

## Regulatory Announcement

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**Company** North River Resources Plc  
**TIDM** NRRP  
**Headline** Final Results  
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North River Resources Plc  
18 December 2008

### **NORTH RIVER RESOURCES PLC** ("North River")

#### **ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008**

#### **CHAIRMAN'S STATEMENT**

North River has recently announced two new Directors in Glenn Whiddon and Martin French and Luke Bryan as Chief Operating Officer.

In the tough environment that we all face, it is imperative to be mindful that opportunities will arise and that North River needs to be positioned to act. In this regard, our new Directors and Luke have joined us and Glenn and myself will provide operational funding until equity funding is required.

North River continues with its joint venture in Australia but will be seeking other resource projects over time subject to stringent review and financing.

Obviously, the resource industry and our ability to finance an acquisition is undergoing dramatic changes. I am confident that when an attractive opportunity is identified, we will be in a favourable position to properly assess and complete a transaction.

Both small and large resource companies have had a difficult year and indeed 2009 will have challenges but the Directors have been reviewing many projects and this process will eventually bear fruit through an acquisition and creation of significant shareholder value in North River.

David Christian Steinepreis  
**Executive Chairman**

#### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008**

##### **Review of the Business and Future Prospects**

North River Resources plc is the holding company of North River Resources Pty Ltd ("NRRPL").

NRRPL is party to a Farm-In Agreement with Segue Resources Limited ("Segue"), the holder of the Coronet Hill Tenement ("the Tenement" or "EL 10004"). Under the Farm-In Agreement, NRRPL is entitled to earn a 20% interest in the Tenement by expending such amount as the parties may agree (currently being £400,000) up to a maximum of £500,000 on the Tenement on or before 18 August 2010.

Subject to having expended the initial expenditure, NRRPL is entitled to earn a further 31% interest (in aggregate a 51% interest) in the Tenement by expending a further amount equal to £2,000,000 less the initial agreed expenditure on the Tenement on or before 18 August 2012.

Details of the Coronet Hill Tenement are as follows:

Asset	Holder	Interest (%)	Status	License Expiry Date	License Area
EL10004 Northern Territory Australia	Segue	100	Exploration	18/08/2010	29.25 Kilometres <sup>2</sup>

The Coronet Hill Tenement is situated in the southern part of the Pine Creek Inlier, 220 kilometres south east of Darwin in the Northern Territory of Australia. This major mineral province of the Northern Territory covers about 66,000 kilometres<sup>2</sup> and is centred 170 kilometres south of Darwin.

The Company (through NRRPL) has to date spent £100,000 under the Farm-In Agreement as its contribution to exploration on the Tenement.

Exploration on the Tenement was undertaken by Segue as manager under the Farm-In Agreement and has included the following:

- Soil sampling in the southern and most prospective part of the Coronet Hill Tenement. This demonstrated multi-element anomalism in the main Coronet Hill fault zone in the area tested. Field visits and grab sampling highlighted the abundance of massive and disseminated sulphide material in historical workings along the fault that gave values up to 20% copper but also significant arsenic.
- A gradient-array induced polarisation (IP) geophysical survey over the most prospective area to locate electromagnetic conductors that may be indicative of sulphide accumulations for drill testing.

Five priority drilling targets have been selected out of information gathered from the IP survey.

Following the collection of bulk samples, metallurgical testwork is to be conducted to understand the metallurgical characteristics of the known mineralisation.

The Directors' intention is for the Group to satisfy its expenditure requirements under the Farm-In Agreement.

During the year to 30 June 2008, in addition to its activities related to the Coronet Hill Tenement, the Company identified and reviewed a number of potential investments in the resources sector, however none met the Company's investment criteria.

### Annual Report and Accounts and Dividends

The Directors do not propose to recommend any dividends for the year ended 30 June 2008.

The Annual Report and Accounts of the Company can be found on the Company's website and have been posted to shareholders.

### GROUP INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Year ended 30 June 2008	Period ended 30 June 2007
	£	£
Administrative expenses	(260,059)	(259,982)
<b>Loss on operating activities</b>	<b>(260,059)</b>	<b>(259,982)</b>
Interest paid	(118)	(34)
Interest received	9,652	8,062
<b>Loss on ordinary activities before taxation</b>	<b>(250,525)</b>	<b>(251,954)</b>
Taxation	-	-
Loss on ordinary activities after taxation	(250,525)	(251,954)
<b>Total recognised loss for the year/ period</b>	<b>(250,525)</b>	<b>(251,954)</b>
<b>Loss per share</b>	<b>Pence</b>	<b>Pence</b>
Basic and diluted	0.37	0.64

### GROUP AND COMPANY BALANCE SHEETS AS AT 30 JUNE 2008

	Group 30 June 2008	Company 30 June 2008	Group 30 June 2007	Company 30 June 2007
	£	£	£	£
<b>Non Current Assets</b>				
Intangible assets	100,000	-	100,000	-
Debtors	-	100,000	-	100,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
<b>Current Assets</b>				
Cash and cash equivalents	121,693	121,693	387,797	387,797
	<u>121,693</u>	<u>121,693</u>	<u>387,797</u>	<u>387,797</u>
<b>TOTAL ASSETS</b>	<b><u>221,693</u></b>	<b><u>221,693</u></b>	<b><u>487,797</u></b>	<b><u>487,797</u></b>
<b>Current Liabilities</b>				
Creditors: amounts falling due within one year	(20,159)	(20,159)	(35,738)	(35,738)
	<u>(20,159)</u>	<u>(20,159)</u>	<u>(35,738)</u>	<u>(35,738)</u>
<b>TOTAL LIABILITIES</b>	<b><u>(20,159)</u></b>	<b><u>(20,159)</u></b>	<b><u>(35,738)</u></b>	<b><u>(35,738)</u></b>
<b>NET ASSETS</b>	<b><u>201,534</u></b>	<b><u>201,534</u></b>	<b><u>452,059</u></b>	<b><u>452,059</u></b>

**Capital and Reserves  
Attributable to Equity  
Holders**

Called up share capital	68,000	68,000	68,000	68,000
Share premium account	481,238	481,238	481,238	481,238
Option premium reserve	154,775	154,775	154,775	154,775
Retained losses	(502,479)	(502,479)	(251,954)	(251,954)
<b>TOTAL EQUITY</b>	<b>201,534</b>	<b>201,534</b>	<b>452,059</b>	<b>452,059</b>

**GROUP AND COMPANY CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 JUNE  
2008**

	Group year ended 30 June 2008 £	Company year ended 30 June 2008 £	Group period ended 30 June 2007 £	Company period ended 30 June 2007 £
<b>Net cash outflow from operating activities</b>	(275,638)	(275,638)	(69,469)	(69,469)
<b>Returns on investments and servicing of finance</b>				
Interest paid	(118)	(118)	(34)	(34)
Interest received	9,652	9,652	8,062	8,062
<b>Net cash inflow from returns on investment and servicing of finance</b>	9,534	9,534	8,028	8,028
<b>Investing</b>				
Capitalised costs - Farm-In costs Coronet Hill	-	-	(100,000)	-
<b>Net cash outflow from investing</b>	-	-	(100,000)	-
<b>Financing</b>				
Loan to subsidiary	-	-	-	(100,000)
Proceeds from issue of shares	-	-	754,000	754,000
Costs of the issue of shares	-	-	(204,762)	(204,762)
<b>Net cash inflow from financing</b>	-	-	549,238	449,238
<b>Increase/(decrease) in cash and cash equivalents</b>	(266,104)	(266,104)	387,797	387,797
Cash and cash equivalents at the beginning of the period	387,797	387,797	-	-
<b>Cash and cash equivalents at the end of the year/ period</b>	121,693	121,693	387,797	387,797

**NOTES TO THE FINANCIAL STATEMENTS**

## FOR THE YEAR ENDED 30 JUNE 2008

<b>1. Debtors</b>	<b>Group 30 June 2008</b>	<b>Company 30 June 2008</b>	<b>Group 30 June 2007</b>	<b>Company 30 June 2007</b>
Loan to subsidiary	-	100,000	-	100,000

<b>2. Creditors</b>	<b>Group 30 June 2008</b>	<b>Company 30 June 2008</b>	<b>Group 30 June 2007</b>	<b>Company 30 June 2007</b>
Accruals	20,159	20,159	35,738	35,738

### 3. Subsidiary Undertakings

#### Company

<i>Name of company</i>	<i>Country</i>	<i>Holding held</i>	<i>Proportion</i>	<i>Nature of business</i>
North River Resources Pty Ltd	Australia	Ordinary Shares	100%	Mineral exploration

### 4. Share Capital

<b>Group and Company</b>	<b>30 June 2008 Number of Shares</b>	<b>30 June 2008 £</b>	<b>30 June 2007 Number of Shares</b>	<b>30 June 2007 £</b>
<b>Authorised</b> 10,000,000,000 Ordinary shares of 0.1p each	10,000,000,000	10,000,000	10,000,000,000	10,000,000
<b>Issued and Fully Paid</b> Ordinary shares of 0.1p each	68,000,000	68,000	68,000,000	68,000

### 5. Expenditure Commitments

	<b>Group 30 June 2008 £</b>	<b>Company 30 June 2008 £</b>	<b>Group 30 June 2007 £</b>	<b>Company 30 June 2007 £</b>
Commitments contracted for at reporting date but not recognised as liabilities are as follows:				
Between one and two years	-	-	300,000	300,000
Between two and five years	300,000	300,000	-	-
<b>Total</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>

Under the terms and conditions of the Farm-In Agreement, the Company has a commitment to contribute a percentage of the cost of exploration expenditure to earn its interest in the project. The expenditure required is £400,000 of which £100,000 has already been spent. The balance to be spent on or before 18 August 2010 for the Company to earn its interest. The Company can however withdraw from the Farm-in Agreement at any time by giving notice in writing to Segue of its intention to withdraw and upon withdrawal the Farm-in Agreement shall terminate.

### 6. Post Balance Sheet Events

Since 30 June 2008 the Company has undertaken the collection of bulk samples and submitted these for metallurgical testwork to understand the metallurgical characteristics of the known mineralisation. Test results are yet to be received. The Company has expended approximately £25,000 on collection of the bulk samples and metallurgical testwork.

On 31 October 2008 the Company and its Farm-In partner Segue Resources Limited agreed to revise the Coronet Hill Tenement Farm-In Agreement. Under the revised Farm-In Agreement, NRRPL is entitled to earn a 20% interest in the Tenement by expending such amount as the parties may agree (currently being £400,000) up to a maximum of £500,000 on the Tenement on or before 18 August 2010 (previously 27 December 2008).

Subject to having expended the initial expenditure, NRRPL is entitled to earn a further 31% interest (in aggregate a 51% interest) in the Tenement by expending a further amount equal to £2,000,000 less the initial agreed expenditure on the Tenement on or before 18 August 2012 (previously 27 December 2010).

On 24 November 2008 the Company entered into an agreement with Lagral Capital, a company associated with newly appointed Director Glenn Whiddon, and Ascent Capital, a company associated with the Chairman David Steinepreis, whereby these companies will make available a £300,000 convertible loan facility to the Company.

**\*\* ENDS \*\***

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