

February 2016

# **North River**

## **RESOURCES**



**Namib project: Near term, high grade zinc-  
lead restart**

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# Namib: Advanced stage zinc-lead project

- Low capital cost re-start of underground mine: FS capital - \$25m
- High grade, low operating cost operation: 6.2% zinc, 2.9% lead, 46g/t silver
- Existing regional, mine and site infrastructure:
  - Trans-Kalahari highway 7km from site
  - Existing tailings facility
  - 30km to Swakopmund
- Well understood simple project:
  - DFS and optimisation complete;
  - current mining development is ‘training’ for mining operations;
  - Simple, conventional flow sheet
- Geological upside: targeting increase to LOM through ongoing ~3,800m drilling programme
- Mining Licence final material permit; Notice of Preparedness to Grant issued

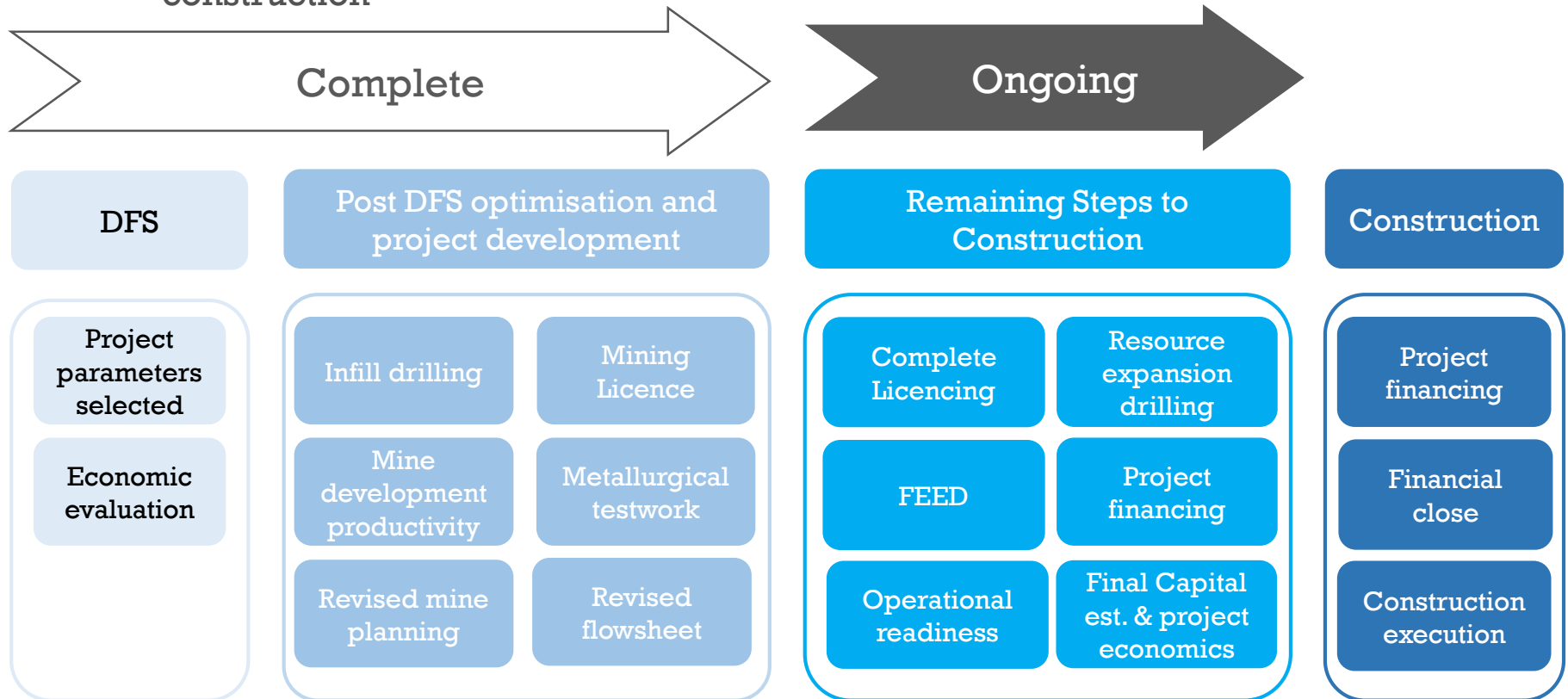
## Project parameters

Mine Type	Underground, twin declines from surface
Mining Method	Long hole open stoping / shrinkage stoping
JORC reserves	585kt - 6.2% zinc, 2.9% lead, 46g/t silver
JORC resources (M&I)	1.25mt - 6.5% zinc, 2.5% lead, 44g/t silver
Targeted reserve/resources <sup>1</sup>	~1mt reserves ~1.5mt resource (M&I)
Mine life	Currently: 3.5 years Targeting: +6 years <sup>1</sup>
Mining/processing rate	250kt per annum
Processing method	Bulk crushing, milling followed by lead then zinc flotation
Recovery	Zinc - ~89% Lead - ~91%
Production	26ktpa zinc concentrate ~52% zinc (14ktpa contained zinc)  10ktpa lead concentrate ~62% lead (6ktpa contained lead, with 244koz pa silver)

<sup>1</sup> Management targets, which are not JORC compliant and there is no certainty these reserve, resource and life of mine targets will be achieved

# Progressing towards construction

- **Project well understood and supported by robust technical evaluation:**
  - DFS complete, post DFS optimisation work complete
- **Pre-construction work streams underway:**
  - Confirm project parameters; adapt to market conditions; and prepare for construction



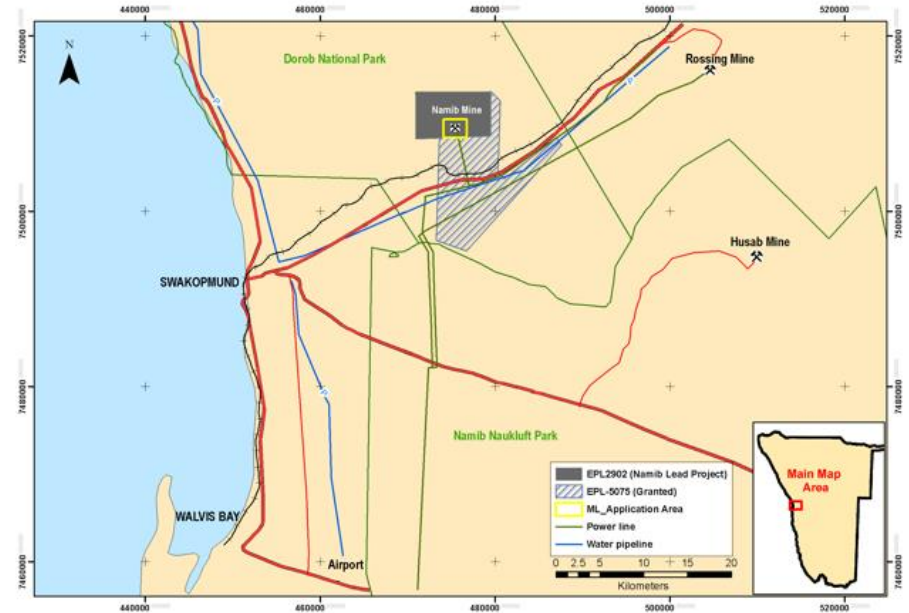
# Excellent location and existing infrastructure

## Project well served by local infrastructure

- Namibia's largest commercial port, Walvis Bay, ~70km from Namib minesite
- All weather access road and only ~8km off Trans-Kalahari highway
- Availability of local suppliers & services in Walvis Bay/Swakopmund

## Mine site benefits from existing site infrastructure

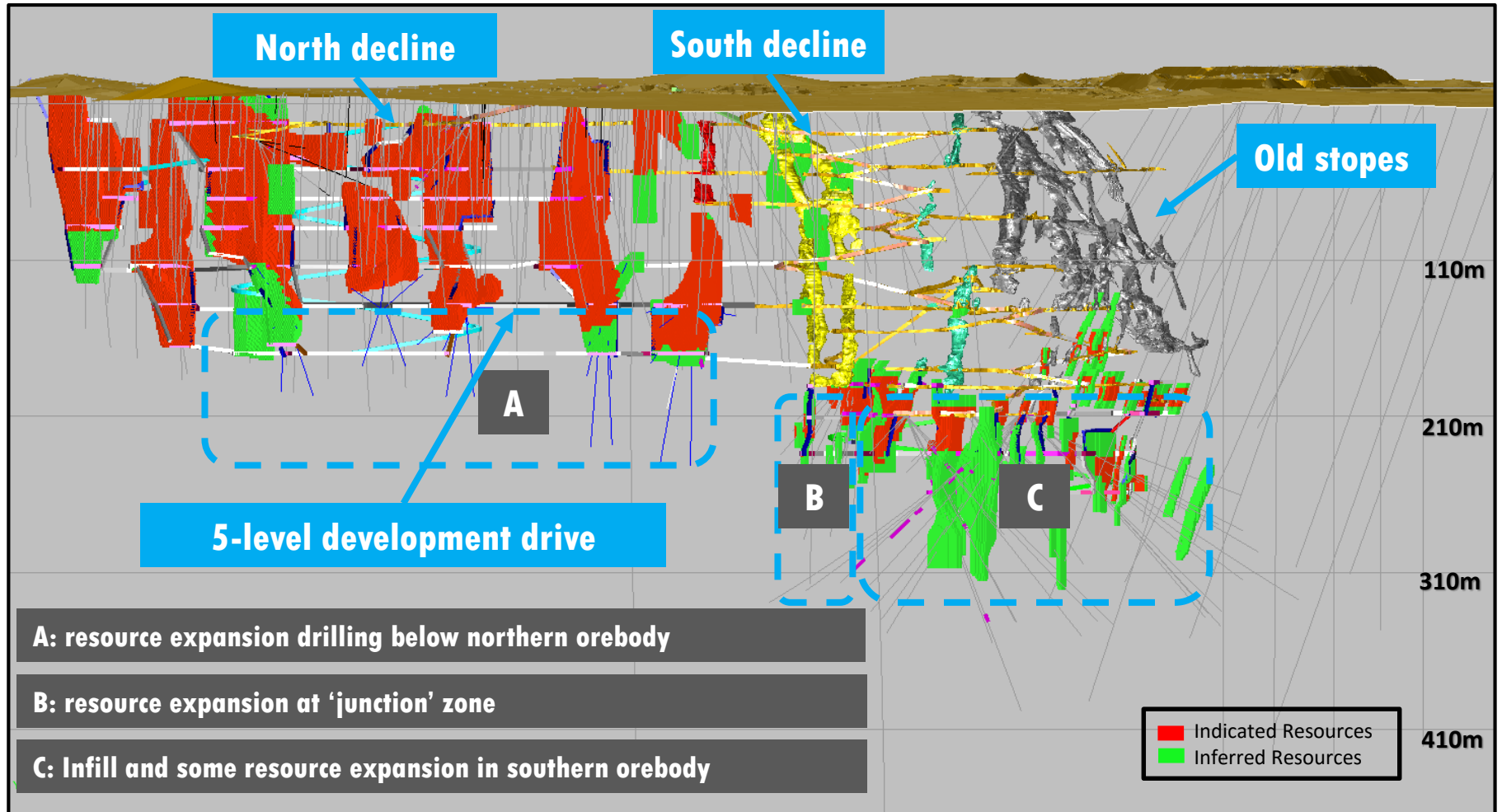
- Existing tailings facility
- Water pipeline within 8km of mine site
- Favourable geo-technical conditions for plant construction



## Namibia an established mining jurisdiction

- Voted most attractive African investment destination (Fraser Institute, 2015)
- Significant established mining industry: existing operations by Vedanta, De Beers, Glencore and Rio Tinto

# Pushing forward with Resource expansion drilling, mine development



# Feasibility study confirms attractive, robust project at long term metals prices

- Completed Q4 2014
- Confirmed economically robust and deliverable project
- Low capital and operating costs
- Short pathway to restart production

Feasibility study team	
Overall co-ordinator	CSA Global
Geology	CSA Global
Mining	Bara Consulting
Metallurgy	Tenova Bateman
Processing	Tenova Bateman
Environmental	Colin Christian & Assoc
Infrastructure	CSA Global

Feasibility study results	
Tonnes mined	814kt
Life of mine	3.5 years
Pre production capital cost	\$25.4m
Construction period	12 months
Operating cost (post by-products)	\$430/t
EBITDA – LOM	\$79.1m
Net cash flow – LOM	\$33.8m
EBITDA – annual average	\$24.7m
Net cash flow – annual average	\$18.3m
Post tax NPV	\$24.0m
Post tax IRR	52%
Payback period	12 months

Feasibility study assumptions: zinc - \$2,400/t; lead - \$2,300/t and silver - \$21/oz. ZAR:USD FX rate: 11:1

# Mining licence: recent progress; negotiations remain ongoing

- Ministry issued notice of preparedness to grant the mining licence for Namib on 28 January 2016 (the “Notice”)
- NRR has 30 days to accept the conditions of the Notice or the ML application will be deemed to have lapsed
- Notice is subject to various conditions which set the framework and timetable within which NRR will negotiate the specific conditions to the Namib ML. The conditions to be negotiated include inter alia:
  - Namibian ownership of Project
  - Namibian participation in management
  - Corporate social responsibility strategy
- Upon acceptance of the Notice, NRR has 60 days in which to reach agreement on specific conditions attaching to the Namib ML
- If not, the Notice provides for further 30 day periods to arrive at an agreement
- These timeframes are subject to extension and delay and there is no certainty acceptable conditions can be agreed

Indicative timetable	
Mining licence application lodged	April 2014
Environmental approval received	Mid 2014
New Namibian Government elected	March 2015
Notice of Preparedness to Grant Mining Licence issued	28 January 2016
Deadline for NRR to accept terms of Notice of Preparedness to Grant Mining Licence <sup>1</sup>	28 February 2016
Period for NRR to submit a proposal on specific conditions attaching to Namib ML <sup>1</sup>	+60 days

<sup>1</sup> These timeframes are subject to extension and delay. There is no certainty that agreement will be reached



# Other pre-construction workstreams

## **Operational readiness**

- Building in-house capabilities in the Project and Namibian management team
- Project and operational HR strategy
  - Project director in place
  - Mining team in place and to be expanded as move towards operations
  - Plant manager secured: ex-Rosh-Pinah plant manager

## **Front end engineering and design (“FEED”)**

- Confirm technical/operating parameters, including optimised process flowsheet
  - Current mine development provides ‘live’ basis for cost estimate
  - Generate revised capital and operating cost estimates for overall project
- Deferred until greater clarity on ML process and timing

## **Financing**

- Interim working capital raise in Q1 2016
- Variety of project financing options being evaluated
- Greenstone as cornerstone investor a major positive in current market

# Summary

**Low cost, high grade zinc-lead restart**

**Excellent location**

**Advanced project with simple mining and processing**

**Ongoing workstreams to de-risk project and adapt to market conditions**

**Experienced Board and management team**

**Supportive cornerstone investor**

**Building a broader Namibian mining company**

**6.5% zinc, 2.9% lead and 46g/t silver  
~14ktpa zinc in concentrate and ~6ktpa lead in concentrate;**

**Excellent regional and existing mine site infrastructure**

**DFS and optimisation complete; short construction period;  
standard flowsheet**

**FEED: finalise technical and operating parameters;  
Resource expansion drilling campaign;  
Operational readiness; and completion of permitting**

**Experience in developing projects in sub-Saharan Africa**

**Greenstone Resources LP: long term strategic industry investor**

**Use Namib as platform and leverage 'in-house' operational expertise, project development experience and internally generated cash flow**

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# North River

## RESOURCES



Appendix

# Corporate overview

- **AIM listed, mining development company**
- **Highly experienced board:** technically experienced, independent NEDs
- **High calibre management team**
- **Supportive major strategic shareholder:** Greenstone Resource LP

## Major shareholders

Greenstone Resources LP	29.9%
Taurus (CGNPC)	12.1%
Directors	5.4%

Greenstone holds \$3.1m of 10% convertible loan notes (due 2018), which if converted would take its shareholding to ~52%<sup>1</sup>

## Market data

Share price <sup>2</sup>	0.09p
Market capitalisation	\$2.8m
Cash <sup>2</sup>	(\$2.0m)
Convertible debt	\$3.1m
Enterprise value	\$3.9m

<sup>1</sup> assuming GBP:USD FX rate of 1:1.45; <sup>2</sup> as at 01 February 2016; <sup>3</sup> as at 31 December 2015

# Highly experienced board and senior management team

BOARD	Rod Beddows Chairman	Dr. Rodney Graham Beddows serves as a Senior Adviser at RBC Capital Markets LLC since October 2014. Dr. Beddows served as a Co-Founder and President at HCF International Advisers Limited. He is now a Senior at HCF. He founded Beddows and Co. and served as its Chief Executive. He is the Non-Executive Chairman and Non-Executive Director of Zincox Resources plc since July 7, 2014 and February 25, 2008 respectively. Dr. Beddows was for several years a director of Hatch Associates, after selling Beddows & Co to Hatch in 1998.
	James Beams CEO	James previously spent 14 years with Anglo American plc. For his final five years at Anglo American he was the Chief Financial Officer for the Copper division, and prior to that served in several senior management positions within the company. Prior to his time at Anglo American, he held senior finance roles at Minorco and Commercial Union.
	Keith Marshall Independent Non Executive Director	Keith is a mining engineer and has over 35 years' experience in the mining industry and has worked for extended periods of time in every continent, specialising in underground mining. He has developed a wealth of technical and managerial experience and has spent the last 15 years in senior mine leadership roles with Rio Tinto PLC as Managing Director of the Palabora Mining Company (copper) in South Africa, and President of the Oyu Tolgoi Project in Mongolia (copper/gold).
	Ken Sangster Independent Non-Executive Director	Ken trained as a metallurgist and has 49 years' experience in the mining industry in a number of highly successful project development / project management roles ranging in project size up to US\$600M. He previously worked in numerous senior roles for Rio Tinto plc for over 15 years, as well having metallurgy focused project development roles for Anglo American PLC, Consolidated Gold Fields, Outokumpu Metals and Resources, TVX Gold and Ivernia plc. He is also a Fellow of the Institute of Directors.
	Mark Thompson Non-Executive Director	Mark Thompson is the former Chief Investment Officer and co-founder of Galena Asset Management Ltd, the fund management arm of Trafigura Beheer b.v., and latterly a partner at Apollo Management, one of the world's largest alternative asset managers.
	Mark Sawyer Non-Executive Director	Mark Sawyer is a Senior Partner at Greenstone Capital LLP and a co-founder of Greenstone Resources LP, a mining private equity fund which holds a significant interest in North River. During his 18 year career in the mining sector Mark has also acted as co-head of group business development at Xstrata plc, and held senior roles at Rio Tinto plc and Cutfield Freeman & Co Ltd.
	Ding Chan (Tina) Non-Executive Director	Tina Ding is a Mining Investment Manager for CGNPC. Tina has a Masters degree in Law and gained investment banking experience in Beijing and Singapore.
SENIOR MANAGEMENT	Andrew Little Project Director, Namib	Fellow of the Institute Of Mining, Minerals & Materials (UK), Registered Professional Engineer with the European Engineering Council. Over thirty years' experience in Project Development, Field Engineering, Construction Management, Project Engineering, and Design Management, predominantly in the base metals
	Edwin Daweti Country Manager (Namibia)	Geologist; ten years of mining and exploration geology experience in Namibia and South Africa. Previously held positions with Rossing Uranium (Rio Tinto), Xemplar Energy Corporation and Rosh Pinah Zinc Mine

# Broader corporate strategy

- Bringing Namib into production is the first step in building a broader Namibian mining company
- Adopt disciplined and balanced approach between pursuing internal and external growth opportunities and returning capital to shareholders
- North River has various EPLs within its portfolio providing internal options: notably Namib South
- Numerous external opportunities available in both zinc and other base metals
- Strategy to leverage 'in house' operational and project development skills together with internally generated cash flow once in production

