

North River Resources plc ('North River')
Monte Muande Update

North River Resources plc, the AIM listed resource company focussed on Southern Africa, notes an update from its Joint Venture partner Baobab Resources plc ('Baobab' or 'the Company') in relation to North River's Monte Muande licences which cover 338km² in the Tete province of Mozambique ('the Project') which are prospective for magnetite, phosphorus, uranium and gold.

North River Managing Director David Steinepreis said, "Our joint venture partners continue to make solid progress with exploration activities on the Monte Muande licences in Tete, Mozambique, and we now eagerly await the results from the 2,000m diamond drilling campaign completed at the magnetite/phosphate deposit during the latter half of 2011. These results, which are anticipated in March 2012, will provide further information regarding the resource potential of the target area, which has a current Exploration Target of 200Mt to 250Mt.

"Baobab also conducted a scout drilling programme at the Rio Mufa coal target during late 2011, aimed at investigating the coal prospectivity of this section of the Monte Muande licence area. Whilst the scout drilling intersected minor seams of carbonaceous material, these are not deemed to be economically viable. In light of this, Baobab will continue to focus on the development of the area's magnetite/phosphorus mineralisation, which has already demonstrated potential for Direct Shipping Ore and amenity to bulk open pit mining."

Excerpts from Baobab Resources Announcement:

Baobab Resources Plc ('Baobab' or the 'Company') is an iron ore, base and precious metals explorer with a portfolio of exploration projects in Mozambique.

HIGHLIGHTS

- All analytical results have been returned from the Tenge resource drilling programme (Tete Project) and have been forwarded to Coffey Mining to complete a resource estimate in accordance with the JORC code.
- The average head grade of all Tenge significant drill intercepts is 36% Fe with concentrate grades reporting a weighted average of 59% Fe, 0.8% V₂O₅ and 12% TiO₂ at a mass recovery of 45%.
- The Tenge drill results show an excellent correlation with those derived from drilling at the 93Mt Ruoni North resource block which, as demonstrated in the

2011 Scoping Study, is sufficient to support a stand-alone 1Mtpa pig iron operation over a 25 year mine-life.

- Monte Muande joint venture magnetite/phosphate drill results are currently being processed and are expected to become available during March 2012.
- Rio Mufa scout drilling confirmed the absence of economically significant coal seams.

Commenting today, Ben James, Baobab's Managing Director, said: "An improvement in laboratory turnaround times has enabled the Company to get the Tenge resource data pack off to Coffey for estimation slightly ahead of schedule. The Tenge resource statement will mark the culmination of the highly productive 2011 field season and augment an already robust resource inventory underpinning the on-going PFS.

"Baobab also looks forward to presenting the long awaited Monte Muande magnetite/phosphate drill results during March. As is often the case with exploration initiatives, the Rio Mufa coal scout drilling programme, though technically sound, did not delineate mineralisation of economic merit."

MUANDE JOINT VENTURE

The Company announced on 15 November 2010 the signing of a Joint Venture (the 'Joint Venture') with North River Resources plc ('North River') in relation to North River's Muande project (the 'Muande Project') in the Tete province of Mozambique. The Muande Project comprises two exploration licences covering an area of 338km² located approximately 25km northwest of the provincial capital of Tete and contiguous with Baobab's Tete project.

The principal areas of interest are the Monte Muande magnetite/phosphate deposit and Rio Mufa coal prospect.

The Monte Muande magnetite/phosphate deposit is located 25km to the northwest of the provincial capital of Tete. The international highway to Zambia passes within 3km of the project. The deposit is hosted in a carbonatite and was explored during the 1980s by the Geological Institute of Belgrade (GIB). GIB completed two phases of vertical diamond drilling between 1983 and 1985 totalling 5,570m, 2,960m of which falls within the Joint Venture area. The institute also completed more than 10km of trenching and bench-scale metallurgical test work.

Using the GIB data sets in conjunction with more recent soil geochemistry and aeromagnetic surveys completed by Omegacorp, consultants Coffey Mining calculated an Exploration Target of 200Mt to 250Mt to an average depth of c.40m below surface. Coffey also carried out a high level review of the GIB metallurgical data which

indicated that a magnetite concentrate containing 67% Fe could be generated via a process of coarse grinding and magnetic separation, followed by regrinding and a flotation circuit to recover a phosphate rock concentrate containing 36% P₂O₅. Total magnetite and apatite recoveries of 92% and 70% respectively were recorded. Please refer to RNS announcement dated 19 September 2011 for additional details.

During the latter half of 2011, Baobab completed a c.2,000m diamond drilling at Monte Muande. The programme comprised 10 angled drill holes sited along a staggered traverse transecting the central portion of the deposit. Drilling has intersected broad zones of shallowly dipping magnetite and apatite mineralisation with samples currently at the ALS Chemex laboratory in Western Australia undergoing Davis Tube Recovery (DTR) and X-ray Fluorescence Spectrometry (XRF) analysis. Results are expected to become available during March 2012.

The Rio Mufa prospect includes 12 square kilometres of Lower Karoo lithologies underlying the southwestern corner of licence 1119L. Baobab commissioned specialist coal consultants, Gondwana Limitada ('Gondwana'), to complete a detailed field review of the Rio Mufa area during July 2011. Investigations confirmed that the prospect is underlain by the prospective basal units of the Lower Karoo sequence and a 13 hole scout drilling programme was designed. Drilling commenced on 15 September 2011 using a polycrystalline diamond (PCD) drill bit. PCD drilling is a rapid and cost competitive tool that is commonly employed during preliminary coal exploration campaigns. The drilling intersected minor seams of carbonaceous material of limited lateral continuity that are not considered to be of economic significance. No further exploration is warranted at this time.

The information in this release that relates to Exploration Results is based on information compiled by Managing Director Ben James (BSc). Mr James is a Member of the Australasian Institute of Mining and Metallurgy, is a Competent Person as defined in the Australasian Code for Reporting of exploration results and Mineral Resources and Ore Reserves, and consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

****ENDS****

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North River Resources plc

North River Resources plc is an AIM listed resource exploration and development company. Its current portfolio includes gold, base metal and uranium assets in Namibia; uranium, and base and precious metal interests in Mozambique. North River's strategy is to identify, acquire and develop a portfolio of resource opportunities in sub-Saharan Africa at various stages of development in order to create value for its shareholders. The Company has a highly experienced board and management of industry and corporate professionals, led by David Steinepreis and Luke Bryan.