

North River Resources plc / Ticker: NRRP / Index: AIM / Sector: Mining

North River Resources plc
("North River" or the "Company")

Company Update

Update on Namib Mining Licence application and proposed empowerment legislation in Namibia, and the appointment of directors to the Board of Namib Lead & Zinc Mining (Proprietary) Limited ("NLZM")

North River Resources plc, the AIM quoted resource company, wishes to advise that NLZM, its wholly owned Namibian subsidiary, provides the following update on its proposal submitted to the Namibian Ministry of Mines and Energy ("the Ministry") in respect of its Namib Project ("the Project") mining licence application.

NLZM's proposal is made pursuant to the Ministry having given NLZM a Notice of Preparedness to Grant a mining licence (as initially announced on 1 February 2016), such proposal to relate to certain supplementary terms and conditions on which such mining licence is to be granted.

Mining licence proposal submitted to Ministry of Mines and Energy

As also previously announced on 26 April 2016, NLZM had submitted a formal proposal to the Ministry in respect of its mining licence application. The proposal, on NLZM's structure and composition, sought to address the Government of the Republic of Namibia's objectives of poverty eradication by: (i) providing an opportunity for local ownership of the Namib Project; (ii) participation by historically disadvantaged Namibians in the management of the Namib Project; and (iii) implementing a corporate social responsibility strategy (the "ML Supplementary Conditions Proposal").

As per the process set out in the Notice of Preparedness to Grant, the Ministry then had 30 days to review and respond to the Company on its ML Supplementary Conditions Proposal. As previously announced, the Ministry informed NLZM on 2 June 2016 that it was still reviewing the ML Supplementary Conditions Proposal and that it would respond to NLZM within a further 30 days, being on or before 2 July 2016.

The Ministry has now advised that their review continues in progress and that it will respond as soon as possible. No revised date or timeframe within which the Company can expect to receive a response has been given by the Ministry. While the Company looks forward to continuing to work with the Ministry on agreeing the terms and conditions to the grant of the mining licence, the duration and outcome of these discussions remain uncertain and the final issue of the Mining Licence on commercially acceptable terms cannot be guaranteed.

Proposed National Equitable Economic Empowerment Bill ("NEEF Bill" or "Bill")

In conjunction with agreeing terms & conditions attaching to the Mining Licence, the Company also continues to examine the implications of the Government of the Republic of Namibia's proposed introduction of broad based empowerment legislation. As previously announced, a first draft of the NEEEF Bill was published in February 2016 for a period of public consultation and can be found on the website of the Office of the Prime Minister (www.opm.gov.na/web/opm/neee-bill). Following an extended period of public consultation, a second draft of the NEEEF Bill is now under further review and stakeholder consultation. The second draft of the NEEEF Bill clarifies that the legislation would apply to both existing and new business but otherwise remains largely unchanged from the first draft. Indications from the Namibian Government suggest that this proposed legislation will go ahead and be enacted into law but timing remains uncertain. If enacted, the NEEEF Bill will set out obligations for companies, irrespective of sector, in respect of, *inter alia*, ownership and management participation by previously disadvantaged Namibians. Certain obligations under the draft Bill are inconsistent with those laid down under the terms & conditions to the Notice of Preparedness to Grant. The extent to which the NEEEF Bill would place additional obligations on the Namib Project remains unclear. It is an area on which the Company and Namibian mining industry as a whole will seek and need further clarity in due course.

Appointment of new directors to the Board of Namib Lead & Zinc Mining (Pty) Ltd ("NLZM")

The Company is pleased to announce that Asser Kapere, Ratonda Katjivikua, and Francois du Plessis have been appointed to the board of directors of wholly owned Namibian company, NLZM, the holder of the Namib project. Mr Kapere has been appointed Chairman of this board.

Asser Kuveri Kapere (65) is currently Chairman and founder of the Erongo Development Foundation, a non-profit organisation aimed at facilitating financial resources, technical assistance and other means of support from donor agencies to community members and organisations involved in poverty alleviation efforts in the Erongo Region. Mr Kapere has in the past served in several senior political positions and offices in Namibia following independence, including in the Cabinet as Deputy Minister for Works, Transport and Communication from 2002 to 2004 and then Chairman of the National Council of Namibia from December 2004 to 2015.

Ratonda Engelhardine Katjivikua (48) was Human Relations Manager and then Corporate Relations Manager for Langer Heinrich Uranium (Pty) Ltd, a uranium mining company in Namibia which is a member of the Paladin Energy Ltd group from October 2006 to December 2015 where she had wide ranging involvement in the management team, including strategic planning, human resources and organisation development, stakeholder relations, and corporate social development programmes.

Francois du Plessis (45) is a qualified UK solicitor and member of the management team of Greenstone Capital LLP, the UK based investment advisor to Greenstone Resources, the Company's largest cornerstone investor. Mr du Plessis has over 11 years' experience in the mining sector and was previously a Senior Associate at the law firm Maitland Advisory LLP in both Paris and London before becoming Strata Capital LLP's general counsel in 2008 where he was an integral part of the formation of Zanaga Iron Ore Company and Ncondezi Coal Company. Mr Du Plessis joined

Greenstone in 2014.

James Beams is also a director of NLZM.

North River CEO James Beams commented *“I am very pleased with the new appointments to the board of NLZM. North River is at a critical juncture as we seek to advance our mining licence application and take the Namib Project forward to a construction decision, and the combined skills and experience of the new board members of NLZM will greatly strengthen the leadership of the group”.*

****ENDS****

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About North River Resources: North River Resources (AIM ticker: NRR) is a multi-asset mining exploration and development company with projects located in Namibia and Mozambique. The Company's primary focus is bringing its flagship Namib project into production. The Namib project is the restart of a high grade zinc-lead underground mine located in Namibia.