an application for renewal pending approval by the Ministry of Mines and Energy, the period is estimated by management, based on prior experience.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the balance sheet.

(b) *Share-based payments*

In determining the fair value of equity settled share based payments and the related charge to the income statement, the Group must make assumptions about future events and market conditions. Judgement is made as to the likely number of shares that will vest, and the fair value of each award granted.

Options are measured at fair value at the grant date using the Black-Scholes model. The fair value is expensed on a straight line basis over the vesting period, based on an estimate of the number of options that will eventually vest.

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006**

Cash-settled share-based payment transactions result in the recognition of a liability at its current fair value.

(c) *Environmental provision*

The provisions are based on estimates by management of the environmental destruction on the drilling sites.

2. DISCONTINUED OPERATIONS

On the 30 April 2007, the Company announced the decision to terminate its involvement in the Joint Venture project with Swakop Uranium (Pty) Ltd. All costs associated with the project were written-off as a single amount to the income statement account in 2007.

Profit for the year from discontinued operations

	31 December 2008 N\$	31 December 2007 N\$	31 December 2006 N\$
Project exploration costs	–	–	(2,349,741)
Reimbursement of project exploration costs	–	3,675,049	–
Taxation	–	–	–
Profit for the year from discontinued operations	–	3,675,049	(2,349,741)

Assets and liabilities of discontinued operations

	31 December 2008 N\$	31 December 2007 N\$	31 December 2006 N\$
Assets			
Project exploration	–	–	–
Liabilities	–	–	–
	–	–	–

Cash flows for discontinued operations

	31 December 2008 N\$	31 December 2007 N\$	31 December 2006 N\$
Operating activities	–	–	(2,349,741)
Investing activities	–	3,675,049	–
Net cash out flow	–	3,675,049	(2,349,741)

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006**

3. EMPLOYEES AND DIRECTORS

	<i>31 December 2008 N\$</i>	<i>31 December 2007 N\$</i>	<i>31 December 2006 N\$</i>
Wages and salaries	12,410,146	3,540,705	1,538,143
Defined benefits plan	44,236	–	–
Total	<u>12,454,382</u>	<u>3,540,705</u>	<u>1,538,143</u>

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

Management and administration	7	6	3
Operation resources	50	50	15
Total	<u>57</u>	<u>56</u>	<u>18</u>

Directors' emolument are set out in note 18.

4. LOSS BEFORE TAXATION

The loss before tax is stated after charging:

	<i>31 December 2008 N\$</i>	<i>31 December 2007 N\$</i>	<i>31 December 2006 N\$</i>
Depreciation			
–property, plant and equipment	393,025	279,586	265,224
–intangible assets	409,180	158,516	66,237
Fees payable to Company's auditors			
–audit of Company annual accounts	141,970	164,793	94,778
–other services	20,000	12,950	–
Share based payment	3,202,200	–	–
Profit on sale of assets	21,568	3,367	–
Defined benefits charge	44,326	–	–
Lease charges	317,414	–	–

5. TAXATION

Analysis of the taxation charge

No liability arose on ordinary activities for the year ended 31 December 2008 nor for the year ended 31 December 2007.

The Company has a potential deferred tax asset arising from operating losses of N\$37,148,541 (2007: N\$12,498,721, 2006: N\$4,820,570) incurred since inception. No deferred tax asset has been recognised as there is no certainty that sufficient profits will arise in future accounting periods against which these losses could be offset.

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006**

6. PROPERTY, PLANT AND EQUIPMENT

	<i>Land and buildings N\$</i>	<i>Building improve- ments N\$</i>	<i>Field/ production equipment N\$</i>	<i>Motor Vehicles N\$</i>	<i>Office equipment N\$</i>	<i>Total N\$</i>
Cost						
At 1 January 2006	–	–	–	198,000	79,772	277,772
Additions	–	–	501,930	922,327	183,650	1,607,907
At 1 January 2007	–	–	501,930	1,120,327	263,422	1,885,679
Additions	3,074,680	80,221	154,662	261,722	229,528	3,800,813
Disposals	–	–	(463,156)	–	(8,936)	(472,092)
At 1 January 2008	3,074,680	80,221	193,436	1,382,049	484,014	5,214,400
Additions	–	726	199,350	802,351	153,507	1,155,934
Disposals	–	–	(13,915)	–	(30,337)	(44,252)
At 31 December 2008	3,074,680	80,947	378,871	2,184,400	607,184	6,326,082
Depreciation						
At 1 January 2006	–	–	–	2,510	4,894	7,404
Charge for the year	–	–	65,082	152,582	47,560	265,224
At 1 January 2007	–	–	65,082	155,092	52,454	272,628
Charge for the year	8,956	4,940	39,235	135,413	91,042	279,586
Disposals	–	–	(58,160)	–	–	(58,160)
At 1 January 2008	8,956	4,940	46,157	290,505	143,496	494,054
Charge for the year	21,314	20,115	81,046	140,119	130,431	393,025
Disposals	–	–	(6,087)	–	(16,597)	(22,684)
At 31 December 2008	30,270	25,055	121,116	430,624	257,330	864,395
Net book value						
At 31 December 2006	–	–	436,848	965,235	210,968	1,613,051
At 31 December 2007	3,065,724	75,281	147,279	1,091,544	340,518	4,720,346
At 31 December 2008	3,044,410	55,892	257,755	1,753,776	349,854	5,461,687

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006**

7. INTANGIBLES

	<i>Software</i>	<i>Licenses and</i>	<i>Total</i>
	<i>N\$</i>	<i>options</i>	<i>N\$</i>
	<i>N\$</i>	<i>N\$</i>	<i>N\$</i>
Cost			
At 1 January 2006	–	29,250	29,250
Additions	5,565	67,607	73,172
At 1 January 2007	5,565	96,857	102,422
Additions	52,212	517,000	569,212
Disposals	–	(18,250)	(18,250)
At 1 January 2008	57,777	595,607	653,384
Additions	228,796	887,992	1,116,788
Disposals	–	(72,607)	(72,607)
At 31 December 2008	286,573	1,410,992	1,697,565
Depreciation			
At 1 January 2006	–	10,125	10,125
Charge for the year	765	65,472	66,237
At 1 January 2007	765	75,597	76,362
Charge for the year	13,450	145,066	158,516
Disposals	–	(15,760)	(15,760)
At 1 January 2008	14,215	204,903	219,118
Charge for the year	52,978	356,202	409,180
Disposals	–	(72,607)	(72,607)
At 31 December 2008	67,193	488,498	555,691
Net book value			
At 31 December 2006	4,800	21,260	26,060
At 31 December 2007	43,562	390,704	434,266
At 31 December 2008	219,380	922,494	1,141,874

Included in the 31 December 2006 balance are licences with a net book value amounting to N\$1,031 which are classified as held for sale.

8. LOANS TO RELATED PARTIES

	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2008</i>	<i>2007</i>	<i>2006</i>
	<i>N\$</i>	<i>N\$</i>	<i>N\$</i>
Loan to Craton Diamonds (Pty) Ltd	6,844,486	–	–
Loan to Kalahari Energy (Namibia) (Pty) Ltd	113,222	–	–
Loan to Extract Resources (Namibia) (Pty) Ltd	–	1,238,825	3,137,926
Loan to Swakop Uranium (Pty) Ltd	–	2,204,225	–
	6,957,708	3,443,050	3,127,926

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006**

9. TRADE AND OTHER RECEIVABLES

	<i>31 December 2008 N\$</i>	<i>31 December 2007 N\$</i>	<i>31 December 2006 N\$</i>
Current:			
Accounts receivable	288,081	88,624	69,761
VAT receivable	4,234,426	1,511,601	1,129,149
	4,522,507	1,600,225	1,198,910

10. CASH AND CASH EQUIVALENTS

	<i>31 December 2008 N\$</i>	<i>31 December 2007 N\$</i>	<i>31 December 2006 N\$</i>
Cash at bank – current account	4,002,033	593,251	777,815
Cash on hand	20,000	17,500	5,041
	4,022,033	610,751	782,856

11. TRADE AND OTHER PAYABLES

	<i>31 December 2008 N\$</i>	<i>31 December 2007 N\$</i>	<i>31 December 2006 N\$</i>
Current:			
Trade creditors	1,789,916	320,629	427,339
Other creditors	278,580	256,907	74,649
Provisions – employee defined benefits plan	44,236	–	–
	2,112,732	577,536	501,988

12. BORROWINGS FROM RELATED PARTY

	<i>31 December 2008 N\$</i>	<i>31 December 2007 N\$</i>	<i>31 December 2006 N\$</i>
Loan from Kalahari Minerals plc	114,435,367	35,549,933	18,903,727

The loan from Kalahari Minerals plc is a non-interest bearing loan and has no fixed terms for repayment. The loan is subordinated.

13. ORDINARY SHARES

			<i>31 December 2008 N\$</i>	<i>31 December 2007 N\$</i>	<i>31 December 2006 N\$</i>
Authorised:					
<i>Number:</i>	<i>Class:</i>	<i>Nominal value:</i>			
5,000,000	Ordinary	N\$1	5,000,000	5,000,000	2,000,000
			5,000,000	5,000,000	2,000,000

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006**

Allotted, issued and fully paid:

<i>Number:</i>	<i>Class:</i>	<i>Nominal value:</i>	<i>31 December 2008</i>	<i>31 December 2007</i>	<i>31 December 2006</i>
			<i>N\$</i>	<i>N\$</i>	<i>N\$</i>
5,000,000	Ordinary	N\$1	5,000,000	5,000,000	1,010
			<u>5,000,000</u>	<u>5,000,000</u>	<u>1,010</u>

14. FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: in particular capital risk management, market risk (including currency risk, fair value interest rate risk and price risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's performance. The Board on behalf of the members carries out risk management.

a) ***Capital risk management***

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while optimising the debt and equity balance. The capital structure of the Company consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

The Company does not enter into derivative or hedging transactions and it is the Company's policy that no trading in financial instruments will be undertaken.

The main risk arising from the Company's financial instruments is currency risk. The board reviews and agrees policies for managing such risk explained below.

b) ***Interest rate risk***

The Company finances its operations through equity. There are no loans hence the Company is not exposed to interest rate fluctuations.

c) ***Market risk***

(i) ***Foreign exchange risk***

Income and expenditure transactions are translated at the spot rate of exchange at transaction date. All assets and liabilities, including fair value adjustments arising on acquisition, are translated at the rate of exchange ruling at the balance sheet date.

(ii) ***Price risk***

Prices ultimately received for minerals in relation to the Company's investments will have significant impact on the profitability and viability of all projects in which the Group has an interest. Increases to prices may have significant and leveraged effect to the current and future values of projects and shares held; the converse will apply where prices fall.

(iii) ***Fair value interest rate risk***

The Company has no liabilities which accrue interest; therefore the Company has no exposure to interest rate risk on borrowings.

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006**

(d) **Credit risk**

The Company does not hold any trade receivables due from external customers and is therefore not exposed to any significant credit risk. The carrying amount of the Group's financial assets represents its maximum exposure to credit risk.

(e) **Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash. Management monitors rolling forecasts of the Company's liquidity reserve. The review consists of considering the liquidity of local markets, projecting cash flows and the level of liquid assets to meet these. The management raises additional capital financing when the review indicates this to be necessary.

The financial instruments of the Company are:

	<i>Year Ended</i> <i>31 December 2008</i>		<i>Year Ended</i> <i>31 December 2007</i>		<i>Year Ended</i> <i>31 December 2006</i>	
	<i>Loans and</i> <i>receivables</i>	<i>Financial</i> <i>Liabilities</i>	<i>Loans and</i> <i>receivables</i>	<i>Financial</i> <i>Liabilities</i>	<i>Loans and</i> <i>receivables</i>	<i>Financial</i> <i>Liabilities</i>
	<i>N\$</i>	<i>N\$</i>	<i>N\$</i>	<i>N\$</i>	<i>N\$</i>	<i>N\$</i>
Financial assets						
Loans and receivables	11,480,215		5,043,275		1,198,910	
Cash and cash equivalents	<u>4,022,033</u>		<u>610,751</u>		<u>782,856</u>	
Financial liabilities						
Trade creditor and accruals		<u>2,112,732</u>		<u>577,536</u>		<u>501,988</u>

All financial assets and liabilities are initially stated at fair value and measured at amortised cost, and all carrying values approximate to fair values.

15. SHARE-BASED PAYMENT TRANSACTIONS

	<i>31 December</i> <i>2008</i>	<i>31 December</i> <i>2007</i>	<i>31 December</i> <i>2006</i>
	<i>N\$</i>	<i>N\$</i>	<i>N\$</i>
At 1 January	–	–	–
Share based payments	3,202,000	–	–
At 31 December	<u>3,202,000</u>	<u>–</u>	<u>–</u>

The Company has share-based payment arrangements, which are as below:

1 November 2007 – Share options

Number granted	– 925,000
Contractual life	– 3 years
Vesting conditions	– 1/3 vested in each of the first three years
Exercise price	– N\$4.50
Exercisable	– Expire if not exercised by 1 November 2010

18 June 2008 – Share options

Number granted	– 625,000
Contractual life	– 5 years
Vesting conditions	– Fully vested upon granting options
Exercise price	– N\$6.00
Exercisable	– Expire if not exercised by 18 June 2013

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
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The fair value of the share-based payment is based upon the Black-Scholes formula, a commonly used option pricing model. The calculation of volatility used in the model is based upon an average of market prices against current market prices of listed companies operating in the mining industry.

It has been assumed all options will be exercised.

All options are equity settled. Further detail in relation to the options:

	<i>31 December</i> 2008	<i>31 December</i> 2007	<i>31 December</i> 2006
Outstanding options at start of year	1,050,000	–	–
Options granted	625,000	1,050,000	–
Options forfeited	(125,000)	–	–
Exercised – options	–	–	–
Outstanding at end of year – options	<u>1,550,000</u>	<u>1,050,000</u>	<u>–</u>
Weighted average exercise price	N\$5.55	N\$4.50	–
Weighted average remaining contractual life	2 yrs 5 mths	2 yrs 11 mths	–

The inputs into the Black-Scholes model in respect of options granted during the year are as follows:

	<i>31 December</i> 2008	<i>31 December</i> 2007	<i>31 December</i> 2006
Weighted average share price	N\$5.25	N\$4.05	–
Weighted average exercise price	N\$5.55	N\$4.50	–
Expected volatility	90%	90%	–
Expected life	3 years	2 years	–
Risk free rate	5.75%	5.75%	–
Expected dividends	None	None	–

16. EMPLOYEE DEFINED BENEFIT OBLIGATION

The Company has a defined benefit obligation to employees, which is as below:

	<i>31 December</i> 2008	<i>31 December</i> 2007	<i>31 December</i> 2006
	N\$	N\$	N\$
Defined benefit obligation at start of year	–	–	–
Current service cost	44,236	–	–
Employee resignation	–	–	–
Interest cost	–	–	–
Benefits paid	–	–	–
Defined benefit obligation at end of year	<u>44,236</u>	<u>–</u>	<u>–</u>

Assumptions have been developed by management which have led to the amounts determined in the Company's defined benefit obligations for the reporting periods under review and should be regarded as managements' best estimate. However, actual outcome may vary. Estimation uncertainties exist and may vary significantly in future appraisals of the Company's defined benefits obligations.

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

NOTES TO THE FINANCIAL INFORMATION FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006

Namibian Labour Act legislation prescribes that the Company has to provide for 1 week equivalent of salary per year of employment until the employee reaches the age of 65 or upon death in service.

17. RELATED PARTY DISCLOSURES

(a) *Kalahari Minerals plc*

Kalahari Minerals plc which is registered in the UK holds 100.0 per cent. of the Company's issued ordinary share capital. The group has the following a loan agreement with Kalahari Minerals plc providing working capital requirements amounting to N\$114,435,367 (2007: N\$35,549,933, 2006: N\$18,903,727). The interest free loan payable to Kalahari Minerals plc has no fixed term for repayment.

(b) *Key management*

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group. In the opinion of the Board, the Company's key management are the directors of the Company. Information regarding their compensation is given below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*:

<i>Key management personnel</i>	<i>Year Ended 31 December 2008</i>		<i>Year Ended 31 December 2007</i>		<i>Year Ended 31 December 2006</i>	
	<i>Salary N\$</i>	<i>Options N\$</i>	<i>Salary N\$</i>	<i>Options N\$</i>	<i>Salary N\$</i>	<i>Options N\$</i>
Keith Webb	1,256,395	1,002,975	872,032	–	440,714	–
Sadike Nepela	789,000	501,495	386,762	–	10,000	–
Ninette Krohnert	493,326	501,495	265,000	–	–	–
Hermanus Joubert	391,752	143,895	180,833	–	168,618	–
Wynand Joubert	226,207	143,895	94,050	–	3,929	–
Jan Joubert	89,019	–	30,000	–	119,850	–

(c) *Loans to related parties*

The Company has loan agreements with Craton Diamonds (Pty) Ltd and Kalahari Energy (Pty) Ltd. These two companies are also subsidiaries and form part of the Kalahari Minerals plc group. The loans to the related parties are non-interest bearing loans with no fixed terms for repayment. The balances outstanding as at 31 December are recognised in Note 8 to the financial information.

18. ENVIRONMENTAL MATTERS

The directors have considered the possible provision for environmental rehabilitation. As the Company is still in the exploration stage, little damage has been done to the environment and, therefore, no provision is required in relation to this matter.

19. CAPITAL COMMITMENTS

Exploration work on the Exclusive Prospecting Licences ("EPLs") continues. The Company has spent more than it has undertaken to spend in the licence application and has no other commitments to disclose.

On 1 July 2008, the Company entered into a 10 year rental lease expiring 29 July 2018. The annual rental charge totals N\$60,000 with an annual increment of 12 per cent. As at 31 December 2008 the remaining rental commitment amounted to N\$724,674.

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEARS ENDED 31 DECEMBER 2008, 31 DECEMBER 2007 AND 31 DECEMBER 2006**

On 1 November 2008, the Company entered into a 1 year rental lease expiring 31 October 2009. The annual rental charge totals N\$156,000. As at 31 December 2008 the remaining rental commitment amounted to N\$130,000.

On 1 December 2008, the Company entered into rolling annual lease of which a renewal period is negotiated 3 months prior to termination date. The annual rental charge totals N\$60,000. As at 31 December 2008 the remaining rental commitment amounted to N\$55,000.

20. CONTINGENT LIABILITIES

The Company has entered into various agreements with the Namibian Ministries and farm owners. These agreements provide for environmental rehabilitation and damages against the exploration properties. Should staff or partners of West Africa Gold Exploration (Namibia) (Pty) Ltd be negligent, the Company could face claims for damages.

The Directors of the Company are of the opinion that the risk is low and, if necessary, insurance cover will be taken.

21. POST BALANCE SHEET EVENTS

The directors are not aware of any post balance sheet events that could have a material affect on the financial information.

22. GOING CONCERN

The financial information has been prepared on the basis of accounting policies applicable to going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Company to continue as a going concern is dependant on a number of factors. The most significant of these is that the parent company procures and provides funding for the ongoing operations for the Company.

PART IX C

ACCOUNTANTS' REPORT

28 October 2009

The Board of Directors
North River Resources Plc
One America Square
Crosswall
London EC3N 2SG

Astaire Securities Plc
30 Old Broad Street
London
EC2N 1HT

Ambrian Partners Limited
Old Change House
128 Queen Victoria Street
London
EC4V 4BJ

Dear Sirs,



Quadrant House
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London
E1W 1YW

Phone 020 7216 4600
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Web www.uhy-uk.com

Craton Diamonds (Proprietary) Limited

We report on the financial information set out in Part IX D. This financial information has been prepared for inclusion in the AIM Re-admission Document dated 28 October 2009 of North River Resources plc (“the Document”) on the basis of the accounting policies set out in Note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of Craton Diamonds (Proprietary) Limited are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information in so far as it concerns the three years ended 31 December 2008. Furthermore it is our responsibility to report our opinion and our conclusion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the

financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information in so far as it concerns the three years ended 31 December 2008 gives, for the purposes of the Document, a true and fair view of the state of affairs of Craton Diamonds (Proprietary) Limited as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

Previously qualified audit opinion

The audit opinions given by Grant Thornton Neuhaus, Registered Accountants and Auditors (Namibia), on the financial statements of Craton Diamonds (Proprietary) Limited for the years ended 31 December 2008 and 2007 included the following paragraphs:

Qualification

These statements have been prepared on the going-concern basis. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The company's ability to continue as a going concern is dependent on the company trading on a profitable basis and the continuation of the financial support from the company's shareholder until the company is able to meet its obligations in the ordinary course of business.

The financial statements do not include any adjustments, relating to the recoverability and classification of assets or to the amounts and classification of liabilities that might be necessary if the company is unable to continue as a going concern.

Qualified opinion

In our opinion, except for the uncertainty referred to in the preceding paragraphs, the financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2008, 2007 and 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of Namibia.

The uncertainty referred to in the paragraphs quoted above is adequately disclosed in Note 17 to the financial information and our opinion is therefore unqualified in this respect.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

UHY Hacker Young
Chartered Accountants

Quadrant House
4 Thomas More Square
Thomas More Street
London E1W 1YW

PART IX D

CRATON DIAMONDS (PROPRIETARY) LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008, TEN MONTHS ENDED 31 DECEMBER 2007 & YEAR ENDED 28 FEBRUARY 2007

		<i>31 December</i>	<i>31 December</i>	<i>28 February</i>
		<i>2008</i>	<i>2007</i>	<i>2007</i>
	<i>Note</i>	<i>N\$</i>	<i>N\$</i>	<i>N\$</i>
			<i>(Restated)</i>	
CONTINUING OPERATIONS				
Other income		–	390,717	–
Administrative expenses		(975,281)	(205,699)	–
Exploration expenses		(8,286,704)	(3,073,087)	–
Finance costs		–	(25)	–
OPERATING LOSS		<u>(9,261,985)</u>	<u>(2,888,094)</u>	<u>–</u>
Interest received on bank deposits		–	–	–
LOSS BEFORE TAXATION	3	<u>(9,261,985)</u>	<u>(2,888,094)</u>	<u>–</u>
Taxation	4	–	–	–
LOSS AFTER TAXATION		<u>(9,261,985)</u>	<u>(2,888,094)</u>	<u>–</u>

CRATON DIAMONDS (PROPRIETARY) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2008, 31 DECEMBER 2007 & 28 FEBRUARY 2007

	<i>Note</i>	<i>31 December 2008 N\$</i>	<i>31 December 2007 N\$ (Restated)</i>	<i>28 February 2007 N\$</i>
NON-CURRENT ASSETS				
Intangible assets	5	17,098	2,000	–
TOTAL NON-CURRENT ASSETS		<u>17,098</u>	<u>2,000</u>	<u>–</u>
CURRENT ASSETS				
Trade and other receivables	6	–	150	200
Cash and cash equivalents	7	243,793	317,441	–
		<u>243,793</u>	<u>317,591</u>	<u>200</u>
CURRENT LIABILITIES				
Trade and other payables	8	(672,469)	–	–
Borrowings from related parties	9	(6,844,486)	–	–
		<u>(7,516,955)</u>	<u>–</u>	<u>–</u>
NET CURRENT ASSETS		<u>(7,273,162)</u>	<u>317,591</u>	<u>200</u>
NON-CURRENT LIABILITIES				
Borrowings from related parties	9	(694,865)	(3,207,485)	–
NET ASSETS		<u>(7,950,929)</u>	<u>(2,887,894)</u>	<u>200</u>
EQUITY				
Called up share capital	10	1,500	200	200
Share premium		4,197,650	–	–
Retained earnings		(12,150,079)	(2,888,094)	–
TOTAL EQUITY		<u>(7,950,929)</u>	<u>(2,887,894)</u>	<u>200</u>

CRATON DIAMONDS (PROPRIETARY) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008, TEN MONTHS ENDED 31 DECEMBER 2007 &
YEAR ENDED 28 FEBRUARY 2007**

	<i>Share capital N\$</i>	<i>Share premium N\$</i>	<i>Retained earnings N\$ (Restated)</i>	<i>Total N\$</i>
As 1 March 2006 and 28 February 2007	200	–	–	200
Loss for the period	–	–	(2,888,094)	(2,888,094)
As at 31 December 2007	200	–	(2,888,094)	(2,887,894)
Shares issued	1,300	4,197,650	–	4,198,950
Loss for the year	–	–	(9,261,985)	(9,261,985)
As at 31 December 2008	1,500	4,197,650	(12,150,079)	(7,950,929)

CRATON DIAMONDS (PROPRIETARY) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008, TEN MONTHS ENDED 31 DECEMBER 2007 &
YEAR ENDED 28 FEBRUARY 2007**

	<i>31 December</i> 2008 <i>Note</i>	<i>31 December</i> 2007 <i>N\$</i> <i>(Restated)</i>	<i>28 February</i> 2007 <i>N\$</i>
Cash flows from operating activities			
Operating loss	(9,261,985)	(2,888,094)	–
Adjustments:			
Depreciation charge	3,102	–	–
Finance cost recognized in profit and loss	–	25	–
	<u>(9,258,883)</u>	<u>(2,888,069)</u>	<u>–</u>
Movement in working capital			
Increase/(decrease) in debtors	150	50	–
(Decrease)/increase in creditors	672,469	–	–
	<u>(8,586,264)</u>	<u>(2,888,019)</u>	<u>–</u>
Cash utilized by operating activities			
Interest paid	–	(25)	–
	<u>(8,586,264)</u>	<u>(2,888,044)</u>	<u>–</u>
Cash flows from investing activities			
Purchase of intangible fixed asset	(18,200)	(2,000)	–
	<u>(18,200)</u>	<u>(2,000)</u>	<u>–</u>
Cash flow from financing activities			
Issued shares	4,198,950	–	–
Borrowing raised	4,331,866	3,207,485	–
	<u>8,530,816</u>	<u>3,207,485</u>	<u>–</u>
Increase in cash and cash equivalents	(73,648)	317,441	–
Cash and cash equivalents at beginning of the year 7	<u>317,441</u>	<u>–</u>	<u>–</u>
Cash and cash equivalents at end of the year 7	<u>243,793</u>	<u>317,441</u>	<u>–</u>

Cash and cash equivalents comprise cash on hand and bank balances.

CRATON DIAMONDS (PROPRIETARY) LIMITED

NOTES TO THE FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2008, TEN MONTHS ENDED 31 DECEMBER 2007 & THE YEAR ENDED 28 FEBRUARY 2007

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this financial information are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated. The financial information has been prepared on the historical cost basis, except as otherwise noted.

Basis of preparation

This financial information has been prepared in accordance with International Financial Reporting Standards.

- (a) *Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted by the Company and may be applicable to the Company's operations:*

<i>Standard or interpretation</i>	<i>Effective</i>
Various – IFRS and IAS statements	01.01.09
Improvements to IFRS	01.07.09
• IAS 1 Presentation of Financial Statements (Amendments)	01.01.09
• IAS 16 Property, Plant and Equipment (Amendments)	01.01.09
• IAS 23 Borrowing Costs (Amendments)	01.01.09
• IAS 27 Consolidated and Separate Financial Statements (Amendments)	01.07.09
• IAS 28 Investment in associates	01.01.09
• IAS 31 Investment in joint ventures	01.01.09
• IAS 32 Financial Instruments: Presentation (Amendments)	01.01.09
• IAS 36 Impairment of Assets (Amendments)	01.01.09
• IAS 38 Intangible Assets (Amendments)	01.01.09
• IAS 39 Financial Instruments: Recognition and Measurement (Amendments)	01.01.09
• IFRS 3 Business Combinations (Amendments)	01.01.09
• IFRS 8 Operating Segments	01.01.09

- (b) *In addition IFRIC have issued the following standard and interpretation that is not applicable to the company:*

• IFRIC 11 IFRS – Group and treasury share transactions	01.03.09
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The Directors do not anticipate that the adoption of the other standards and interpretations listed above will have a material impact on the Company's financial statements in the period of initial application.

Restatement

The Company's policy of recognising imputed interest on inter-company borrowings has been restated in order to comply with the accounting policies adopted by North River Resources Plc. The effect of the restatement is to eliminate the imputed interest on the inter-company loan previously expensed through the income statement and credited to shareholders' contribution in the balance sheet.

Revenue

Revenue comprises the invoiced value of sales in respect of trading operations and excludes investment income, discounts allowed, rebates and other non-operating income and value added tax.

Expense

Operating expenses are recognised in the income statement upon utilisation of the service or at the date of their origin. Interest income and expense are reported on an accrual basis.

CRATON DIAMONDS (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008, TEN MONTHS ENDED 31 DECEMBER 2007 &
THE YEAR ENDED 28 FEBRUARY 2007**

Borrowing costs

Borrowing costs primarily comprise interest on the Company's borrowings. All borrowing costs are expensed in the period in which they are incurred and reported within 'finance costs'.

Exploration and evaluation assets

Exploration and evaluation assets are derived from the fair value paid as consideration for the investment in subsidiaries. An annual impairment review is carried out each year with any impairments recognised in the income statement.

Intangible assets

(a) *Exploration licences*

Exploration rights and licences are recorded at cost of acquisition and are depreciated on a straight-line basis over the license period. When there is little likelihood of a mineral right being exploited, or the value of mineral rights has diminished below carrying value, a write down is effected against income in the period that such determination is made.

(b) *Other*

Depreciation on other intangible assets is recorded on a straight line basis to their residual values over their estimated lives, software being 3 years.

Impairment of assets

Exploration assets

At each reporting date, the Company assesses whether there is any indication that the exploration licences may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The Company classified its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading which is principally for the purpose of selling in the short term. Derivatives are also categorised in this category unless designated as hedges. Assets in this category are classified as current assets.

(b) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Company's loans and receivables comprise of 'trade and other receivables' and 'cash and cash equivalents'. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

CRATON DIAMONDS (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008, TEN MONTHS ENDED 31 DECEMBER 2007 &
THE YEAR ENDED 28 FEBRUARY 2007**

(c) *Available-for-sale financial assets*

Available-for-sale financial assets are non derivatives that are either designated to this category or not classified in any of the other categories.

The Company classifies its financial liabilities as trade and other payables and tax payable which are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Leases

Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

Share capital and dividend payments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Accumulated losses include all current and prior period results as disclosed in the income statement.

Provisions

Provisions are recognised when the group has a present obligation as a result of a past event and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle that obligation at the balance sheet date and are discounted to present value where the effect is material.

Taxation

Current taxes are based on the results shown in the financial information and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax

Deferred tax is calculated on the comprehensive basis using the liability method, which requires provision for temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. Tax rates enacted at the balance sheet date are used to determine the deferred tax balances. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax is applied to share-based payments in accordance with IAS 12 Income Taxes.

Foreign currencies

Assets and liabilities in foreign currencies are translated into Namibian dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Namibian dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

CRATON DIAMONDS (PROPRIETARY) LIMITED

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008, TEN MONTHS ENDED 31 DECEMBER 2007 &
THE YEAR ENDED 28 FEBRUARY 2007

Mining exploration

Expenditure for exploration activities is charged against income until the viability of the mining venture has been proven.

Judgements made in applying accounting policies and key sources of estimation uncertainty

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were:

(a) *Impairment of tangible and intangible assets*

The Group assesses at each balance sheet date whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value.

Intangible assets – exploration licences are depreciated over the estimated period of the licence period to be granted by the Ministry of Mines and Energy. In the event of an application for renewal pending approval by the Ministry of Mines and Energy, the period is estimated by management, based on prior experience.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the balance sheet.

(b) *Environmental provision*

The provisions are based on estimates by management of the environmental destruction on the drilling sites.

2. EMPLOYEES AND DIRECTORS

	<i>31 December 2008</i>	<i>31 December 2007</i>	<i>28 February 2007</i>
	<i>N\$</i>	<i>N\$</i>	<i>N\$</i>
Wages and salaries	874,697	191,464	–
Directors' emoluments	–	–	–
Total	<u>874,697</u>	<u>191,464</u>	<u>–</u>

3. LOSS BEFORE TAXATION

The loss before tax is stated after charging:

	<i>31 December 2008</i>	<i>31 December 2007</i>	<i>28 February 2007</i>
	<i>N\$</i>	<i>N\$</i>	<i>N\$</i>
Depreciation – intangible assets	3,102	–	–
Fees payable to Company's auditors –audit of Company annual accounts	43,125	–	–

CRATON DIAMONDS (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008, TEN MONTHS ENDED 31 DECEMBER 2007 &
THE YEAR ENDED 28 FEBRUARY 2007**

4. TAX

Analysis of the taxation charge

No liability arose on ordinary activities for the year ended 31 December 2008, period ended 31 December 2007 or for the year ended 28 February 2007.

The Company has a potential deferred tax asset arising from operating losses of N\$4,567,817 (31 December 2007: N\$1,083,035, 28 February 2007: N\$Nil) incurred since inception. No deferred tax asset has been recognised as there is no certainty that sufficient profits will arise in future accounting periods against which these losses could be offset.

5. INTANGIBLES

	<i>Software</i> N\$	<i>Licenses and options</i> N\$		<i>Total</i> N\$
COST				
At 1 March 2006 and 28 February 2007	–	–		–
Additions	–	2,000		2,000
At 31 December 2007	–	2,000		2,000
Additions	18,200	–		18,200
At 31 December 2008	18,200	2,000		20,200
AMORTISATION				
As at 1 March 2006 and 28 February 2007	–	–		–
Charge for the period	–	–		–
As at 31 December 2007	–	–		–
Charge for the period	2,002	1,100		3,102
At 31 December 2008	2,002	1,100		3,101
NET BOOK VALUE				
At 28 February 2007	–	–		–
At 31 December 2007	–	2,000		2,000
At 31 December 2008	16,198	900		17,098

6. TRADE AND OTHER RECEIVABLES

	<i>31 December</i> 2008 N\$	<i>31 December</i> 2007 N\$	<i>28 February</i> 2007 N\$
Other receivables	–	150	200

CRATON DIAMONDS (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008, TEN MONTHS ENDED 31 DECEMBER 2007 &
THE YEAR ENDED 28 FEBRUARY 2007**

7. CASH AND CASH EQUIVALENTS

	<i>31 December</i> 2008 N\$	<i>31 December</i> 2007 N\$	<i>28 February</i> 2007 N\$
Cash at bank	233,793	317,441	–
Petty cash on hand	10,000	–	–
	243,793	317,441	–

8. TRADE AND OTHER PAYABLES

	<i>31 December</i> 2008 N\$	<i>31 December</i> 2007 N\$	<i>28 February</i> 2007 N\$
Current:			
Trade creditors	2,644	–	–
Accruals and provisions	669,825	–	–
	672,469	–	–

9. BORROWINGS FROM RELATED PARTIES

	<i>31 December</i> 2008 N\$	<i>31 December</i> 2007 N\$	<i>28 February</i> 2007 N\$
Current			
Loan from West Africa Gold Exploration (Namibia) (Pty) Ltd	6,844,486	–	–
Non-current			
Loan from Kalahari Minerals plc	694,865	3,207,485	–
	7,539,351	3,207,485	–

The loans from both Kalahari Minerals plc and West Africa Gold Exploration (Namibia) (Pty) Ltd have no fixed terms for repayment and are subordinated.

10. ORDINARY SHARES

Authorised:

			<i>31 December</i> 2008 N\$	<i>31 December</i> 2007 N\$	<i>28 February</i> 2007 N\$
<i>Number:</i>	<i>Class:</i>	<i>Nominal value:</i>			
4,000	Ordinary	N\$1	4,000	4,000	4,000
			4,000	4,000	4,000

Allotted, issued and fully paid:

			<i>31 December</i> 2008 N\$	<i>31 December</i> 2007 N\$	<i>28 February</i> 2007 N\$
<i>Number:</i>	<i>Class:</i>	<i>Nominal value:</i>			
1,500	Ordinary	N\$1	1,500	200	200
			1,500	200	200

CRATON DIAMONDS (PROPRIETARY) LIMITED

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008, TEN MONTHS ENDED 31 DECEMBER 2007 &
THE YEAR ENDED 28 FEBRUARY 2007

11. FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: in particular capital risk management, market risk (including currency risk, fair value interest rate risk and price risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's performance. The Board on behalf of the members carries out risk management.

(a) ***Capital risk management***

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while optimising the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

The Group does not enter into derivative or hedging transactions and it is the Group's policy that no trading in financial instruments will be undertaken.

The main risk arising from the Group's financial instruments is currency risk. The board reviews and agrees policies for managing such risk explained below.

(b) ***Interest rate risk***

The Company finances its operations through equity. There are loans within the Group however these loans are interest free.

(c) ***Market risk***

(i) ***Foreign exchange risk***

Income and expenditure transactions are translated at the spot rate of exchange at transaction date. All assets and liabilities, including fair value adjustments arising on acquisition, are translated at the rate of exchange ruling at the balance sheet date.

(ii) ***Price risk***

Prices ultimately received for minerals in relation to the Company's investments will have significant impact on the profitability and viability of all projects in which the Group has an interest. Increases to prices may have significant and leveraged effect to the current and future values of projects and shares held; the converse will apply where prices fall.

(iii) ***Fair value interest rate risk***

The Company has no liabilities which accrue interest; therefore the Company has no exposure to interest rate risk on borrowings.

(d) ***Credit risk***

The Company does not hold any trade receivables due from external customers and is therefore not exposed to any significant credit risk. The carrying amount of the Group's financial assets represents its maximum exposure to credit risk.

(e) ***Liquidity Risk***

Prudent liquidity risk management implies maintaining sufficient cash. Management monitors rolling forecasts of the Company's liquidity reserve. The review consists of considering the liquidity of local markets, projecting cash flows and the level of liquid assets to meet these. The management raises

CRATON DIAMONDS (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008, TEN MONTHS ENDED 31 DECEMBER 2007 &
THE YEAR ENDED 28 FEBRUARY 2007**

additional capital financing when the review indicates this to be necessary. The financial instruments of the Company are:

	<i>Year Ended</i>		<i>Period Ended</i>		<i>Year ended</i>	
	<i>31 December 2008</i>		<i>31 December 2007</i>		<i>28 February 2007</i>	
	<i>Loans and receivables</i>	<i>Financial Liabilities</i>	<i>Loans and receivables</i>	<i>Financial Liabilities</i>	<i>Loans and receivables</i>	<i>Financial Liabilities</i>
	N\$	N\$	N\$	N\$	N\$	N\$
Financial assets						
Other debtors	–		150		200	
Cash and cash equivalents	<u>243,793</u>		<u>317,441</u>		<u>–</u>	
Financial liabilities						
Trade creditor and accruals		<u>672,469</u>		<u>–</u>		<u>–</u>

All financial assets and liabilities are initially stated at fair value and measured at amortised cost, and all carrying values approximate to fair values.

12. RELATED PARTY DISCLOSURES

(a) ***Kalahari Minerals plc***

Kalahari Minerals plc which is registered in the UK holds 100.0per cent. of the Company's issued ordinary share capital. The Company has a loan providing working capital requirements amounting to N\$694,865 (31 December 2007: N\$3,207,485, 28 February 2007: N\$Nil). The interest free loan payable to Kalahari Minerals plc has no fixed term for repayment.

(b) ***Borrowings from related parties***

The Company has borrowings from West Africa Gold Exploration (Namibia) (Pty) Ltd. This Company is also a subsidiary and forms part of the Kalahari Minerals plc group. The borrowings from the related parties are non-interest bearing loans with no fixed terms for repayment. The balances outstanding as at 31 December are recognised in Note 9 to the financial information.

13. ENVIRONMENTAL MATTERS

The directors have considered the possible provision to be raised for environmental rehabilitation. As the Company is still in the exploration phase, little damage is done to the environment and, therefore, no provision is raised in this regard.

14. CAPITAL COMMITMENTS

Exploration work on the Exclusive Prospecting Licences ("EPLs") continues. The Company has spent more than it has undertaken to spend in the licence application and has no other commitments to disclose.

The Company recognises a lump sum payable to two ex-directors, Tim Smalley and Jan Joubert, once true value can be placed on the Company. This payment, payable to each individual is calculated as:

5 per cent. x (Kalahari Minerals plc shareholding in Craton Diamonds (Pty) Ltd/100) x NPV of Craton Diamonds.

CRATON DIAMONDS (PROPRIETARY) LIMITED

NOTES TO THE FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2008, TEN MONTHS ENDED 31 DECEMBER 2007 & THE YEAR ENDED 28 FEBRUARY 2007

The Company recognises a future royalty commitment to ex-two directors, Tim Smalley and Jan Joubert, on the assumption that Craton Diamonds (Pty) Ltd progresses to the production phase. This royalty, payable to each individual after CAPEX costs have been recovered from mining is calculated as:

0.75 per cent. x (Kalahari Minerals plc shareholding in Craton Diamonds (Pty) Ltd/100) x Net Profit After Tax.

15. CONTINGENT LIABILITIES

The Company has entered into various agreements with the Namibian Ministries and farm owners. These agreements provide for environmental rehabilitation and damages against the exploration properties. Should staff or partners of Craton Diamonds (Pty) Ltd be negligent, the Company could face claims for damages.

The Directors of the Company are of the opinion that the risk is low and, if necessary, insurance cover will be taken.

16. POST BALANCE SHEET EVENTS

The directors are not aware of any post balance sheet events that could have a material affect on the financial information.

17. GOING CONCERN

The financial information has been prepared on the basis of accounting policies applicable to going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Company to continue as a going concern is dependant on a number of factors. The most significant of these is that the parent company procures and provides funding for the ongoing operations for the Company.

PART IX E

ACCOUNTANTS' REPORT

28 October 2009

The Board of Directors
North River Resources Plc
One America Square
Crosswall
London EC3N 2SG

Astaire Securities Plc
30 Old Broad Street
London
EC2N 1HT

Ambrian Partners Limited
Old Change House
128 Queen Victoria Street
London
EC4V 4BJ

Dear Sirs,



Quadrant House
4 Thomas More Square
London
E1W 1YW

Phone 020 7216 4600
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Web www.uhy-uk.com

West Africa Gold Exploration (Namibia) (Proprietary) Limited

We report on the financial information set out in Part IX F. This financial information has been prepared for inclusion in the AIM Admission document dated 28 October 2009 of North River Resources plc (“the Document”) on the basis of the accounting policies set out in Note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of West Africa Gold Exploration (Namibia) (Proprietary) Limited are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information in so far as it concerns the six months ended 30 June 2009. Furthermore it is our responsibility to report our opinion and our conclusion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report.

Basis of opinion and conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an

audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the financial information so far as it concerns the six months ended 30 June 2009 is not prepared, for the purposes of the Document, in accordance with International Accounting Standard 34 as adopted by the European Union.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

UHY Hacker Young
Chartered Accountants

Quadrant House
4 Thomas More Square
Thomas More Street
London E1W 1YW

PART IX F

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009

	<i>Unaudited period from 1 January 2009 to 30 June 2009</i>
	<i>Note</i> <i>N\$</i>
CONTINUING OPERATIONS	
Exploration expenses	(6,688,045)
Administrative expenses	(3,913,564)
OPERATING LOSS	<u>(10,601,609)</u>
Interest received	89,648
LOSS BEFORE TAXATION	<u>(10,511,961)</u>
Taxation	2 <u>–</u>
LOSS FOR THE PERIOD	<u>(10,511,961)</u>

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

BALANCE SHEET
AS AT 30 JUNE 2009

		<i>Unaudited</i> 30 June 2009
	<i>Note</i>	<i>N\$</i>
NON-CURRENT ASSETS		
Property, plant and equipment	3	5,229,568
Intangible assets	4	912,069
TOTAL NON-CURRENT ASSETS		<u>6,141,637</u>
CURRENT ASSETS		
Loans to related parties	5	7,287,161
Trade and other receivables	6	727,310
Cash and cash equivalents	7	1,134,309
		<u>9,148,780</u>
CURRENT LIABILITIES		
Trade and other payables	8	(905,748)
NET CURRENT ASSETS		<u>8,243,032</u>
NON-CURRENT LIABILITIES		
Borrowings from related party	9	(119,338,919)
NET LIABILITIES		<u>(104,954,250)</u>
EQUITY		
Called up share capital	10	5,000,000
Equity reserve		3,202,200
Accumulated loss		<u>(113,156,450)</u>
TOTAL EQUITY		<u>(104,954,250)</u>

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009

	<i>Share Capital N\$</i>	<i>Accumulated Loss N\$</i>	<i>Equity Reserve N\$</i>	<i>Total N\$</i>
As at 1 January 2009	5,000,000	(102,644,489)	3,202,200	(94,442,289)
Loss for the period	–	(10,511,961)	–	(10,511,961)
As at 30 June 2009	<u>5,000,000</u>	<u>(113,156,450)</u>	<u>3,202,200</u>	<u>(104,954,250)</u>

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**CASH FLOW STATEMENT
FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009**

	<i>Note</i>	<i>Unaudited period from 1 January 2009 to 30 June 2009 N\$</i>
Cash flows from operating activities		
Operating loss		(10,601,607)
Adjustments:		
Depreciation charge		455,017
Interest received		89,648
Share-based payment		–
		<u>(10,056,942)</u>
Movement in working capital		
Decrease/(Increase) in debtors		3,795,197
(Decrease)/increase in creditors		(1,206,984)
		<u>2,588,213</u>
Cash utilized by operating activities		
Interest paid		–
Net cash outflow from operating activities		<u>(7,468,729)</u>
Cash flows from investing activities		
Loans to related parties		(329,453)
Purchase of intangible assets		–
Loss on sale of intangible assets		47,588
Purchase of property, plant and equipment		(44,631)
Loss on sale of property, plant and equipment		3,950
Profit on sale of property, plant and equipment		–
Net cash outflow from investing activities		<u>(322,546)</u>
Cash flow from financing activities		
Borrowing from related parties		4,903,551
Net cash inflow from financing activities		<u>4,903,551</u>
Increase/(Decrease) in cash and cash equivalents		<u>(2,887,724)</u>
Cash and cash equivalents at beginning of the year	7	<u>4,022,033</u>
Cash and cash equivalents at end of the year	7	<u>1,134,309</u>

Cash and cash equivalents comprise cash on hand and bank balances.

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009**

1. SIGNIFICANT ACCOUNTING POLICIES

The financial information has been prepared using accounting bases and policies consistent with those used in the preparation of the financial statements for the year ended 31 December 2008 and those to be used for the year ending 31 December 2009.

The financial information has been prepared on a going concern basis, under the historic cost convention and in accordance with the International Financial Reporting Standards, as adopted by the European Union (“IFRS”), including IFRS6 ‘Exploration for and Evaluation of Mineral Resources’ and in accordance with the Namibian Companies Act.

The financial information contained in this report does not constitute full statutory accounts within the meaning of the Namibian Companies Act.

2. LOSS BEFORE TAXATION

The loss before tax is stated after charging:

	<i>Unaudited period from 1 January 2009 to 30 June 2009 N\$</i>
Depreciation	
– property, plant and equipment	202,780
– intangible assets	188,217
Fees payable to Company’s auditors	
– audit of Company annual accounts	125,000
– other services	–
Share based payment	–
Profit on sale of assets	51,538
Defined benefits charge	166,419
Lease charges	141,000

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009**

3. PROPERTY, PLANT AND EQUIPMENT

	<i>Land and buildings</i>	<i>Building improvements</i>	<i>Field/ production equipment</i>	<i>Motor Vehicles</i>	<i>Office equipment</i>	<i>Total</i>
	N\$	N\$	N\$	N\$	N\$	N\$
COST						
At 1 January 2009	3,074,680	80,947	378,871	2,184,400	607,184	6,326,082
Additions	–	–	–	–	44,631	44,631
Disposals	–	–	(3,950)	–	–	(3,950)
At 30 June 2009	<u>3,074,680</u>	<u>80,947</u>	<u>374,921</u>	<u>2,184,400</u>	<u>651,815</u>	<u>6,366,763</u>
DEPRECIATION						
At 1 January 2009	30,270	25,055	121,116	430,624	257,330	864,395
Charge for the year	10,747	10,119	45,453	132,112	74,369	272,800
Disposals	–	–	–	–	–	–
At 30 June 2009	<u>41,017</u>	<u>35,174</u>	<u>166,569</u>	<u>562,736</u>	<u>331,699</u>	<u>1,137,195</u>
NET BOOK VALUE						
At 1 January 2009	<u>3,044,410</u>	<u>55,892</u>	<u>257,755</u>	<u>1,753,776</u>	<u>349,854</u>	<u>5,461,687</u>
At 30 June 2009	<u>3,033,663</u>	<u>45,773</u>	<u>208,352</u>	<u>1,621,664</u>	<u>320,116</u>	<u>5,229,568</u>

4. INTANGIBLES

	<i>Software</i>	<i>Licenses and options</i>	<i>Total</i>
	N\$	N\$	N\$
COST			
At 1 January 2009	286,573	1,410,992	1,697,565
Additions	–	–	–
Disposals	(47,588)	–	(47,588)
At 30 June 2009	<u>238,985</u>	<u>1,410,992</u>	<u>1,649,977</u>
DEPRECIATION			
At 1 January 2009	67,193	488,498	555,691
Charge for the year	13,259	168,958	182,217
Disposals	–	–	–
At 30 June 2009	<u>80,452</u>	<u>657,456</u>	<u>737,908</u>
NET BOOK VALUE			
At 1 January 2009	<u>219,380</u>	<u>922,494</u>	<u>1,141,874</u>
At 30 June 2009	<u>158,533</u>	<u>753,536</u>	<u>912,069</u>

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009

5. LOANS TO RELATED PARTIES

	<i>Unaudited</i> 30 June 2009 N\$
Loan to Craton Diamonds (Pty) Ltd	7,130,728
Loan to Kalahari Energy (Namibia) (Pty) Ltd	156,433
	<u>7,287,161</u>

6. TRADE AND OTHER RECEIVABLES

	<i>Unaudited</i> 30 June 2009 N\$
Current:	
Accounts receivable	419,420
Prepayments	88,382
VAT receivable	219,508
	<u>727,310</u>

7. CASH AND CASH EQUIVALENTS

	<i>Unaudited</i> 30 June 2009 N\$
Cash at bank – current account	1,114,309
Cash on hand	20,000
	<u>1,134,309</u>

8. TRADE AND OTHER PAYABLES

	<i>Unaudited</i> 30 June 2009 N\$
Current:	
Trade creditors	439,555
Other creditors	–
Provisions – employee retirement plan	466,193
	<u>905,748</u>

WEST AFRICA GOLD EXPLORATION (NAMIBIA) (PROPRIETARY) LIMITED

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009

9. BORROWINGS FROM RELATED PARTY

	<i>Unaudited</i> 30 June 2009 N\$
Loan from Kalahari Minerals plc	119,338,919
	<u>119,338,919</u>

The loan from Kalahari Minerals plc is non-interest bearing and has no fixed terms for repayment. The loan is subordinated.

10. ORDINARY SHARES

			<i>Unaudited</i> 30 June 2009 N\$
<i>Number</i>	<i>Class</i>	<i>Nominal value</i>	
Authorised:			
5,000,000	Ordinary	N\$1	5,000,000
			<u>5,000,000</u>
Allotted, issued and fully paid:			
5,000,000	Ordinary	N\$1	5,000,000
			<u>5,000,000</u>

11. POST BALANCE SHEET EVENTS

The directors are not aware of any post balance sheet events that could have a material affect on this financial information.

PART IX G

ACCOUNTANTS' REPORT

28 October 2009

The Board of Directors
North River Resources Plc
One America Square
Crosswall
London EC3N 2SG

Astaire Securities Plc
30 Old Broad Street
London
EC2N 1HT

Ambrian Partners Limited
Old Change House
128 Queen Victoria Street
London
EC4V 4BJ

Dear Sirs,



Quadrant House
4 Thomas More Square
London
E1W 1YW

Phone 020 7216 4600
Fax 020 7638 2159
Email london@uhy-uk.com
Web www.uhy-uk.com

Craton Diamonds (Proprietary) Limited

We report on the financial information set out in Part IX H. This financial information has been prepared for inclusion in the AIM Admission document dated 28 October 2009 of North River Resources plc (“the Document”) on the basis of the accounting policies set out in Note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of Craton Diamonds (Proprietary) Limited are responsible for preparing the financial information on the basis of preparation set out Note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information in so far as it concerns the six months ended 30 June 2009. Furthermore it is our responsibility to report our opinion and our conclusion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report.

Basis of opinion and conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the financial information so far as it concerns the six months ended 30 June 2009 is not prepared, for the purposes of the Document, in accordance with International Accounting Standard 34 as adopted by the European Union.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

UHY Hacker Young

Chartered Accountants

Quadrant House
4 Thomas More Square
Thomas More Street
London E1W 1YW

PART IX H

CRATON DIAMONDS (PROPRIETARY) LIMITED

INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009

	<i>Unaudited period from 1 January 2009 to 30 June 2009</i>
	<i>Note</i> <i>N\$</i>
CONTINUING OPERATIONS	
Administrative expenses	(550,819)
Exploration expenses	<u>(1,053,540)</u>
OPERATING LOSS	<u>(1,604,359)</u>
Interest received on bank deposits	—
LOSS BEFORE TAXATION	2 <u>(1,604,359)</u>
Taxation	—
LOSS AFTER TAXATION	<u><u>(1,604,359)</u></u>

CRATON DIAMONDS (PROPRIETARY) LIMITED

BALANCE SHEET
AS AT 30 JUNE 2009

		<i>Unaudited</i> 30 June 2009
	<i>Note</i>	<i>N\$</i>
NON-CURRENT ASSETS		
Intangible assets	3	13,731
		<u>13,731</u>
CURRENT ASSETS		
Trade and other receivables	4	7,387
Cash and cash equivalents	5	102,957
		<u>110,344</u>
CURRENT LIABILITIES		
Trade and other payables	6	(10,239)
Borrowings from related parties	7	(7,130,728)
		<u>(7,140,967)</u>
NET CURRENT LIABILITIES		
		<u>(7,030,623)</u>
NON-CURRENT LIABILITIES		
Borrowings from related parties	7	(2,538,346)
NET LIABILITIES		
		<u>(9,555,238)</u>
EQUITY		
Called up share capital	8	1,500
Share premium		4,197,700
Retained earnings		(13,754,438)
TOTAL EQUITY		
		<u>(9,555,238)</u>

CRATON DIAMONDS (PROPRIETARY) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009

	<i>Share capital N\$</i>	<i>Share premium N\$</i>	<i>Retained earnings N\$</i>	<i>Total N\$</i>
As at 1 January 2009	1,500	4,197,700	(12,150,079)	(7,950,879)
Loss for the period	–	–	(1,604,359)	(1,604,359)
As at 30 June 2009	<u>1,500</u>	<u>4,197,700</u>	<u>(13,754,438)</u>	<u>(9,555,238)</u>

CRATON DIAMONDS (PROPRIETARY) LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009

	<i>Note</i>	<i>Unaudited period from 1 January 2009 to 30 June 2009 N\$</i>
Cash flows from operating activities		
Operating loss		(1,604,358)
Adjustments:		
Depreciation charge		3,367
		<u>(1,600,991)</u>
Movement in working capital		
Increase/(decrease) in debtors		(7,387)
(Decrease)/increase in creditors		(662,180)
		<u>(2,270,558)</u>
Cash utilized by operating activities		
Interest paid		–
Net cash outflow from operating activities		<u>(2,270,558)</u>
Cash flows from investing activities		
Purchase of intangible fixed asset		–
Net cash inflow/(outflow) investing activities		<u>–</u>
Cash flow from financing activities		
Issued shares		–
Borrowing raised		2,129,722
Net cash inflow from financing activities		<u>2,129,722</u>
Increase in cash and cash equivalents		(140,836)
Cash and cash equivalents at beginning of the period		243,793
Cash and cash equivalents at end of the period	5	<u>102,957</u>

Cash and cash equivalents comprise cash on hand and bank balances.

CRATON DIAMONDS (PROPRIETARY) LIMITED

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009**

1. SIGNIFICANT ACCOUNTING POLICIES

The financial information has been prepared using accounting bases and policies consistent with those used in the preparation of the financial statements for the year ended 31 December 2008 and those to be used for the year ending 31 December 2009.

The financial information has been prepared on a going concern basis, under the historic cost convention and in accordance with the International Financial Reporting Standards, as adopted by the European Union (“IFRS”), including IFRS6 ‘Exploration for and Evaluation of Mineral Resources’ and in accordance with the Namibian Companies Act.

The financial information contained in this report does not constitute full statutory accounts within the meaning of the Namibian Companies Act.

2. LOSS BEFORE TAXATION

The loss before tax is stated after charging:

	<i>Unaudited period from 1 January 2009 to 30 June 2009 N\$</i>
Depreciation – intangible assets	3,367
Fees payable to Company’s auditors – audit of Company annual accounts	32,000

3. INTANGIBLES

	<i>Licences and options N\$</i>	<i>Software N\$</i>	<i>Total N\$</i>
COST			
At 1 January 2009	2,000	18,200	20,200
Additions	–	–	–
At 30 June 2009	2,000	18,200	20,200
AMORTISATION			
As at 1 January 2009	1,100	2,002	3,102
Charge for the period	333	3,034	3,367
At 30 June 2009	1,433	5,036	6,469
NET BOOK VALUE			
At 1 January 2008	900	16,198	17,098
At 30 June 2009	567	13,164	13,731

CRATON DIAMONDS (PROPRIETARY) LIMITED
NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009

4. TRADE AND OTHER RECEIVABLES

	<i>Unaudited</i>
	<i>30 June 2009</i>
	<i>N\$</i>
VAT receivable	7,387
	<u>7,387</u>

5. CASH AND CASH EQUIVALENTS

	<i>Unaudited</i>
	<i>30 June 2009</i>
	<i>N\$</i>
Cash at bank	92,957
Petty cash on hand	10,000
	<u>102,957</u>

6. TRADE AND OTHER PAYABLES

	<i>Unaudited</i>
	<i>30 June 2009</i>
	<i>N\$</i>
Current:	
Trade creditors	10,239
Accruals and provisions	-
	<u>10,239</u>

7. BORROWINGS FROM RELATED PARTIES

	<i>Unaudited</i>
	<i>30 June 2009</i>
	<i>N\$</i>
Current	
Loan from West Africa Gold Exploration (Namibia) (Pty) Ltd	7,130,728
Non-current	
Loan from Kalahari Minerals plc	2,538,346
	<u>9,669,074</u>

The loans from both Kalahari Minerals plc and West Africa Gold Exploration (Namibia) (Pty) Ltd are non-interest bearing and subordinated.

CRATON DIAMONDS (PROPRIETARY) LIMITED
NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 JUNE 2009

8. ORDINARY SHARES

Authorised:

			<i>Unaudited</i>
			<i>30 June 2009</i>
<i>Number:</i>	<i>Class:</i>	<i>Nominal value:</i>	<i>N\$</i>
4,000	Ordinary	N\$1	<u>4,000</u>

Allotted, issued and fully paid:

			<i>Unaudited</i>
			<i>30 June 2009</i>
<i>Number:</i>	<i>Class:</i>	<i>Nominal value:</i>	<i>N\$</i>
1,500	Ordinary	N\$1	<u>1,500</u>

9. POST BALANCE SHEET EVENTS

The directors are not aware of any post balance sheet events that could have a material affect on this interim financial information.

PART X A

ACCOUNTANTS' REPORT ON PRO FORMA STATEMENT OF NET ASSETS AS AT 30 JUNE 2009

28 October 2009



The Board of Directors
North River Resources Plc
One America Square
Crosswall
London EC3N 2SG

Quadrant House
4 Thomas More Square
London
E1W 1YW

Astaire Securities Plc
30 Old Broad Street
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Phone 020 7216 4600
Fax 020 7638 2159
Email london@uhy-uk.com
Web www.uhy-uk.com

Ambrian Partners Limited
Old Change House
128 Queen Victoria Street
London
EC4V 4BJ

Dear Sirs,

North River Resources plc (“the Company”)

We report on the unaudited pro forma statement of net assets (“the Pro forma financial information”) set out in Section X B of the Admission document 28 October 2009, which has been prepared on the basis described in the notes on Section X B, for illustrative purposes only, to provide information about how the Acquisition and Placing might have affected the financial information presented on the basis of the accounting policies adopted by the Enlarged Group in preparing the financial information for the period ended 30 June 2009.

Responsibilities

This report is as agreed between us in writing and is given for the purpose of complying with that requirement and no other purpose.

Save for any responsibility we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not accept any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, or arising out of, or in connection with this report.

It is the responsibility of the Directors of the Company to prepare the Pro forma financial information, which has been prepared in accordance with Schedule Two of the AIM Rules for Companies with reference to paragraph 20.2 of Annex I of the Prospectus Rules attached to the AIM Rules for Companies as if it had been applicable.

It is our responsibility to form an opinion, which would have been required by paragraph 7 of Annex II of the Prospectus Rules attached to the AIM Rules for Companies as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept

responsibility for such reports or opinions beyond that owed to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purposes of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors of the Company.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated.

Our work has not been carried out in accordance with auditing standards generally accepted in the United Kingdom or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards.

Opinion

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated: and
- (b) such basis is consistent with the accounting policies of the Enlarged Group.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

UHY Hacker Young
Chartered Accountants

Quadrant House
4 Thomas More Square
Thomas More Street
London E1W 1YW

PART X B

UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET ASSETS OF THE ENLARGED GROUP

Set below is an unaudited pro forma statement of net assets of the Enlarged Group as at 30 June 2009.

The unaudited pro forma statement of net assets has been prepared for illustrative purposes only to illustrate the effect of the Acquisition and Placing and certain funding transactions as if they had been completed on 30 June 2009. The pro forma statement is based upon the audited balance sheet of NRR, the unaudited balance sheets of WAGE and CD and the basis set out in the notes below.

The pro forma statement has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the financial position of the Enlarged Group following completion of the Acquisition and the Placing.

	<i>North River</i>	<i>WAGE</i>	<i>CD</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	<i>adjustment</i>	<i>adjustment</i>	<i>adjustment</i>	<i>adjustment</i>	<i>net assets</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>£</i>
				<i>(Note 3)</i>	<i>(Note 4)</i>	<i>(Note 5)</i>	<i>(Note 6)</i>	<i>£</i>
NON-CURRENT ASSETS								
Intangible assets	–	72,966	1,098	–	161,000	–	–	235,064
Goodwill	–	15,746,340	1,414,419	(10,117,572)	–	–	–	7,043,187
Property, plant and equipment	–	418,365	–	–	–	–	–	418,365
TOTAL NON-CURRENT ASSETS	–	16,237,671	1,415,517	(10,117,572)	161,000	–	–	7,696,616
CURRENT ASSETS								
Loans to related parties	–	582,973	–	(551,284)	–	–	–	31,689
Trade and other receivables	–	58,185	591	–	–	–	–	58,776
Cash and cash equivalents	35,078	90,745	8,237	–	689,000	100,000	6,300,000	7,223,060
TOTAL CURRENT ASSETS	35,078	731,903	8,828	(551,284)	689,000	100,000	6,300,000	7,313,525
TOTAL ASSETS	35,078	16,969,574	1,424,345	(10,668,856)	850,000	100,000	6,300,000	15,010,141
CURRENT LIABILITIES								
Trade and other payables	(82,764)	(72,460)	(819)	–	–	–	–	(156,043)
Convertible notes	(150,000)	–	–	–	(350,000)	–	–	(500,000)
Borrowings from related parties	–	–	(570,458)	551,284	–	–	–	(19,174)
TOTAL CURRENT LIABILITIES	(232,764)	(72,460)	(571,277)	551,284	(350,000)	–	–	(675,217)
NON-CURRENT LIABILITIES								
Borrowings from related party	–	(9,547,114)	(570,458)	10,117,572	–	–	–	–
TOTAL LIABILITIES	(232,764)	(9,619,574)	(1,141,735)	10,668,856	(350,000)	–	–	(675,217)
NET (LIABILITIES)/ASSETS	(197,686)	7,350,000	282,610	–	500,000	100,000	6,300,000	14,334,924

Note 1 Acquisition of WAGE

The assets and liabilities of WAGE at 30 June 2009 are taken from the Financial Information set out in Section IX F. A NAM\$: £ exchange rate of 12.5: 1 has been applied. Goodwill on acquisition arises as follows:

	£
Net liabilities	(8,396,340)
Goodwill on acquisition	15,746,340
Total assets acquired	<u>7,350,000</u>
Consideration	
245,000,000 ordinary £0.002 ordinary shares at 3 pence per share	<u>7,350,000</u>

Note 2 Acquisition of CD

The assets and liabilities of CD at 30 June 2009 are taken from the Financial Information set out in Section IX H. A NAM\$: £ exchange rate of 12.5: 1 has been applied. Goodwill on acquisition arises as follows:

	£
Net liabilities	(764,419)
Goodwill on acquisition	1,414,419
Total assets acquired	<u>650,000</u>
Consideration	
21,666,667 ordinary £0.002 ordinary shares at 3 pence per share	<u>650,000</u>

Note 3 Elimination of inter-company balances

The elimination includes £551,284 owed by CD to WAGE and £9,226,211 and £196,242 owed by WAGE and CD to North River following North River's acquisition of the balances from Kalahari Minerals plc on Acquisition.

Note 4 Acquisition Mozambique licences, placement of shares, repayment of existing convertible loan notes and drawdown of new convertible loan notes

	£
Licences acquired	161,000
Consideration	
Cash paid	61,000
10,000,000 ordinary £0.002 shares at 1 pence per share	<u>100,000</u>
Total consideration	<u>161,000</u>
Placement of 40,000,000 ordinary £0.002 shares at 1 pence per share	400,000
Convertible loan facility of £500,000 with Clarion Finanz AZ	500,000
Cash consideration of licences	(61,000)
Repayment of existing convertible loans	<u>(150,000)</u>
Net cash raised	<u>689,000</u>

Note 5 Issue of convertible loan notes

The convertible loan notes were converted to ordinary share capital on 12 October 2009.

	£
Placement of 10,000,000 £0.002 ordinary shares at 1 pence per share	<u>100,000</u>
Net cash raised	<u>100,000</u>

Note 6 Placement of shares

	£
Placement of 233,333,333 ordinary £0.002 ordinary shares at 3 pence per share	7,000,000
Less costs of the placing	<u>(700,000)</u>
Net cash raised	<u>6,300,000</u>

PART XI

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Company, the Existing Directors and Proposed Directors whose names, business addresses and functions appear on page 4 of this document, accept responsibility for the information contained in this document including collective and individual responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Existing Directors and Proposed Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

- 2.1 The Company is registered in England and Wales, having been incorporated on 13 July 2006 under the 1985 Act with registered number 5875525 as a public company limited by shares. The liability of members is limited.
- 2.2 The Company is governed by the 2006 Act and its securities were created under the 1985 Act and following the implementation of the relevant provisions of the 2006 Act are now governed by, the 2006 Act.
- 2.3 On 6 December 2006 the Registrar of Companies issued a certificate to the Company entitling it to do business under the provisions of section 117 of the 1985 Act (section 761 under the 2006 Act).
- 2.4 The Company is the holding company of:
- (a) NRPL, which was registered in Australia on 13 July 2006;
 - (b) NRIOM1, which was registered in the Isle of Man on 5 October 2009; and
 - (c) NRIOM2, which was registered in the Isle of Man on 5 October 2009.

Following Completion, the Company will also be the holding company of WAGE and CD.

- 2.5 The telephone number of the Company at its principal place of business is + 44 (0)20 72929110.
- 2.6 The Company currently has no administrative, management or supervisory bodies other than the Board.
- 2.7 The Company's auditors during the period covered by the historical financial information set out in Part VIII are UHY Hacker Young who are regulated by the Institute of Chartered Accountants in England and Wales.
- 2.8 The ISIN of the Ordinary Shares is GB00B3XGRQ09.

3. Share Capital

- 3.1 On incorporation, the Company had an authorised share capital of £10,000,000 divided into 10,000,000,000 ordinary shares of £0.001 each, of which 2 were issued, fully paid, to the subscribers to the Memorandum.
- 3.2 On 30 November 2006, the number of ordinary shares issued and fully paid was increased from 2 ordinary shares of £0.001 each to 54,000,002 ordinary shares of £0.001 each.
- 3.3 On 8 December 2006, the number of ordinary shares issued and fully paid was increased from 54,000,002 ordinary shares of £0.001 each to 68,000,000 ordinary shares of £0.001 each.

- 3.4 Pursuant to shareholders resolutions dated 26 August 2009, the 68,000,000 issued ordinary shares of £0.001 each in the capital of the Company were consolidated into 34,000,000 Ordinary Shares of £0.002 each (and the unissued ordinary shares were likewise consolidated) and the directors were authorised to allot shares with a nominal value of £9,932,000 free from pre-emption rights.
- 3.5 On 24 September 2009, the number of ordinary shares issued and fully paid was increased from 34,000,000 Ordinary Shares of £0.002 each to 84,000,000 Ordinary Shares of £0.002 each by way of a placing of shares and the issue of shares under the Mozambique Licences Purchase Agreement.
- 3.6 On 9 October 2009, the number of ordinary shares issued and fully paid was increased from 84,000,000 Ordinary Shares of £0.002 each to 94,000,000 Ordinary Shares of £0.002 each, following conversion of the Convertible Loan Agreements.
- 3.7 On or following Readmission, the Company intends to issue:
- (a) 245,000,000 Consideration Shares to Kalahari Diamonds pursuant to the Share Purchase Agreement;
 - (b) 21,666,667 Consideration Shares to Kalahari Gold pursuant to the Share Purchase Agreement;
 - (c) 233,333,333 Placing Shares pursuant to the Placing Agreement;
 - (d) the 2,200,000 CD Royalty Shares; and
 - (e) Options over 15,000,000 New Ordinary Shares as described in paragraph 3.16 below.
- 3.8 The authorised share capital of the Company at the date of this document is 5,000,000,000 Ordinary Shares (£10,000,000 nominal value) of which 94,000,000 Ordinary Shares (£188,000 nominal value) are issued and fully paid up.
- 3.9 Of the 5,000,000,000 authorised Ordinary Shares (£10,000,000 nominal value), shares with a nominal value of £9,932,000 are, pursuant to the shareholders resolution referred to in paragraph 3.4 above, available for issue free from pre-emption rights. 94,000,000 Ordinary Shares have been issued, 266,666,667 Consideration Shares and 233,333,333 Placing Shares are to be issued on Readmission, 2,200,000 CD Royalty Shares are to be issued within 20 business days of Readmission, up to 99,000,000 Ordinary Shares may be issued pursuant to the exercise of the Options and up to 16,666,667 (or more if amounts representing interest are included) Ordinary Shares may be issued if the loan under the convertible loan agreement described at paragraph 6.10(c) of this Part XI is converted. Therefore, upon Readmission, there will be approximately 4,288,133,333 Ordinary Shares which remain authorised and unreserved for issue free from pre-emption rights.
- 3.10 All issued Ordinary Shares rank *pari passu* in all respects including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares from the date of this document.
- 3.11 The authorised and issued fully paid share capital of the Company as it is expected to be immediately following Readmission (and assuming full subscription under the Placing and no Options are exercised) is:

<i>Authorised</i>		<i>Ordinary Shares of</i>	<i>Issued and Fully Paid</i>	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£10,000,000	5,000,000,000	£0.002 each	£1,118,000	594,000,000

- 3.12 Following Readmission, the Ordinary Shares may be held in either certificated or uncertificated form.
- 3.13 Pursuant to an Option Agreement dated 18 December 2006, Ascent Capital (of which David Steinepreis is a director and a trust associated with him is a 50 per cent. shareholder) holds Options exercisable until 27 December 2011, to subscribe for up to 1,000,000 Ordinary Shares at 10 pence per Ordinary Share.

- 3.14 Pursuant to an Option Agreement dated 18 December 2006, Westwind Capital Pty Limited (of which Glenn Whiddon is a director and 50 per cent. shareholder) holds Options exercisable until 27 December 2011, to subscribe for up to 1,000,000 Ordinary Shares at 10 pence per Ordinary Share.
- 3.15 Pursuant to an Option Agreement dated 18 December 2006, Astaire holds Options exercisable until 27 December 2011, to subscribe for up to 1,000,000 Ordinary Shares at 10 pence per Ordinary Share.
- 3.16 Pursuant to Option Agreements dated 28 October 2009, each of Astaire, Ambrian and Ocean holds Options conditional on, and exercisable within 5 years of the date of, Readmission, each to subscribe for up to 5,000,000 Ordinary Shares at 5 pence per Ordinary Share.
- 3.17 Pursuant to the Option Schemes, Glenn Whiddon holds Options:
- (a) exercisable from 24 September 2009 until 30 June 2014, to subscribe for up to 6,666,666 Ordinary Shares at 5 pence per Ordinary Share;
 - (b) exercisable from 24 September 2010 until 30 June 2014, to subscribe for up to 1,666,667 Ordinary Shares at 5 pence per Ordinary Share; and
 - (c) exercisable from 24 September 2011 until 30 June 2014, to subscribe for up to 1,666,667 Ordinary Shares at 5 pence per Ordinary Share.
- 3.18 Pursuant to the Option Schemes, Ascent Capital (of which David Steinepreis is a director and a trust associated with him is a 50 per cent. shareholder) holds Options:
- (a) exercisable from 24 September 2009 until 30 June 2014, to subscribe for up to 6,666,666 Ordinary Shares at 5 pence per Ordinary Share;
 - (b) exercisable from 24 September 2010 until 30 June 2014, to subscribe for up to 1,666,667 Ordinary Shares at 5 pence per Ordinary Share; and
 - (c) exercisable from 24 September 2011 until 30 June 2014, to subscribe for up to 1,666,667 Ordinary Shares at 5 pence per Ordinary Share.
- 3.19 Pursuant to the Option Schemes, Martin French holds Options:
- (a) exercisable from 24 September 2009 until 30 June 2014, to subscribe for up to 6,666,666 Ordinary Shares at 5 pence per Ordinary Share;
 - (b) exercisable from 24 September 2010 until 30 June 2014, to subscribe for up to 1,666,667 Ordinary Shares at 5 pence per Ordinary Share; and
 - (c) exercisable from 24 September 2011 until 30 June 2014, to subscribe for up to 1,666,667 Ordinary Shares at 5 pence per Ordinary Share.
- 3.20 Pursuant to the Option Schemes, Novoco Limited (a company associated with Luke Bryan) holds Options:
- (a) exercisable from 24 September 2009 until 30 June 2014, to subscribe for up to 3,666,666 Ordinary Shares at 5 pence per Ordinary Share;
 - (b) exercisable from 24 September 2010 until 30 June 2014, to subscribe for up to 1,666,667 Ordinary Shares at 5 pence per Ordinary Share; and
 - (c) exercisable from 24 September 2011 until 30 June 2014, to subscribe for up to 1,666,667 Ordinary Shares at 5 pence per Ordinary Share.
- 3.21 Pursuant to the Option Schemes Rowan Hall Pty Ltd <Rowan Hall Investment Trust> (of which Patrick Burke is a potential beneficiary) holds Options:
- (a) exercisable from 24 September 2009 until 30 June 2014, to subscribe for up to 2,333,333 Ordinary Shares at 5 pence per Ordinary Share;

- (b) exercisable from 24 September 2010 until 30 June 2014, to subscribe for up to 333,333 Ordinary Shares at 5 pence per Ordinary Share; and
 - (c) exercisable from 24 September 2011 until 30 June 2014, to subscribe for up to 333,334 Ordinary Shares at 5 pence per Ordinary Share.
- 3.22 Pursuant to the Option Schemes, Clarion Finanz Ptd Ltd holds Options exercisable until 30 June 2014, to subscribe for up to 10,000,000 Ordinary Shares at 10 pence per Ordinary Share.
- 3.23 Pursuant to the Option Schemes, Centrum Bank AZ holds Options exercisable until 30 June 2014, to subscribe for up to 250,000 Ordinary Shares at 5 pence per Ordinary Share.
- 3.24 Pursuant to the Option Schemes, Ocean Equities Limited holds Options exercisable until 30 June 2014, to subscribe for up to 1,000,000 Ordinary Shares at 5 pence per Ordinary Share.
- 3.25 Pursuant to the Option Schemes, David Argyle holds Options exercisable until 30 June 2014, to subscribe for up to 8,000,000 Ordinary Shares at 5 pence per Ordinary Share.
- 3.26 Pursuant to the Option Schemes, Fiske Nominees holds Options exercisable until 30 June 2014, to subscribe for up to 2,250,000 Ordinary Shares at 5 pence per Ordinary Share.
- 3.27 Pursuant to the Option Schemes, Blackmort Nominees Pty Ltd holds Options exercisable until 30 June 2014, to subscribe for up to 5,500,000 Ordinary Shares at 5 pence per Ordinary Share.
- 3.28 Pursuant to the Option Schemes, Harford Superannuation Fund holds Options exercisable until 30 June 2014, to subscribe for up to 500,000 Ordinary Shares at 5 pence per Ordinary Share.
- 3.29 Pursuant to the Option Schemes, Hugo and Isabel de Salis hold Options exercisable until 30 June 2014, to subscribe for up to 500,000 Ordinary Shares at 5 pence per Ordinary Share.
- 3.30 Pursuant to the Option Schemes, Theseus Investments Pty Ltd holds Options exercisable until 30 June 2014, to subscribe for up to 2,500,000 Ordinary Shares at 5 pence per Ordinary Share.
- 3.31 Pursuant to the Option Schemes, in connection with the Convertible Loan Agreements, Fitel Nominees Limited, Centrum Bank AZ and Fiske Plc were respectively issued Options exercisable until 30 June 2014 to subscribe for 3,625,00, 1,375,000 and 5,000,000 Ordinary Shares respectively at 5 pence per Ordinary Share.
- 3.32 Pursuant to the Option Schemes, Astaire Securities plc holds Options exercisable until 30 June 2014, to subscribe for up to 500,000 Ordinary Shares at 5 pence per Ordinary Share.
- 3.33 Save as disclosed in this Part XI of this document:
- (a) no share or loan capital of the Company has been issued or is proposed to be issued;
 - (b) and save for the Options, details of which are set out in paragraphs 3.13 to 3.32 of this Part XI, there are currently no outstanding convertible securities, exchangeable securities or securities with options issued;
 - (c) there are no shares in the Company not representing capital;
 - (d) there are no shares in the Company held by or on behalf of the Company itself or by subsidiaries of the Company;
 - (e) there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital;
 - (f) no person has any preferential or subscription rights for any share capital of the Company;
 - (g) and save for the Options, no share or loan capital of the Company or any member of the North River Group is under option or agreed conditionally or unconditionally to be put under option.

- 3.34 Subject to any direction to the contrary which may be given by the Company in general meeting, the Directors are unconditionally authorised to allot relevant securities (within the meaning of section 80(2) of the 1985 Act to such persons (including any Director) on such terms and at such times as they think fit, provided always that the authority thereby conferred shall be limited to the allotment of relevant securities having an aggregate nominal amount of £9,932,000. This authority remains in force until the conclusion of the Annual Extraordinary General Meeting of the Company to be held in 2010.
- 3.35 The provisions of section 89 of the 1985 Act, which confers on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be paid up in cash do not apply to the share capital up to an aggregate nominal value of £9,932,000. Options have been granted to issue 99,000,000 Ordinary Shares as detailed in paragraphs 3.13 to 3.32 of this Part XI As noted in paragraph 3.9 of this Part XI, 4,288,133,333 Ordinary Shares remain available for issue and free from pre-emption rights.
- 3.36 The par value of each Ordinary Share is £0.002.
- 3.37 The Company has no issued Ordinary Shares that are not fully paid up.

4. Memorandum and Articles

- 4.1 In this paragraph 4, “**Statutes**” means 1985 Act, the Companies Act 1989, the 2006 Act and every other Statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company.
- 4.2 The principal objects of the Company are set out in full in clause 4 of the Company’s Memorandum (which is available for inspection at the Company’s registered office and include carrying on the business of a general commercial company).
- 4.3 The Articles contain, *inter alia*, provisions to the following effect:

Annual general meetings

An annual general meeting of the Company shall be held in each year in addition to any other meetings which may be held in that year, and such meeting shall be specified as the annual general meeting in the notices calling it. Subject to the provisions of the Statutes, the annual general meeting shall be held at such time and place as the Directors shall appoint.

General meetings

The Directors may convene a general meeting of the Company whenever they think fit and general meetings shall also be convened on such requisition, by shareholders as provided by the Statutes, whereupon the Directors shall forthwith proceed to convene a general meeting in accordance with the requirements of the 2006 Act. If at any time there are not sufficient Directors capable of acting to form a quorum of the Directors any Director or any two Shareholders of the Company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

Two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a shareholder or a duly authorised representative of a corporation which is a Shareholder, shall be a quorum. In calculating whether a quorum is present for the purposes of the Articles, if two or more persons are appointed as proxies for the same Shareholder or two or more persons are appointed as corporate representatives of the same corporate Shareholder, only one of such proxies or one of such corporate representatives shall be counted.

At least 21 clear days’ notice of every annual general meeting and at least 14 clear days’ notice of every general meeting shall be given in the manner hereinafter mentioned to such Shareholders as are under the provisions of the Articles entitled to receive such notices from the Company and to the auditors of the Company. Every notice of meeting shall specify the place, day and hour of meeting and, in the case of special business, the general nature of such business and shall also state with

reasonable prominence that a Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and to speak and to vote instead of him (provided that, where more than one proxy is appointed, each proxy is appointed to exercise the rights attached to a different share or shares) and that a proxy need not also be a Shareholder. In the case of a meeting convened for passing a special resolution, the notice shall specify the intention to propose the resolution as a special resolution. Subject to the provisions of the Articles, to the rights attaching to any class of shares and to any restrictions imposed on any holder, notice shall be given to all Shareholders, the Directors and the auditors.

Transfer

Title to and interests in securities of the Company may be transferred without a written instrument in accordance with statutory regulations from time to time made under the Statutes. Except as may be required by any procedures implemented pursuant to the Articles in accordance with the Statutes, all transfers of shares may be effected by transfer in writing in any usual or common form or in such other form as shall be approved by the Directors. The instrument of transfer shall be signed by or on behalf of the transferor and, if the shares being transferred are partly paid, by the transferee. The Directors may refuse to register any transfer of any share that is not fully paid and they may refuse to register the transfer of any share on which the Company has a lien. They may also refuse to register a transfer of any share in favour of more than four joint holders as transferees, a transfer in respect of more than one class of share and a transfer which has not been lodged at the Company's registered office or such place as the Directors may determine and which is not accompanied by the certificates for the shares to which it relates. The Directors may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted by any regulations and the requirements of the relevant system concerned.

Voting rights

Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held upon a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and in each case is entitled to vote shall have one vote and every proxy present who has been duly appointed by a Shareholder have one vote and upon a poll every Shareholder present in person or by proxy and entitled to vote shall have one vote for every share held by him and a person entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

City Code

If at any time when the City Code does not apply to the Company, a person (together with any persons held to be acting in concert with him) acquires any interest in shares in the Company which would have obliged them to extend an offer (a "mandatory offer") to the holders of all other shares in the Company had the City Code applied, the Directors have the discretion to disenfranchise such person until a compliant mandatory offer is made.

Dividends

The profits of the Company available for distribution and resolved to be distributed shall be applied in the payment of dividends to the Shareholders in accordance with their respective rights and interests. No dividend may exceed the amount recommended by the Directors.

Unclaimed dividends

Any dividend unclaimed after a period of 12 years from the date it became due for payment shall be forfeited and shall, if the Directors so resolve, revert to the Company.

Return of capital

If the Company shall be wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the assets of the Company and may determine how such division shall be carried out between Shareholders or classes of Shareholders.

Variation of rights

If at any time the capital is divided into different classes of shares all or any of the rights or privileges attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either (a) in such manner (if any) as may be provided by such rights, or (b) in the absence of any such provision either with the consent in writing of the holders of three quarters of the nominal amount of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class.

Changes in share capital

The Company may from time to time by ordinary resolution, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid or not, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution directs.

Purchase by the Company of its own shares

Subject to the provisions of the Statutes and with the approval at a general meeting, the Company has authority in its Articles to purchase its own shares.

Borrowing powers

The Directors may exercise all the powers of the Company to borrow and, subject to the Statutes, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as collateral for any debt, liability or obligation of the Company or of any third party.

Directors

Unless otherwise determined by resolution at a general meeting, the number of directors shall be not less than two. The Company may by ordinary resolution from time to time vary the minimum and maximum number of directors.

Without prejudice to the requirements of the Statutes, a Director, including an alternate Director, who is in any way whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. In the case of a proposed contract the declaration shall be made at the meeting of the Directors at which the question of entering into the contract is first taken into consideration or, if the Director was not at the date of that meeting interested in the proposed contract, at the next meeting of the Directors held after he became so interested. In a case where the Director becomes interested in a contract after it is made the declaration shall be made at the first meeting of the Directors held after the Director becomes so interested. In a case where the Director is interested in a contract which has been made before he was appointed a Director the declaration shall be made at the first meeting of the Directors held after he is so appointed.

The Directors may authorise any matter proposed to it in accordance with the relevant articles which would, if not so authorised, involve a breach of duty by a Director under section 175 of the 2006 Act, including, without limitation, any matter which relates to a situation in which a Director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the Company. Such authorisation will only be effective if quorum requirements are satisfied and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

A Director shall (in the absence of some other interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely: (i) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries; (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in which he is or is to be interested as a participant in the underwriting or sub-underwriting thereof; (iv) any proposal concerning any other company in which he is interested (as defined in the Statutes) directly or indirectly and whether as an officer or shareholder or otherwise howsoever: provided that he (together with any person connected with him within the meaning of section 252 of the 2006 Act) is not the holder or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to Shareholders of the relevant company (any such interest being deemed for the purpose of the relevant Article to be a material interest in all circumstances); (v) any proposal concerning the adoption modification or operation of a superannuation fund or retirement, death or disability benefits scheme or employees' share scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Directors of Inland Revenue for taxation purposes and which does not award him any privilege or benefit not awarded to the employee to whom the scheme relates; (vi) any contract arrangement or proposal for the benefit of employees of the Group under which the Director benefits in a similar manner as the employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which such contract arrangement or proposal relates; (vii) an insurance arrangement which subject to the provisions of the Statutes the Company proposes to maintain or purchase for the benefit of a Director or for the benefit of any persons including Directors against liabilities incurred in connection with the discharge of that Director's duties or exercise of his powers in relation to his duties in respect of the Company.

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be determined by a majority of votes of the remaining Directors present at the meeting and in the case of an equality of votes the Chairman (unless he be the Director the materiality of whose interest or the entitlement of whom to vote shall be in issue) shall have a second or casting vote and their ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing the Directors or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company).

Subject to the Statutes, the Company may by ordinary resolution suspend or relax to any extent, in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of the Directors or of a committee of the Directors.

5. Directors' and other interests

5.1 The interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and the persons connected with them (within the meaning of Sections 252 to 254 of the 2006 Act) in the issued share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director are as at the date of this document, and as they are expected to be immediately following the Proposals, as follows:

Name	As at the date of this document			Immediately following the Readmission		
	Number of Ordinary Shares	Percentage of Issued Share Capital	Number of Options	Number of Ordinary Shares	Percentage of Issued Share Capital	Number of Options
Existing Directors:						
David Steinepreis ^{1,2}	7,521,999	8.00	11,000,000	19,188,666	3.23	11,000,000
Patrick Burke ³	2,310,000	2.45	3,000,000	3,310,000	0.56	3,000,000
Glenn Whiddon ⁴	6,375,000	6.78	11,000,000	6,375,000	1.07	11,000,000
Martin French ^{1,5}	5,000,000	5.32	10,000,000	8,333,333	1.40	10,000,000
Proposed Directors:						
Mark Hohnen ¹	Nil	Nil	Nil	Nil	Nil	Nil
Glyn Tonge ^{1,6}	Nil	Nil	Nil	666,667	0.11	Nil

Notes:

- The Remaining Directors and the Proposed Directors have undertaken that they will not dispose of Ordinary Shares, interests in shares arising from the exercise of Options or other interests in Ordinary Shares, save in accordance with the AIM Rules for a period of 12 months from Readmission and for a further period of 12 months to dispose of such Ordinary Shares only through one of the joint brokers.
 - 5,991,999 Ordinary Shares and 11,000,000 Options (details of which are set out in paragraphs 3.13 and 3.18 of this Part XI) are currently held by Ascent Capital and following Readmission 7,658,666 Ordinary Shares and 11,000,000 Options will be held by Ascent Capital. Mr. Steinepreis is a director of Ascent Capital and a trust associated with Mr. Steinepreis is a 50 per cent. shareholder of Ascent Capital. N&J Mitchell Holdings Pty. Ltd. holds 930,000 Ordinary Shares. Mr Steinepreis is a director of N&J Mitchell Holdings Pty Ltd. Mr Steinepreis's wife holds 600,000 Ordinary Shares.
 - All 2,310,000 Ordinary Shares and 3,000,000 Options (details of which are set out in paragraph 3.21 of this Part XI) are held by, and the 1,000,000 Placing Shares will be held by, Rowan Hall Pty Ltd <Rowan Hall Investment Trust> of which Mr Burke is a potential beneficiary.
 - Of the 6,375,000 Ordinary Shares 1,375,000 are held by a nominee for Lagral scp (a company associated with Mr. Whiddon) and 5,000,000 are held by a nominee for Mr Whiddon, 10,000,000 Options (details of which are set out in paragraph 3.17 of this Part XI) are held by Mr. Whiddon. 1,000,000 Options (details of which are set out in paragraph 3.14 of this Part XI) are held by Westwind Capital Pty Ltd of which Mr Whiddon is a director and 50 per cent. shareholder.
 - All 5,000,000 Shares are held by a nominee for Mr. French as beneficial owner. All 10,000,000 Options (details of which are set out in paragraph 3.19 of this Part XI) are held by Mr. French personally.
 - 566,667 Placing Shares are to be held by Mr Tonge directly and the remaining 100,000 Placing Shares shall be held by his wife, Mrs Annette Tonge.
- 5.2 Save as disclosed above, none of the Directors nor any member of their respective immediate families nor any person connected with the Directors (within the meaning of Sections 252 to 254 of the 2006 Act) has any interest, whether beneficial or non-beneficial, in any share capital of the Company or Options.
- 5.3 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 5.4 Save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.

- 5.5 On 18 December 2006, the Company entered into an agreement for services with Ascent Capital Holdings Pty Ltd which provides for David Steinepreis to perform his services on behalf of the Company, for a fee of £12,000 per annum (£12,500 per month commencing 1 July 2009). If Mr Steinepreis is required to perform additional services on behalf of the Company, an additional fee (as approved by the Board) will be payable to Ascent Capital Pty Ltd. This agreement will be terminated conditional upon the commencement of validity of the immigration employment document approved by the UK Border Agency.
- 5.6 On 28 October 2009, the Company entered into an agreement for services with David Steinepreis, to commence conditional upon the commencement of validity of the immigration employment document approved by the UK Border Agency. This service agreement provides for Mr. Steinepreis to serve the Company and the Enlarged Group as managing director for a salary of £150,000 per annum. The agreement continues unless and until it is terminated on no less than 12 months' written notice. The agreement substitutes any previous contract of service or for services between any Group company and Mr. Steinepreis.
- 5.7 On 28 October 2009, the Company entered into an agreement for services with Fernan Pty Limited which provides for Mark Hohnen to perform his services on behalf of the Company, to commence conditional upon Readmission, which provides for Mr. Hohnen to serve the Company and Enlarged Group as a non-executive director for a fee of £48,000 per annum. The agreement continues unless and until it is terminated on no less than 12 months' written notice.
- 5.8 On 28 October 2009, the Company entered into a non-executive director appointment agreement with Glyn Tonge, to commence conditional upon Readmission, which provides for Mr. Tonge to serve the Company and Enlarged Group as a non-executive director for a fee of £24,000 per annum. The agreement continues unless and until it is terminated on no less than 12 months' written notice.
- 5.9 On 28 October 2009, the Company entered into a non-executive director appointment agreement with Martin French, effective as from 1 July 2009, which provides for Mr. French to serve the Company and Enlarged Group as an executive director for a fee of £24,000 per annum plus £600 per day if directed to perform additional tasks. The agreement continues unless and until it is terminated on no less than 3 months' written notice.
- 5.10 On 28 October 2009:
- (a) the Company entered into an agreement for services with Luke Bryan, to commence conditional upon Readmission, which provides for Mr. Bryan to serve the Company and the Enlarged Group as chief operations officer for a salary of £60,000 per annum; and
 - (b) CD and WAGE each entered into an agreement for services within Novoco Limited, a company associated with Luke Bryan, to commence conditional upon Readmission, each for the provision of services for a fee of £30,000 per annum.

Each agreement continues unless and until it is terminated on no less than 3 months' written notice.

- 5.11 On 19 September 2007 the Company entered into an agreement for services with Patrick Burke for a fee of £12,000 per annum. Pursuant to a termination letter dated 28 October 2009 between them, this agreement will terminate with effect from Readmission.
- 5.12 Glenn Whiddon is paid £1,000 per month for his services as director. Pursuant to a termination letter dated 28 October 2009 between him and the Company, this agreement will terminate with effect from Readmission.
- 5.13 In respect of the agreements for services referred to in paragraphs 5.6 to 5.10 above:
- (a) each Director is entitled to the benefit of directors and officers insurance and reimbursement of reasonable expenses;

- (b) the Company may terminate the agreements immediately on written notice where the Director (i) has committed any fundamental breach or repeated or continued material breach; (ii) is guilty of conduct that is calculated or likely to bring the Enlarged Group into disrepute or otherwise prejudice the interests of the Enlarged Group; (iii) has a bankruptcy order made against him or enters into a voluntary arrangement within the meaning of the Insolvency Act 1986; (iv) is convicted of an arrestable offence; or (v) ceases to be a Director. The appointment of the Directors referred to in paragraphs 5.6 to 5.10 of this Part XI will terminate automatically where: (i) any of the Directors are not elected or re-elected; or (ii) any of the Directors resign their directorship.

- 5.14 Save as disclosed in this section there are no service contracts, existing or proposed, between any Director and the Company or any other member of the North River Group.

Details of the length of time in which Existing Directors have been in office and the period of their term of office are set out below:

<i>Name</i>	<i>Commencement of Period of Office</i>	<i>Date of Expiration of term of office</i>
David Steinepreis	13 July 2006	No fixed expiration – terminable on three months' notice
Patrick Burke	22 November 2006	No fixed expiration – terminable on three months' notice
Glenn Whiddon	11 December 2008	No fixed expiration – terminable on three months' notice
Martin French	11 December 2008	No fixed expiration – terminable on three months' notice

- 5.15 On 31 July 2008, the Company entered into an agreement for services with Novoco Limited, a company associated with Luke Bryan, for the provision of services for a fee of £10,000 per month. This agreement will terminate with effect from Readmission.
- 5.16 There are no service contracts in place between the Company or any subsidiary and any member of any administrative, management or supervisory bodies which provides for benefits on termination of employment.
- 5.17 There is no arrangement under which any Director has agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.
- 5.18 It is estimated that under the arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors and/or the Directors' associated consultancy companies, as the case may be, for the period ending 30 June 2010 will be approximately £123,000.
- 5.19 In addition to the directorships in the Company, the Directors hold or have held the following directorships within the five years immediately prior to the date of this document:

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
David Steinepreis	Ascent Capital Holdings Pty Ltd (registered in Australia) Ascent Capital Pty Ltd (registered in Australia) Davos Resources Pty Ltd (registered in Australia) Monto Minerals Ltd (registered in Australia) N & J Mitchell Holdings Pty Ltd (registered in Australia)	Ascent Resources plc (registered in the UK) Atom Energy Ltd (registered in Australia) Australian Ethanol Limited (registered in Australia) Avalon Minerals Limited (registered in Australia) Blackfire Energy Ltd (registered in Australia)

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
David Steinepreis (continued)	Norseman Gold Plc (registered in the UK) North River Resources Pty Ltd (registered in Australia)	Black Range Minerals Ltd (registered in Australia) Black Rock Oil & Gas plc (registered in the UK) Black Rock Petroleum NL (registered in Australia) Burns Property Developments Pty Ltd (registered in Australia) Cetacean Petroleum Pty Ltd (registered in Australia) CopperCo Limited (registered in Australia) Croesus Mining Ltd (registered in Australia) Davos Resources Plc (registered in the UK) Deep Yellow Ltd (registered in Australia) Eureka Energy Ltd (registered in Australia) Extract Resources Ltd (registered in Australia) Gawler Resources Ltd (registered in Australia) Gabon Investments (Iris Marin) Pty Ltd (registered in Australia) Gabon Investments (Themis Marin) Pty Ltd (registered in Australia) Green Rock Energy Limited (registered in Australia) IM Medical Ltd (registered in Australia) Imperial Petroleum Ltd (registered in the UK) Imugene Limited (registered in Australia) International Scientific Pty Ltd (registered in Australia) Kiana Projects Pty Ltd (registered in Australia) Leopard Minerals plc (registered in the UK) Mansmar Investments Pty Ltd (registered in Australia) Medivac Limited (registered in Australia) Minres Resources Inc (registered in Canada) Mobi Limited (registered in Australia) Monitor Holdings Ltd (registered in Australia)

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
David Steinepreis (continued)		<p>OBJ Limited (registered in Australia)</p> <p>Southern Pacific Petroleum Ltd (registered in Australia)</p> <p>Peninsular Minerals Ltd (registered in Australia)</p> <p>Resonance Health Ltd (registered in Australia)</p> <p>RMG Limited (registered in Australia)</p> <p>Salus Technologies Ltd (registered in Australia)</p> <p>Service Stream Ltd (registered in Australia)</p> <p>Signature Brands Ltd (registered in Australia)</p> <p>Synergy Metals Ltd (registered in Australia)</p> <p>Toodyay Resources Ltd (registered in Australia)</p> <p>Uranium Resources plc (registered in the UK)</p> <p>View Resources Ltd (registered in Australia)</p> <p>Vos Industries Pty Ltd (registered in Australia)</p> <p>Western Metals Limited (registered in Australia) Wildlook Enterprises Pty Ltd (registered in Australia)</p> <p>WAG Limited (registered in Australia)</p>
Patrick Burke	<p>Monto Minerals Ltd (registered in Australia)</p> <p>Agri Energy Limited (registered in Australia)</p> <p>WAG Limited (registered in Australia)</p>	<p>Signature Brands Ltd (registered in Australia)</p> <p>Croesus Mining NL (registered in Australia)</p> <p>Southern Pacific Petroleum NL (registered in Australia)</p> <p>Davos Gold Pty Ltd (registered in Australia)</p> <p>Davos Resources Pty Ltd (registered in Australia)</p>
Glenn Whiddon	<p>Hemisphere Corporate Services Pty Ltd (registered in Australia)</p> <p>Hemisphere Investment Partners Pty Ltd (registered in Australia)</p> <p>Lagral scp (registered in Monaco)</p> <p>Sardine Resources Limited (registered in Australia)</p>	<p>Advanced Energy Systems Limited (registered in Australia)</p> <p>Grove Energy Limited (registered in Canada)</p> <p>OKLO Uranium Limited (registered in Australia)</p> <p>OMEGA Corp Limited (registered in Australia)</p> <p>Resonance Health Limited (registered in Australia)</p>

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Glenn Whiddons (continued)	Pelican Energy Limited (registered in Australia) Southern Orion Energy Limited (registered in Australia) Ostridge Resources Limited (registered in Australia) Resource Corporate Solutions Pty Ltd (registered in Australia) Segue (Pardoo) Limited (registered in Australia) Segue Resources Limited (registered in Australia) Statesman Resources Limited (registered in Canada) Transport and Commodities sarl (registered in Monaco) Washington Resources Ltd (registered in Australia) Westwind Capital Pty Limited (registered in Australia)	Rialto Energy Limited (registered in Australia) Rimfire Finance Pty Limited (registered in Australia) Stream Oil & Gas Limited (registered in Australia) UMC Energy plc (registered in the UK)
Mark Hohnen	Australian Insurance Exchange Ltd (registered in Australia) Cedarvale Investment Pty Ltd (registered in Australia) Craton Diamonds (Proprietary) Limited (registered in Namibia) Fernan Pty Ltd (registered in Australia) GASS Pty Ltd (registered in Australia) Gnarabup Beach Pty Ltd (registered in Australia) GinGin Land Co Ltd (registered in Australia) Halsbrook Holdings Pty Ltd (registered in Australia) Hisco Pty Ltd (registered in Australia) Hohnen Investments Pty Ltd (registered in Australia) Kalahari Copper Limited (registered in the UK) Kalahari Diamonds Limited (registered in the Isle of Man) Kalahari Gold Limited (registered in the Isle of Man) Kalahari Minerals Plc (registered in the UK) Kumla Pty Ltd (registered in Australia) Lasata Pty Ltd (registered in Australia)	

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Mark Hohnen (continued)	Leadlight Pty Ltd (registered in Australia) Melbourne Management (WA) Pty Ltd (registered in Australia) Milligan St Nominees Pty Ltd (registered in Australia) Myola Holdings Pty Ltd (registered in Australia) Oakhampton Pty Ltd (registered in Australia) Premium Olive Marketing Pty Ltd (registered in Australia) Premium Olive Managers Ltd (registered in Australia) Premium Olive Processing Pty Ltd (registered in Australia) The Melbourne Hotel (WA) Pty Ltd (registered in Australia) The Vines (WA) Pty Ltd (registered in Australia) Vynben Pty Ltd (registered in Australia) Wellbrook Enterprises Pty Ltd (registered in Australia) West Africa Gold Exploration (Namibia) (Proprietary) Limited (registered in Namibia)	
Glyn Tonge	Southampton Solent University Limited (registered in the UK) Jaguar Resources Limited (registered in Australia) Whitefriars Hawley Pty Ltd (registered in Australia) Bluewater Capital Partners Pty Ltd (registered in Australia) Kalahari Minerals plc (registered in the UK) Kalahari Uranium Ltd (registered in the Isle of Man) Kalahari Gold Ltd (registered in the Isle of Man) Kalahari Diamond Ltd (registered in the Isle of Man) Royal National Mission for Deep Sea Fishermen (registered in the UK)	Inhoco 2387 Limited (registered in the UK) Laxdale Ltd (registered in the UK) Ecare International Limited (registered in the UK) VRI Biomedical Pty Ltd (registered in Australia) Flying Scotsman Railways Limited (registered in the UK) Site Intelligence Ltd (registered in the UK) FWPS Group Limited (registered in the UK) Penn T Limited (registered in the UK) Penn Pharmaceutical Services Limited (registered in the UK) Penn Pharmaceuticals Limited (registered in the UK) Penn Pharmaceuticals Holdings Limited (registered in the UK) Dabur Oncology Limited (registered in the UK) Amarin Neuroscience Limited (registered in the UK) Celgene UK Manufacturing (II) Limited (registered in the UK)

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Glyn Tonge (continued)		Square PI Limited (registered in the UK) Vida Capital Partners Limited (registered in the UK) MNL Pharmaceuticals Limited (registered in the UK) Enkephala Limited (registered in the UK) Southampton Institute Limited (registered in the UK) Ivory & Tonge Pty Ltd (registered in Australia) Vida Capital LLP (registered in the UK) Cell Aquaculture Ltd (registered in Australia) MT Trio Ltd (registered in Australia)

Martin French is not currently, and has not been in the past five years, a director of any companies other than the Company.

- 5.20 The Board has been advised by David Steinepreis that the Australian Securities & Investments Commission (ASIC) has been enquiring into possible infringements of s.1309(1) of the Australian Corporations Act 2001 (CTH) involving him. The Board has also been advised that Mr. Steinepreis understands that no view has been formed by ASIC and that the matter is at a preliminary stage.
- 5.21 David Steinepreis is a director of Ascent Capital, a company formed to pursue, amongst other things, the reconstruction and recapitalisation of existing stock exchange quoted companies. Since its foundation, Ascent Capital has successfully recapitalised and relisted 22 Australian companies on the ASX. Each of the 22 companies recapitalised by Ascent Capital were placed under external administration either prior to Ascent Capital recapitalising the company or as part of Ascent Capital's recapitalisation of the company. As a consequence, David Steinepreis has been appointed a director of companies in administration or has placed companies into administration. David Steinepreis has been a director of the following Australian companies in administration, all of which have been successfully released from administration. David Steinepreis is a Director of Monto Minerals Ltd a company which Ascent Capital is in the process of recapitalising and relisting on the ASX.

Company

Copperco Limited
 Imugene Limited
 Synergy Metals Ltd
 View Resources Ltd
 Resonance Health Ltd
 Extract Resources Ltd
 Salus Technologies Ltd
 Medivac Limited
 Service Stream Ltd
 IM Medical Limited
 Mobi Limited
 OBJ Limited
 Monitor Holdings Limited
 Black Range Minerals Limited

Company

Deep Yellow Limited Western Metals Ltd
Toodyay Resources Limited
RMG Limited
Signature Brands Limited
WAG Limited
Southern Pacific Petroleum Pty Ltd
Croesus Mining Ltd

- 5.22 Patrick Burke provides his services as a solicitor and director to companies that Ascent Capital reconstructs and recapitalises.
- 5.23 Glyn Tonge was a director of Bishopscourt (BB & Co.) Limited, an operating company consisting of corporate finance, broking and corporate banking. A subsidiary of Barings Plc, the company was placed into administration on 27 February 1995. The statement of affairs sworn by the company secretary on the date of administration anticipated an estimated deficiency of £210,040,797. On 8 March 1995 Internationale Nederlanden Groep N.V purchased the majority of the subsidiaries of the company and certain other assets. On 16 March 1998 the administration order was discharged and the company was placed into compulsory liquidation.
- 5.24 Save as disclosed above, none of the Directors has:
- (a) any unspent convictions in relation to indictable offences;
 - (b) had any bankruptcy order made against him or entered into any voluntary arrangements;
 - (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
 - (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - (e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership;
 - (f) been publicly criticized by any statutory or regulatory body (including recognised professional bodies); or
 - (g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of affairs of a company.
- 5.25 Save as disclosed in paragraph 5.1 above, the Company is only aware of the following persons who as of the date of this document and immediately following Readmission, directly or indirectly, jointly or severally, hold or will hold 3 per cent. or more of the Ordinary Shares of the Company or exercise or could exercise control over the Company.

<i>Name</i>	<i>As at the date of this document</i>		<i>Immediately following the Proposals</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued share capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued share capital</i>
Pershing Nominees Limited	11,490,500	12.22	11,490,500	1.93
Mantra Resources Limited	10,000,000	10.64	10,000,000	1.68
Lynchwood Nominees Limited	8,429,500	8.97	8,429,500	1.42

<i>Name</i>	<i>As at the date of this document</i>		<i>Immediately following the Proposals</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued share capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued share capital</i>
Hanover Nominees Limited	8,000,000	8.51	8,000,000	1.35
Dartington Portfolio Nominees	7,000,000	7.45	7,000,000	1.18
Fiske Nominees Limited	5,350,000	5.69	5,350,000	0.90
Morstan Nominees Limited	5,000,000	5.32	5,000,000	0.84
Sunvest Corporation	3,100,000	3.30	3,100,000	0.52
Kalahari Gold Limited	–	–	245,000,000	41.25
Kalahari Diamonds Limited	–	–	21,666,667	3.65
David Steinepreis ¹	7,521,999	8.00	19,188,666	3.23

Notes:

1. See note 2 on page 340 above.

The Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company. None of the major Shareholders set out above has different voting rights from any other Shareholder in respect of any Ordinary Shares held by them.

6. Material contracts

The following contracts entered into by companies in the Enlarged Group are:

- (a) contracts entered into other than in the ordinary course of business of the Company which are or may be material; and
- (b) contracts which are material subsisting agreements which have been entered into by any member of the Enlarged Group at any time and which are included within, or which relate to the assets or liabilities (as defined in the AIM Note for Mining and Oil & Gas Companies – June 2009) of any member of the Group (notwithstanding whether such agreements are (i) within the ordinary course or (ii) were entered into outside of the two years immediately preceding the date of this document).

6.1 Nominated Adviser and Joint Broker Agreement

- (a) A Nominated Adviser Agreement dated 28 October 2009 between the Company (1), the Directors (2) and Astaire (3) pursuant to which the Company has appointed Astaire to act as Nominated Adviser and Joint Broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Astaire an annual fee of £30,000 for its services as Nominated Adviser under this agreement. The agreement contains certain undertakings given by the Company and the Directors and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement is subject to termination on the giving of not less than three months' notice and runs for a period of 12 months from Readmission.
- (b) A Broker Agreement dated 28 October 2009 made between Ocean and the Company pursuant to which the Company has appointed Ocean to act as its joint broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Ocean an annual fee for its services as broker under this agreement. This agreement is terminable on not less than three months' notice by either party (save in certain circumstances where it may be terminated earlier) and runs for an initial period of 12 months from the date of Readmission. The agreement also contains an indemnity from the Company in favour of Ocean in relation to certain liabilities which Ocean and members of its group and certain affiliated parties to Ocean may incur in relation to Ocean's performance of its obligations under the agreement.

6.2 *Placing Agreement*

A placing agreement dated 28 October 2009 between Astaire (1), Ambrian (2), Ocean (3), the Company (4) Kalahari (5) and certain Directors (6) in relation to the Placing. Under this agreement, Astaire has been appointed to provide assistance to the Company in connection with the Readmission and each of Ambrian and Ocean has agreed to use its reasonable endeavours to procure Places for the Placing. In consideration for such services, the Company has agreed to pay each of Ocean and Ambrian a commission of 2.5 per cent. on the aggregate value at the Placing Price of the Placing Shares and to grant to Astaire, Ocean and Ambrian the Options represented in paragraph 3.16 of this Part XI. The obligations of Astaire, Ambrian and Ocean under the agreement are conditional, *inter alia*, on Readmission occurring by 8.00 a.m. on 23 November 2009 or such later time and date as each of them and the Company may agree. The agreement provides for the Company to pay all the fees and expenses connected with the Placing including the fees and expenses of Astaire, Ambrian and Ocean.

The agreement contains, *inter alia*, indemnities and warranties from the Company and certain warranties from each of the Remaining Directors and Proposed Directors in favour of Astaire, Ambrian and Ocean together with provisions which enable each of Astaire, Ambrian and Ocean to terminate the agreement in certain circumstances prior to Readmission, principally if there is a material breach of the agreement or any of the warranties given under it or if a *force majeure* event arises.

6.3 *Lock-In and Orderly Market Deed*

A Lock-In and Orderly Market Deed dated 28 October 2009 between the Remaining Directors and Proposed Directors, Pat Burke, applicable employees and related parties (each as defined in the AIM Rules) including Kalahari Gold and Kalahari Diamonds (together the “**Locked-In Shareholders**”), and the Company, Astaire, Ambrian and Ocean pursuant to which the Locked-In Shareholders have undertaken to Astaire and the Company, save in specified circumstances, not to sell or otherwise dispose of, or agree to sell or dispose of any of their interests in the Ordinary Shares or Options held by them for the twelve month period commencing on the date of Readmission and for a further period of twelve months only to dispose of their Ordinary Shares or Options through one of the Company’s brokers. Glenn Whiddon has undertaken not to sell or otherwise dispose of, or agree to sell or dispose of any of his interests in the Ordinary Shares or Options held by him for the twelve month period commencing on the date of Readmission (and to procure that his associated persons do not do so) except where he has given prior written notice to the Company’s chairman.

6.4 *Licences and farm-in agreements*

(a) *Namibian Licences*

The Namibian Licences details of which are set out in paragraph 6 of Part II of this document.

(b) *Mozambique Licences*

The Mozambique Licences details of which are set out in paragraph 1(c) of Part III of this document.

(c) *Australian Farm-in Agreement*

The Australian Farm-in Agreement dated 26 July 2006 (as amended, restated and superseded on 24 July 2009) between the Company and Segue Resources Ltd, pursuant to which the Company shall be entitled to earn a 20 per cent. interest in the Tenements (as such term is defined therein) by expending such amount as the parties may agree (currently being £200,000) up to a maximum of £500,000 on the Tenements on or before 18 August 2010. Subject to having expended the initial expenditure, the Company shall be entitled to earn a further 31 per cent. interest in the Tenements by expending a further amount equal to £2,000,000 less the initial expenditure on the Tenements on or before 18 August 2012. The Company may withdraw from the Australian Farm-in Agreement at any time; upon withdrawal the Australian Farm-in Agreement shall terminate.

All expenditure under the Australian Farm-in Agreement shall be pursuant to budgets agreed between North River and Segue. In the event that North River acquires an interest in the Tenements, North River and Segue shall be associated in an unincorporated joint venture for the exploration and exploitation of the Tenements. The interests of the parties in the joint venture shall be commensurate with their interest in the Tenements.

Segue has provided warranties to North River that, *inter alia*, it is the sole registered holder and beneficial owner of the Tenements and that the Tenements are free of encumbrances and is in good standing.

6.5 **Options**

The Options are described in paragraphs 3.13 to 3.32 of this Part XI.

6.6 **Share Option Plan and Director and Employee Share Option Plan**

The Company approved an unapproved director and employee share option plan (the “**Director and Employee Share Option Plan**”) by way of Board resolution dated 21 August 2009, pursuant to which the Board was permitted to grant Options over such number of Ordinary Shares as it may determine, to any director or employee or their nominee, without consideration.

The Company established an unapproved share option plan (the “**Share Option Plan**”) by way of Board resolutions dated 21 August 2009, pursuant to which the Company’s Board was permitted to grant Options over such number of Ordinary Shares as it may determine, to any person (other than a director or employee) or their nominee, without consideration.

6.7 **Mozambique Licences Purchase Agreement**

The Mozambique Licences Purchase Agreement dated 24 July 2009 and amended on 25 September and 12 October 2009 made between the Company and Omega, pursuant to which the Company purchased, *inter alia*, the Mozambique Licences from Omega in consideration for the payment of US\$100,000 plus a further £100,000 which latter liability was settled by the issue of 10,000,000 Ordinary Shares at 1p each.

Completion under this agreement has occurred, passing full beneficial title to the Company, however, pursuant to the post-completion provisions of the Mozambique Licences Purchase Agreement, legal title to the Mozambique Licences shall not be transferred to the Company until after 31 December 2009. The Company is responsible for obtaining any approvals and consents required for the transfer of legal title.

Post-completion provisions of the Mozambique Licences Purchase Agreement provide that between completion and the transfer of legal title of the Mozambique Licences, the Company will have full access to all the Tenements (as such term is defined therein) and the right conduct such activities on the Tenements and receive the full benefit of the Tenements as if the Company were the registered holder of them. During this period, the Company is responsible for all costs in respect of Tenements and for meeting the minimum expenditure requirements required to maintain the Mozambique Licences.

6.8 **Share Purchase Agreement**

The Share Purchase Agreement, dated 5 October 2009, made between Kalahari Gold, Kalahari Diamonds, Kalahari and the Company pursuant to which Kalahari Gold and Kalahari Diamonds have agreed to sell, and the Company has agreed to buy, the entire issued share capital in, and Shareholder Loans to, WAGE and CD, respectively, upon satisfaction of the conditions contained therein.

The Share Purchase Agreement, which is subject to completion prior to a long stop date of 30 November 2009, is conditional on, *inter alia*, the successful completion of a fund raising by the Company of between £5 million and £7 million via the Placing, approval of the Share Purchase Agreement by the Shareholders pursuant to the Resolution at the EGM, the successful Readmission

of the Company's shares to trading on AIM and there being no material adverse change regarding WAGE, CD, the North River Group or the Namibian Licences.

The consideration to be paid by the Company for the sale of WAGE and the assignment of debt owed by WAGE to Kalahari Gold is £7.35 million, to be satisfied by the allotment of 245,000,000 shares in the Company at 3 pence per Consideration Share.

The consideration to be paid the Company for the sale of CD and the assignment of debt owed by WAGE to Kalahari Diamonds is £650,000 to be satisfied by the allotment of 21,666,667 shares in the Company at 3 pence per Consideration Share.

Under the Share Purchase Agreement, Kalahari has given usual warranties in relation to WAGE and CD, as well as certain indemnities, and the Company has given usual warranties in relation to the North River Group (as in existence prior to Readmission), in each case subject to certain usual limitations including certain de minimis monetary claim limits, a £8 million maximum claim limit and time limit of two years for general claims and seven years for tax claims.

6.9 *Royalties*

- (a) A royalty undertaking was made by WAGE to Margrietha Joubert ("MJ") with regards to the Namibian Licence EPL 3257. The royalty is equal to 0.75 per cent. of the net smelter return generated from the sale of any minerals produced from EPL 3257. No formal agreement has been signed. This agreement has been terminated pursuant to the agreement described at paragraph 6.9(d) of this Part XI.
- (b) Pursuant to a letter of intent dated 4 February 2005, WAGE granted to Ms Lucia Hamutenya a 2.5 per cent. interest in the proposed mineral project of Namibian Licence EPL 3257 and WAGE further offered Ms Hamutenya the right to participate further in the project through the sale to WAGE of a further 2.5 per cent. interest at a price determined by an independent valuation of the project at the time of procuring the development. WAGE also offered to acquire the land, the subject of the licence, at fair market value with an option of first refusal to Ms Hamutenya, to buy back the land when the development has been completed.
- (c) Under an addendum to a historic joint venture agreement between Meerkat Minerals Pty Ltd (1), Kalahari Gold and Copper (Namibia) Pty Ltd (2) and WAGE (3), Kalahari Gold and Copper (Namibia) Pty Ltd is entitled to a royalty of 1.75 per cent. on the gross revenue derived from Namibian Licence EPL 3139 being the Ubib project and any other land that was originally held under the previous exclusive prospecting licences which excludes parts of EPL 3138, being the Husab project.
- (d) Pursuant to an agreement between Kalahari, Tim Smalley ("TS"), Jan Joubert ("JJ") dated 11 December 2008, amended by an agreement to be entered into between them, MJ, WAGE and North River, North River agreed to:
 - (i) pay TS and JJ an amount of £66,000 which liability is to be satisfied by the issue of 2,200,000 new Ordinary Shares at the Placing Price;
 - (ii) to terminate a pre-existing 1.5 per cent. royalty based on shareholdings in CD and on the assumption that CD progresses to the production phase; and
 - (iii) to terminate the royalty referred to in paragraph 6.9(a) of this Part XI.

Please also see the notes to the table included at section 6 of Part II of this document.

6.10 *Convertible Loan Agreements*

The Company has entered into the following convertible loan agreements:

- (a) Convertible Loan Agreements dated between 5 and 6 October 2009 totalling £100,000 between the Company and each of Fitel Nominees Limited, Centrum Bank AZ and Fiske plc. The loans

were fully drawn, repayable by 30 September 2010 (or earlier upon occurrence of usual events of default) and bore interest at 8 per cent. per annum. The principal amount of the loans was converted into 10,000,000 Ordinary Shares at £0.01 per Ordinary Share on 9 October 2009 and no interest was paid. In connection with these loan agreements, the Company also issued the Options described in paragraph 3.31 of this Part XI.

- (b) Convertible loan agreements dated 24 November 2008 totalling up to £300,000 between the Company and each of Lagral scp and Ascent Capital, of which a total of £150,000 was drawn down. These loans were subject to interest at 8 per cent. per annum and have been repaid in full together with interest.
 - (c) A convertible loan agreement dated 12 August 2009 with Clarion Finanz AG for a facility of up to £500,000 which was fully drawn on 19 October 2009 and is repayable on 30 days' notice given at any time after 1 January 2010 (or earlier upon occurrence of usual events of default). The loan bears interest at 8 per cent. per annum. The principal amount of, and interest on, the loan is convertible into Ordinary Shares at the Placing Price (being up to 16,666,667 Ordinary Shares in respect of loan principal plus further shares in respect of interest if relevant). In connection with this loan agreement, the Company also issued the Options described in paragraph 3.22 of this Part XI.
- 6.11 A letter of engagement dated 21 October 2009 between the Company and Astaire, the terms of which have now been superceded by the document described at paragraph 6.1(a) of this Part XI.
- 6.12 A letter of engagement dated 9 October 2009 2009 between the Company and Ambrian, pursuant to which the Company has appointed Ambrian to act as its joint broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Ambrian an annual fee for its services as broker pursuant to this engagement letter. The appointment is terminable on not less than three months' notice by either party (save in certain circumstances where it may be terminated earlier) and runs for an initial period of 12 months from the date of Readmission. The engagement letter also contains an indemnity from the Company in favour of Ambrian in relation to certain liabilities which Ambrian and members of its group and certain affiliated parties to Ambrian may incur in relation to Ambrian's performance of its obligations pursuant to the engagement.
- 6.13 A letter of engagement dated October 2009 between the Company and Ocean, the terms of which have now been superceded by the document described at paragraph 6.1(b) of this Part XI.
- 6.14 A property transfer agreement to be entered into between WAGE and a subsidiary of Kalahari relating to the transfer of a freehold property in Namibia (the "Property") at market value.
- 6.15 A property tenancy agreement to be entered into between WAGE and a subsidiary of Kalahari, relating to tenancy of the Property at market rent.
- 6.16 A property tenancy agreement to be entered into between CD and a subsidiary of Kalahari, relating to tenancy of the Property at market rent.
- 6.17 A shareholder loan from Kalahari Gold to WAGE is to be assigned to and acknowledged by North River effective upon Completion pursuant to the Share Purchase Agreement. A formal loan agreement was not put in place in respect of such loan.
- 6.18 A shareholder loan from Kalahari Diamonds to CD is to be assigned to and acknowledged by North River effective upon Completion pursuant to the Share Purchase Agreement. A formal loan agreement was not put in place in respect of such loan.

7. Related Party Transactions

7.1 The following transactions are or may be considered a related party transaction:

- (a) the Options described in paragraphs 3.13, 3.14 and 3.17 to 3.21 of this Part XI;

- (b) the agreements for services described in paragraphs 5.5 to 5.13 of this Part XI;
- (c) the Australian Farm-In Agreement described in paragraph 6.4 of this Part XI with Segue (a company associated with Glenn Whiddon);
- (d) the Convertible Loan Agreements described in paragraph 6.10(b) of this Part XI with Ascent Capital (a company associated with David Steinepreis) and Lagral scp (a company associated with Glenn Whiddon); and
- (e) the property transfer and tenancy agreements with Kalahari or its associated entities described at paragraphs 6.14 to 6.17 of this Part XI.

Save in respect of the transactions referred to above, there have been no other related party transactions which were, as a single transaction or in their entirety, material to the Company prior to the date of this document.

8. Employees

8.1 Other than the Directors and Luke Bryan, at the date of this document the North River Group has no employees.

8.2 WAGE has approximately 16 permanent employees and contractors deployed in the following areas:

<i>Area</i>	<i>Number of employees/Contractors</i>
Managers	3
Geologists	7
Finance and Administration	6

8.3 WAGE also has approximately 35 temporary employees.

On 1 May 2008 WAGE entered into a contract of employment with Keith Webb which provides for Mr Webb to serve WAGE as the general manager of exploration. The contract will remain in force until it is terminated. Compulsory retirement will also terminate the contract when Mr Webb reaches the age of 60.

8.4 At the date of this document, CD has no employees or contractors.

9. Litigation

WAGE is subject to an existing claim for N\$1,715,466.75 (approximately £137,000). This claim has not been actively pursued and is the subject of an indemnity from Kalahari under the Share Purchase Agreement.

WAGE is also subject to an employment arbitration claim by four ex-employees which is believed to be immaterial.

Save as disclosed in this paragraph 9, neither the Company nor any other member of the Enlarged Group is involved in, nor has been involved in, any governmental, legal or arbitration proceedings in the previous twelve months prior to Readmission which may have or have had in the recent past a significant effect on the Group's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company or any other member of the Enlarged Group.

10. Working Capital

The Directors are of the opinion that, taking into account the net proceeds of the Placing and having made due and careful enquiry, the working capital available to the Company will, from the date of Readmission, be sufficient for its present requirements, that is, for at least the next 12 months from the date of Readmission.

11. Taxation

The following comments are intended to provide a general summary of the UK taxation implications for the Company and Shareholders.

The comments on individual taxation only apply to holders of Ordinary Shares who are resident and ordinarily resident for tax purposes in the UK and are the beneficial owners of such shares and hold such shares as an investment and not in the course of any trade.

The comments do not apply to Shareholders who acquired their Ordinary Shares following the exercise of a share option or otherwise in connection with their employment by the Company.

The comments are based on legislation and, where appropriate, the practice of Her Majesty's Revenue and Customs ("HMRC") as at the date of this document.

Shareholders are strongly advised to consult their own tax advisor, especially where they are resident for tax purposes in a jurisdiction other than the UK.

11.1 *Tax residence of the Company*

It is expected that the Company will, following Readmission, be resident in the United Kingdom for tax purposes.

11.2 *United Kingdom taxation*

Taxation of Dividends

The Company should not be required to deduct any amounts in respect of UK tax from any dividend paid to Shareholders.

Individual Shareholders should be entitled to a tax credit in respect of any such dividend equal to one ninth of the dividend received. Such a tax credit, in the case of individual Shareholders who are subject only to tax at the basic rate (and are, therefore, chargeable to tax on dividends at the dividend ordinary rate of 10 per cent.), should be available to offset the liability to pay tax in respect of the dividend. Individual Shareholders who are subject to tax at the higher rate (and are, therefore, subject to tax on dividends at the dividend upper rate) should account for tax on the dividend (together with the related tax credit) at 32.5 per cent., but should be able to set the credit mentioned above against part of such liability. In practice, Shareholders who are subject to tax at the higher rate should pay tax equal to 25 per cent. of the dividend received, which represents the portion of the tax payable on the dividend which is over and above the amount of credit available.

Shareholders who are not liable to income tax on dividends paid by the Company will not be entitled to claim repayment of the tax credit attaching to such dividends from HMRC.

Shareholders who are within the charge to UK corporation tax would not normally be required to pay tax on any dividend paid by the Company.

Taxation on disposals

Individuals

Shareholders disposing of Ordinary Shares may, depending on their individual circumstances (including the availability of exemptions, reliefs and allowable losses), realise a chargeable gain or an allowable loss. UK resident individual Shareholders realising a chargeable gain will be subject to capital gains tax at the rate of 18 per cent.

Shareholders who are within the charge to UK corporation tax, to the extent that they realise a chargeable gain on any disposal, should normally be entitled to claim an indexation allowance (but not so as to create or increase an allowable loss) in respect of certain amounts of expenditure deductible from the proceeds of disposal of the Ordinary Shares for the purposes of computing any chargeable gain arising on such disposal. Any chargeable gain arising may be exempt on a disposal or

deferred subject to certain conditions being satisfied. Shareholders should seek their own professional advice.

Stamp duty and stamp duty reserve tax ("SDRT")

Issue

No stamp duty, or SDRT, will be payable on the issue of the Ordinary Shares, provided that they are not issued to a nominee or agent whose business includes the provision of clearance services or the issuance of depository receipts.

Transfers outside CREST

Transfers of Ordinary Shares outside the CREST system will generally be liable to stamp duty on the instrument of transfer at a rate of (currently) 0.5 per cent. of the value of the consideration given for the shares (rounded up to the nearest £5). Stamp duty is normally the liability of the transferee of the shares.

An agreement to transfer Ordinary Shares will generally be subject to SDRT at a rate of (currently) 0.5 per cent. of the agreed consideration. If, however, the agreement is subsequently perfected by an instrument of transfer which is duly stamped before the expiry of six years from the date of the agreement (or, if later, the date upon which it becomes unconditional) any SDRT will be cancelled or, to the extent already paid, will, upon a claim being made, be repaid.

SDRT is normally paid by the person to whom the Ordinary Shares are to be transferred under the agreement.

Entry into CREST

No stamp duty or SDRT should arise on the transfer of the Ordinary Shares to CREST for conversion into uncertificated form, unless the transfer is for consideration.

Transfers within CREST

Ordinary Shares may be transferred in a paperless form within CREST. Any such transfer will normally be subject to SDRT at a rate of (currently) 0.5 per cent. of the value of the consideration paid for the Ordinary Shares. CREST is obliged to collect SDRT from the transferee in relation to transactions settled through the CREST system.

Non-UK residents

Persons who are not resident or ordinarily resident (or, if resident or ordinarily resident, are not domiciled) in the United Kingdom, including those individuals and companies which trade in the United Kingdom through a branch, agency or permanent establishment, and who subscribe for the Ordinary Shares in the course of that trade, are recommended to seek the advice of professional advisors in relation to their taxation obligations in both the United Kingdom and any other jurisdiction in which they may be liable to tax.

12. Sell out and squeeze out rules relating to the Ordinary Shares

As stated in paragraph 11 of Part I of this document, the City Code does not currently apply to the Company but is expected to apply from Readmission. The 2006 Act affords various additional protections to Shareholders as set out below.

Squeeze out

Under the 2006 Act, if an offeror were to acquire or contract to acquire 90 per cent. of the Ordinary Shares to which the offer relates within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding

shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the 2006 Act must, in general, be the same as the consideration that was available under the takeover offer.

Sell out

The 2006 Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the ordinary Shares to which the offer relates, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

There have been no takeover offers by third parties in respect of the share capital of the Company since the date of its incorporation.

13. General

- 13.1 The accounting reference date of the Company is 30 June and audited accounts have been made up to 30 June 2009.
- 13.2 The expenses of and incidental to the Readmission including registration and London Stock Exchange fees, professional fees and the costs of printing and distribution, are estimated to amount to approximately £700,000 (excluding VAT), all of which will be payable by the Company.
- 13.3 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers), has:
 - (a) received, directly or indirectly, from the Company within 12 months preceding the date of this document; or
 - (b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Readmission any of the following:
 - i. fees totalling £10,000 or more; or
 - ii. securities in the Company with a value of £10,000 or more; or
 - iii. any other benefit with a value of £10,000 or more at the date of Readmission.
- 13.4 UHY Hacker Young LLP has given and not withdrawn its written consent to the issue of this document with the inclusion of its report and references to its name in the form and context in which it appears.
- 13.5 Astaire has given and not withdrawn its written consent to the inclusion in this document of its name and references to its name in the form and context in which it appears.
- 13.6 Ambrian has given and not withdrawn its written consent to the inclusion in this document of its name and references to its name in the form and context in which it appears.
- 13.7 Ocean has given and not withdrawn its written consent to the inclusion in this document of its name and references to its name in the form and context in which it appears.

- 13.8 Al Maynard & Associates Pty Ltd. has given and not withdrawn its written consent to the issue of this document with the inclusion of their name and references to its name in the form and context in which it appears.
- 13.9 MSA Geosciences (Pty) Ltd. has given and not withdrawn its written consent to the issue of this document with the inclusion of their name and references to its name in the form and context in which it appears.
- 13.10 Save as set out in this document, the Directors are not aware of any exceptional factors that have influenced the Company's activities.
- 13.11 Save as set out in this document, no commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this document relates or of his procuring or agreeing to procure subscriptions for such securities
- 13.12 No paying agent has been appointed by the Company.
- 13.13 No payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.
- 13.14 Save as disclosed in this document, there are no patents or other intellectual property rights, licences or particular contracts which are, or may be, of fundamental importance to the business of the Company.
- 13.15 Save as disclosed in this document, there are no investments in progress which are significant.
- 13.16 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Company which has occurred since the date of the financial statements incorporated in this document by reference.
- 13.17 Other than the current application for Readmission in respect of the Ordinary Shares, the Ordinary Shares and Options have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares or Options.
- 13.18 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

14. Documents available for inspection

Copies of the following documents will be available for inspection from the date of this document until the date which is one month after Readmission, at the Company's registered office and the office of Astaire during normal business hours on any day (Saturdays, Sundays and public holidays excepted):

- 14.1 the memorandum and articles of association of the Company; and
- 14.2 the Accountant's Report set out in Part IX of this document.

15. Availability of Readmission document

Copies of this document will be available for inspection from the date of this document until the date which is one month after Readmission, at the Company's registered office and at the offices of Astaire during normal business hours on any day (Saturday, Sundays and public holidays excepted), and on the Company's website at www.northriverresources.com.

28 October 2009

NOTICE OF EXTRAORDINARY GENERAL MEETING

NORTH RIVER RESOURCES PLC

(incorporated in England and Wales under the Companies Act 1985 with registered number 5875525)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at the offices of Sprecher Grier Halberstam LLP, 5th Floor, One America Square, Crosswall, London EC3N 2SG at 11.15 a.m. on 20 November 2009 for the purposes of considering and, if thought fit, passing the following ordinary resolution:

ORDINARY RESOLUTION

THAT the proposed acquisition by the Company of the entire issued share capital of, and shareholder loans to, West Africa Gold Exploration (Namibia) (Proprietary) Limited and Craton Diamonds (Proprietary) Limited on the terms of a share purchase agreement dated 5 October 2009 and made between Kalahari Gold Limited, Kalahari Diamonds Limited, Kalahari Minerals plc and the Company be and is hereby approved and ratified in accordance with Rule 14 of the AIM Rules for Companies published by the London Stock Exchange plc and the directors be and they are hereby authorised to waive, amend, vary or extend any of the terms of that agreement (provided the same is not material)

BY ORDER OF THE BOARD

John Bottomley
Secretary

28 October 2009

Registered office:
One America Square
Crosswall
London EC3N 2SG

Notes

1. Every holder has the right to appoint one or more proxies, who need not be a shareholder, to attend and act on their behalf (including to speak and to vote) at the meeting. If you wish to appoint a person other than the chairman of the Company, please insert the name of your chosen proxy holder in the space provided (see reverse).
2. To appoint more than one proxy you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All Forms of Proxy must be signed and should be returned together in the same envelope.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please see the note above.
4. In the case of joint holders the vote of the person first named in the register of members of the Company (the "**Register of Members**") tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
5. To be effective, this form, completed and signed, and any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority, must be lodged at the office of the Company's registrars at: Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (the "**Registrars**") by 18 November 2009 at 11.15 a.m. (i.e. not less than 48 hours before the time of the meeting).
6. In the case of a shareholder which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. To direct your proxy how to vote on the resolutions, mark the appropriate box with an "X". The "Vote Withheld" option overleaf is provided to enable you to abstain on any particular resolution. However, it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
8. Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members 48 hours before the time appointed for the meeting or any adjournment thereof. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
9. The above is how your address appears on the Register of Members. If this information is incorrect, please write to the Registrar confirming your investor code at Capita Registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0GA.
10. Any alterations made to this form should be initialled.
11. The completion and return of this form will not preclude a holder from attending, speaking and voting in person at the meeting. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which appointment was last validly received, none of them shall be treated as valid in respect of that share.
12. You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.

Note: Membership of any Company share option scheme or a holding of any Company share options does not give any entitlement to attend or vote at the General Meeting in that capacity.