

Company Number 5875525

NORTH RIVER RESOURCES PLC

REPORT AND ACCOUNTS

PERIOD ENDED 30 JUNE 2007

NORTH RIVER RESOURCES PLC

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NORTH RIVER RESOURCES PLC

DIRECTORS, SECRETARY AND ADVISERS

Directors:

David Christian Steinepreis	<i>Non-Executive Chairman, Director</i>
Patrick Nicolas Burke	<i>Executive Director</i>
Robert Hartley Downey	<i>Executive Director</i>

Company Secretary: John Michael Bottomley

Registered Office: 30 Farringdon Street
London EC4A 4HJ

Company Number: 5875525

Nominated Adviser: Blue Oar Securities Plc
30 Old Broad Street
London EC2N 1HT

Nominated Broker: Blue Oar Securities Plc
30 Old Broad Street
London EC2N 1HT

Solicitors: Watson, Farley & Williams LLP
15 Appold Street
London EC2A 2HB

Auditors: UHY Hacker Young LLP
Chartered Accountants
St Alphage House
2 Fore Street
London EC2Y 5DH

Registrars: Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield HD8 0LA

Principal Bankers: Barclays Bank Plc
50 Pall Mall
London SW1A 1QF

NORTH RIVER RESOURCES PLC

CHAIRMAN'S STATEMENT

Dear Shareholders

The Company was successfully listed on the Alternative Investment Market on 27 December 2006, with the Coronet Hill Tenement as our initial project.

North River has contributed £100,000 to the Farm-In Agreement on the Coronet Hill Tenement to date and we await initial results for the first year's program.

While our primary objective is to earn an initial interest in the Coronet Hill Tenement, the Directors have been reviewing other resource projects for participation. The search for other resource investments is a paradox as while markets have been buoyant for resource companies and projects, pricing of assets and competition has made investment more difficult.

The Board has been flexible in its approach to acquisition and investment strategy and has not outlined size, geographic or class of commodity restrictions with regard to its acquisition criteria. However, a suitable project has not yet been secured.

A wider strategy of the Directors has been to bring together a group of Shareholders that could assist the Company in sourcing new projects and potential new finance for an acquisition. The Board believes that the presence of the existing small group of Shareholders in the Company will enhance the growth potential of North River by virtue of the capacity to introduce and then finance these new projects we are seeking.

The year ahead looks more positive for resource opportunities and I look forward to finally advising shareholders of an attractive new project.



David Christian Steinepreis
Non-Executive Chairman

18 December 2007

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2007

The Directors present their first report, together with the audited financial statements of North River Resources plc ("North River" or "the Company") and its subsidiary undertakings (together "the Group") for the period from the date of incorporation on 13 July 2006 until 30 June 2007.

The Company is registered in England and Wales, having been incorporated on 13 July 2006 under the Companies Act with registered number 5875525 as a public company limited by shares.

The Company was first listed on the Alternative Investment Market ("AIM") of the London Stock Exchange on 27 December 2006.

Principal Activity

The principal activity of the Group is mineral exploration. The Group operates in its parent undertaking and through a subsidiary company, details of which are set out in note 7 to these accounts.

Review of the Business and Future Prospects

North River Resources plc is the holding company of North River Resources Pty Ltd ("NRRPL") which was incorporated for the purpose of earning an interest in the Coronet Hill Tenement and making acquisitions in resource projects.

On 26 July 2006, NRRPL entered into a Farm-In Agreement with Segue Resources Limited ("Segue"), the holder of the Coronet Hill Tenement ("the Tenement" or "EL 10004"). The Farm-In Agreement was amended and restated on 6 November 2006. 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 the second anniversary of the admission to AIM.

Subject to having expended this 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 the fourth anniversary of the admission to AIM.

Between 13 July 2006 and 8 December 2006, the Company raised £754,000 (before expenses) by the issue of 68,000,000 new Ordinary Shares to fund an exploration programme for the Coronet Hill Tenement which satisfies the maximum expenditure required to earn the initial 20% interest in the Coronet Hill Tenement and to provide working capital for the Company's introduction to AIM.

North River's primary objective is to earn its initial 20% interest in EL 10004. Should results from this initial expenditure warrant further investment, the Directors will look to source additional funding to earn a further 31% interest.

Owing to the nature of this type of business and the Directors' contacts in the resources sector, it may be that NRRPL will also identify other resource projects to acquire or invest in through other farm-in agreements, joint ventures, partnerships or shareholdings.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

Review of the Business and Future Prospects (continued)

The Group currently has one project in Australia, being the right to earn up to a 51% interest in the Coronet Hill Tenement. Details of the Coronet Hill Tenement are outlined below:

Asset	Holder	Interest (%)	Status	License Expiry Date	License Area
EL10004 Northern Territory Australia	Segue	100	Exploration	19/08/2008 (However subject to possible renewal)	29.25 Kilometres ²

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 kilometres² and is centred 170 kilometres south of Darwin.

Coronet Hill is located on a major mineralised structure known as the Coronet Fault that trends northwest-southeast. Past exploration has shown the Coronet Fault zone and parallel structures to be anomalous in tin, tungsten and base metals over 10 kilometres of strike within the Tenement. Recent exploration has been principally directed towards base and precious metals, and exploration for tin and tungsten was only peripheral, however there is good evidence that the tin and tungsten mineralisation is not only of greater strike extent than previously tested, but also may occur in the alteration zones laterally adjacent to the lodes.

Geological models of tin occurrences commonly involve mineralisation within close proximity to igneous margins. In this respect the Coronet Hill Tenement is prospective because its setting is proximal to a granitic intrusion known to be responsible for poly-metallic mineralisation in the area. Geophysical evidence clearly demonstrates the presence of a sub-surface intrusive body in parts of the Tenement.

Pursuant to the Farm-In Agreement, the Company (through NRRPL) and Segue intend to undertake a significant program of exploration work on the Tenement.

It is also intended to investigate the possibility of hydrothermally-sourced platinum group element ("PGE") mineralisation in the Tenement. This particular style of PGE mineralisation is extremely rare around the world but has been identified at Coronation Hill, a significant gold-platinum-palladium resource located about 25km to the north-west of the Tenement.

The Group's Exploration Programme and Strategy

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

The Farm-In Agreement provides that all expenditure on the Tenement shall be pursuant to budgets agreed or to be agreed between NRRPL and Segue.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

Review of the Business and Future Prospects (continued)

The work program for the Tenement under the budgets agreed between NRRPL and Segue for the two years following Admission will include some or all of the following:

1. Ongoing compilation of historical data and conversion of that data into a digital format. This information can then be merged with current exploration data in a GIS database so its relevance can be applied and more fully understood. The effective capture of data increases exploration efficiency to generate targets in the future;
2. Regional and local geological reconnaissance / mapping to gain a better understanding of the structural and stratigraphic nature of the mineralisation. Comparison with mineralisation styles in the district will assist in developing models or exploration;
3. Surface rock chip and / or soil sampling to identify areas of geochemical anomalism and metal distribution;
4. 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;
5. Ground disturbing activities to create sufficient access for field work; and
6. Auger, RAB, RC and/or diamond drilling to test generated targets and define resources.

The agreed budgets provide that NRRPL shall spend £100,000 in Year one following Admission and £300,000 in Year two, in order to earn the initial 20% interest in the Tenement under the Farm-In Agreement.

Future Acquisitions and Investments

Whilst the Directors' primary focus for the Group is to earn the initial 20% interest in the Tenement, the Directors intend to identify and evaluate other resource properties for possible acquisition or investment in order to increase the activities of the Company in the commodities field.

The Board will be flexible regarding its acquisition and investment strategy and has not outlined size, geographic or class of commodity restrictions with regard to acquisition criteria.

A wider strategy of the Directors has been to bring together a group of shareholders that could assist the Company in sourcing acquisitions and potential new finance for these acquisitions.

The Board believes that the presence of the existing small group of shareholders in the Company will enhance the growth potential of North River Resources Plc by virtue of the capacity to introduce new projects to the Company.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

Results and Dividends

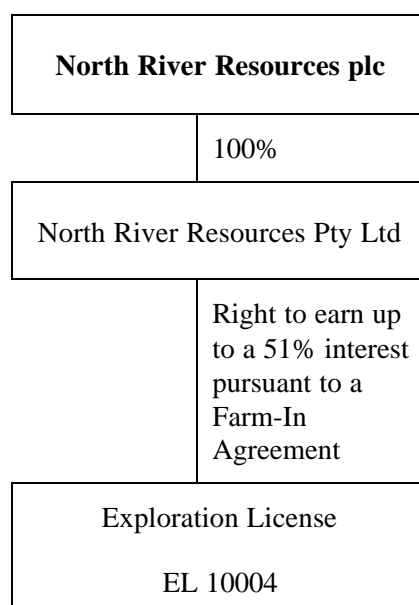
The Group results for the period are set out in the Financial Statements. The Directors do not propose to recommend any dividends for the reporting period ended 30 June 2007.

The Group made a loss of £251,954 for the period from incorporation on 13 July 2006 to 30 June 2007.

Due to the early stage of development of the Group, it is not meaningful to consider a review of key performance indicators in respect of the period under review.

Group Structure and Changes in Share Capital

The corporate structure of the Group is as follows:



Details of movements in share capital during the period are set out in note 8 to these accounts.

The details of the share options outstanding at 30 June 2007 and the movements in share options during the period are set out in note 8 to these accounts.

Directors

The following Directors held office during the period and remain in office as at the date of this report:

David Christian Steinepreis	Appointed 13 July 2006
Robert Hartley Downey	Appointed 13 July 2006
Patrick Nicholas Burke	Appointed 22 November 2006

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

Directors' Interests

The beneficial and non-beneficial interests in the Company's shares and share options of the current Directors and their families, as at the date of this report are as follows:

	Ordinary shares of £0.001p each	Share options	Notes
David Christian Steinepreis	5,044,001	2,000,000	1
Robert Downey	2,250,000	2,000,000	2
Patrick Burke	620,000	-	3
	7,914,001	4,000,000	

1. The Shareholding and Option holding of Mr Steinepreis is held directly (1 Ordinary Share), via his spouse (1,200,000 Ordinary Shares), Ascent Capital (1,984,000 Ordinary Shares and 2,000,000 Options) and N & J Mitchell Holdings Pty Ltd as trustee for the Mitchell Unit Trust (1,860,000 Ordinary Shares).

Mr Steinepreis is a director of Ascent Capital and a trust associated with Mr Steinepreis is a 50 per cent owner of Ascent Capital.

Mr Steinepreis is a director and shareholder of N & J Mitchell Holdings Pty Ltd.

2. The Shareholding and Option holding of Mr Downey is held via Canaccord Capital Australia Pty Ltd as trustee for the Big Bird Trust (2,250,000 Ordinary Shares) and via Westwind Capital (2,000,000 Options).

Mr Downey is a director of Westwind Capital. Mr Downey is also a director of Canaccord Capital Australia Pty Ltd, and his spouse is a beneficiary of the trust.

3. The Shareholding of Mr Burke is held via Rowan Hall Pty Ltd as trustee for Rowan Hall Investment Trust of which Mr Burke is a potential beneficiary.
4. The 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 Admission and for a further period of 12 months to dispose of such Ordinary Shares only with the broker's consent.

Report on Directors' Remuneration and Service Contracts

Directors serve under the terms and conditions of a services agreement in place between the Company and its directors whereby the directors are paid £1,000 per month. Either party is required to give 3 months' notice of their intention to cancel the agreement.

Pensions

The Group does not operate a pension scheme for Directors or employees.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

Directors' Remuneration

The remuneration paid to the Directors and / or entities related to directors during the period ended 30 June 2007 was as follows:

Directors		Fees and Salaries £	Share Based Payments £	Total 30 June 2007 £
David Steinepreis	1	33,000	51,592	84,592
Robert Downey	2	30,636	51,592	82,228
Patrick Burke	3	14,997	-	14,997
		78,633	103,184	181,817

- 1 Ord Street Services, an entity associated with David Steinepreis, provided the company with office accommodation in Australia and was paid £6,000 for rent and outgoings during the period.

Ascent Capital Holdings Pty Ltd, a company associated with David Steinepreis, was paid fees in the amount of £20,000 for corporate advice provided with regard to the listing of the company on AIM and £7,000 in fees for the provision of the services of Mr Steinepreis, pursuant to a services agreement between Mr Steinepreis and the Company.

- 2 Quantum Vis Pty Ltd, a company associated with Robert Downey, was paid fees as per the services agreement between Mr Downey and the Company, of £7,000. Quantum Vis was paid a further £3,636 for corporate advice provided with regard to the listing of the company on AIM.

Westwind Capital Pty Ltd, a company associated with Robert Downey, was paid fees in the amount of £20,000 for corporate advice provided with regards to the Company's admission to AIM.

- 3 Pat Burke was paid fees as per his services agreement of £7,000. He was paid a further £7,997 for legal services provided with regard to the listing of the company on AIM.

Share / option based payments made to directors and / or entities related to directors as compensation for their services for the period ended 30 June 2007 amounted to £103,184.

Ascent Capital Holdings Pty Ltd, an entity associated with David Steinepreis, was issued 2 million options, which when valued using the Black-Scholes Model amounted to a value of £51,592.

Westwind Capital Pty Ltd, an entity associated with Robert Downey, was issued 2 million options, which when valued using the Black-Scholes Model amounted to a value of £51,592.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued) FOR THE PERIOD ENDED TO 30 JUNE 2007

Substantial Shareholders

The Company has been notified, in accordance with sections 198 and 202 of the Companies Act 1985, of the under noted interests in its ordinary shares as at 11 October 2007 of 3% shareholders and above:

	Number of Ordinary Shares	%
Ruby Commercial Ltd	6,200,000	9.1%
Sunvest Corporation Limited	6,200,000	9.1%
Forest Nominees Limited	5,000,000	7.3%
Montague Stockbroking (Vogue Overseas SA)	4,000,000	6.2%
Aton Select Fund Ltd	3,859,000	5.6%
Montague Stockbroking (SCP Lagral A/C)	2,750,000	4.0%
Canaccord Capital (Australia) Pty Ltd (The Big Bird A/C)	2,250,000	3.3%
Canaccord Capital (Australia) Pty Ltd (The Big Bird A/C)	2,250,000	3.3%

Information to Shareholders – Website

The company maintains a website (www.northriverresources.com) to facilitate provision of information to external stakeholders and potential investors and to meet the new AIM guidance. Management of the website is undertaken by the Company, to ensure that it is kept up to date and that all announcements are posted in a timely manner.

Political and Charitable Contributions

There were no political or charitable contributions made by the company during the period ended 30 June 2007.

Supplies Payment Policy and Practice

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with.

Post Balance Sheet Events

There has been no matter or circumstance, other than those mentioned above, that has arisen, since the 30 June 2007 and up to the date of this report, that has significantly affected, or may significantly affect:

1. the Company's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Company's state of affairs in future financial years.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued) FOR THE PERIOD FROM ENDED 30 JUNE 2007

Statement of Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable laws and International Financial Reporting Standards ("IFRSs").

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgments and estimates that are reasonable and prudent;
- c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business; and
- d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Statement of Disclosure to the Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

On 30 April 2007 the Company's auditors, UHY Hacker Young, transferred their business into a limited liability partnership, UHY Hacker Young LLP ("the LLP"), and the office of auditor has passed to the LLP. In accordance with Section 385 of the Companies Act 1985, a resolution proposing that UHY Hacker Young LLP be reappointed as auditors of the Company and that the Directors be authorised to determine their remuneration will be put to the next Annual General Meeting.

This report was approved by the Board on 18 December 2007 and signed on its behalf by:



David Steinepreis
Chairman

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NORTH RIVER RESOURCES PLC
FOR THE PERIOD ENDED 30 JUNE 2007**

We have audited the Group and parent company financial statements (the "financial statements") of North River Resources Plc for the year ended 30 June 2007 which comprise the Group income statement, the Group and parent company balance sheets, the Group and parent cash flow statements and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and those International Financial Reporting Standards ("IFRSs") as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises the Chairman's Statement and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NORTH RIVER RESOURCES PLC (Continued)
FOR THE PERIOD ENDED 30 JUNE 2007**

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 June 2007 and of the Group's loss for the period then ended;
- the Parent Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 1985, of the state of the Company's affairs as at 30 June 2007.
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the group financial statements, Article 4 of the IAS Regulation; and
- the information given in the Directors' report is consistent with the financial statements.

UHY Hacker Young LLP

Chartered Accountants

Registered Auditors

St. Alphage House

2 Fore Street

London EC2Y 5DH

18 December 2007

NORTH RIVER RESOURCES PLC

GROUP INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007

	Notes	Period ended 30 June 2007 £
Administrative expenses	3	(259,982)
Loss on operating activities		(259,982)
Interest payable		(34)
Interest receivable		8,062
Loss on ordinary activities before taxation		(251,954)
Taxation	9	-
Loss on ordinary activities after taxation		(251,954)
Total recognised loss for the period		(251,954)
Loss per share		Pence
Basic and diluted	13	0.64

The above are the results for the period from the date of incorporation on 13 July 2006 to 30 June 2007.

All of the above amounts are in respect of continuing operations.

NORTH RIVER RESOURCES PLC

**GROUP AND COMPANY BALANCE SHEETS
AS AT 30 JUNE 2007**

	Note	Group 30 June 2007 £	Company 30 June 2007 £
Non Current Assets			
Exploration costs	4	100,000	-
Debtors	5	-	100,000
		100,000	100,000
Current Assets			
Cash and cash equivalents	10	387,797	387,797
		387,797	387,797
TOTAL ASSETS		487,797	487,797
Current Liabilities			
Creditors: amounts falling due within one year	6	(35,738)	(35,738)
		(35,738)	(35,738)
TOTAL LIABILITIES		(35,738)	(35,738)
NET ASSETS		452,059	452,059
Capital and Reserves Attributable to Equity Holders			
Called up share capital	8 (b)	68,000	68,000
Share premium account	8 (c)	481,238	481,238
Option premium reserve	8 (e)	154,775	154,775
Retained losses		(251,954)	(251,954)
TOTAL EQUITY		452,059	452,059

These financial statements were approved by the Board of Directors on 18 December 2007 and signed on its behalf by:



David Steinepreis
Non-Executive Chairman

NORTH RIVER RESOURCES PLC

**GROUP AND COMPANY CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007**

	Notes	Group period ended 30 June 2007 £	Company period ended 30 June 2007 £
Net cash outflow from operating activities	11	(69,469)	(69,469)
Returns on investments and servicing of finance			
Interest payable		(34)	(34)
Interest income		8,062	8,062
Net cash inflow from returns on investment and servicing of finance		(8,028)	(8,028)
Investing			
Capitalised costs – Farm-In costs Coronet Hill	4	(100,000)	-
Net cash outflow from investing		(100,000)	-
Financing			
Loan to subsidiary	5	-	(100,000)
Proceeds from issue of shares		754,000	754,000
Costs of the issue of shares		(204,762)	(204,762)
Net cash inflow from financing		549,238	449,238
Increase in cash and cash equivalents		387,797	387,797
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period	10	387,797	387,797

NORTH RIVER RESOURCES PLC

**STATEMENT OF CHANGES IN NET EQUITY
FOR THE PERIOD ENDED 30 JUNE 2007**

	Share Capital £	Share Premium £	Accumulated Losses £	Option Reserve £	Total £
Company					
Issue of shares	68,000	686,000	-		754,000
Issue costs	-	(204,762)	-		(204,762)
Share option charge	-	-	-	154,775	154,775
Net loss for the period	-	-	(251,954)		(251,954)
Balance at 30 June 2007	68,000	481,238	(251,954)	154,775	452,059
Group					
Issue of shares	68,000	686,000	-		754,000
Issue costs	-	(204,762)	-		(204,762)
Share option charge	-	-	-	154,775	154,775
Net loss for the period	-	-	(251,954)		(251,954)
Balance at 30 June 2007	68,000	481,238	(251,954)	154,775	452,059

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007

1. Accounting Policies

The Group has adopted the accounting policies set out below in preparation of the financial statements. All of these policies have been applied consistently throughout the period unless otherwise stated.

1.1 Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention and in accordance with the International Financial Reporting Standards (“IFRSs”) including IFRS 6, Exploration for and Evaluation of Mineral Resources, as adopted by the European Union (“EU”) and in accordance with the provisions of the Companies Act 1985.

The Group’s financial statements for the period ended 30 June 2007 were authorised for issue by the board of directors on 18 December 2007 and the balance sheets were signed on the board’s behalf by David Steinepreis. The Group financial statements are presented in UK pounds sterling.

In accordance with the provisions of section 230 of the Companies Act 1985, the parent company has not presented a profit and loss account. A loss for the period ended 30 June 2007 of £251,954 has been included in the income statement..

1.2 Basis of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries. A list of subsidiaries appears in Note 7. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

1. Accounting Policies (continued)

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured.

Interest Income

Revenue is recognised as the interest accrues

1.4 Foreign Currency Transactions

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Pounds Sterling ("£"), which is the functional and presentation currency of the Company and the presentation currency of the Group.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The assets, liabilities and the results of the foreign subsidiary undertakings are translated into sterling at the rates of exchange ruling at the year end. Exchange differences resulting from the retranslation of net investments in subsidiary undertakings are treated as movements on reserves.

1.5 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.6 Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

1. Accounting Policies (continued)

1.7 Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax is realised or the deferred liability is settled.

Deferred tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilised

1.8 Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation incurred is accumulated either to maintain an interest or in earning an interest and is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest are current and either:

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active significant operations in, or relating to, the area of interest are continuing.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment. The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

1.9 Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

1. Accounting Policies (continued)

1.10 Significant Accounting Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. No significant accounting estimates and / or assumptions have been made during the preparation of the financial report.

1.11 Share Based Payments

The group issued share based payments to certain parties (including directors or entities related to directors) by way of issue of share warrants. The fair value of these payments is calculated by the Group using the Black–Scholes option pricing model. The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the Group's best estimate of shares that will eventually vest.

1.12 Financial instruments

International Accounting Standard 32 requires information to be disclosed about the impact of financial instruments on the Group's risk profile, how the risks arising from financial instruments might affect the entity's performance, and how these risks are being managed. These disclosures have been made in note 15 to the accounts. The Group's policies include that no trading in derivative financial instruments shall be undertaken.

1.13 Earnings per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares in issue, adjusted for any bonus elements.

Diluted earnings per share is calculated as net profit / (loss) attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

Share options are considered anti-dilutive as the Company is in a loss making position.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

1. Accounting Policies (continued)

1.14 New standards and interpretations not applied

During the year, the IASB and IFRIC have issued a number of new standards, amendments and interpretations with an effective date after the date of these financial statements. Of these, only the following are expected to be relevant to the Group:

IFRS 7	Financial instruments: Disclosures	1 January 2007
IFRS 8	Operating segments	1 January 2009
IAS1	Presentation of Financial Statements: Capital Disclosures	1 January 2007
IFRIC 10	Interim Financial Information and Impairment	1 November 2006

The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the period of initial application.

2 Segment Reporting

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

The Company operates in one business segment, that being, mineral exploration and evaluation and currently operates within the United Kingdom and Australia.

Geographical Segment - Group	United Kingdom £	Australia £	Total £
Administration expenses	(259,982)	-	(259,982)
Interest payable	(34)	-	(34)
Interest receivable	8,062	-	8,062
Loss before taxation	(251,954)		(251,954)
Farm-In costs Coronet Hill	-	100,000	100,000
Cash and cash equivalents	387,797	-	387,797
Accrued expenditure and provisions	(35,738)	-	(35,738)
Net Assets	352,059	100,000	452,059

At the end of the period on 30 June 2007, the Group had not commenced commercial production from its exploration sites and therefore had no turnover in the period.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

3 Administrative expenses

The Group's operating loss is stated after charging:

	Period ended 30 June 2007 £
Auditors' remuneration	
- group and parent company audit services	7,000
- group and parent company non audit services	7,500
Cost of issuing share options	154,775

4 Intangible Assets

	Farm-In Costs £
Coronet Hill Project at cost	100,000
Impairment during the period	-
Net book value at 30 June 2007	<u>100,000</u>

In accordance with the accounting policy, the directors have assessed the value of the exploration and development farm-in costs carried in the accounts as intangible fixed assets. In the opinion of the Directors no impairment provision is considered necessary.

5 Debtors

	Group 30 June 2007 £	Company 30 June 2007 £
Loan to subsidiary – North River Resources Pty Ltd	<u>-</u>	<u>100,000</u>

6 Creditors

Accruals	<u>35,738</u>	<u>35,738</u>
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7 Subsidiary Undertakings

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

On 28 August 2006, the Company incorporated its subsidiary, North River Resources Pty Ltd.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 30 JUNE 2007

8 Share Capital	Group 30 June 2007 Number of Shares	Group 30 June 2007 £	
a) Authorised			
10,000,000,000 Ordinary shares of 0.1p each	<u>10,000,000,000</u>	<u>10,000,000</u>	
b) Issued and Fully Paid			
Ordinary shares of 0.1p each	<u>68,000,000</u>	<u>68,000</u>	
c) Share Premium Reserve			
Ordinary shares at 4.9p each	13,999,998	686,000	
Costs of the issue of capital	-	(204,762)	
	<u>13,999,998</u>	<u>481,238</u>	
d) Movement in issued and fully paid capital and share premium reserve	Number	Issued and fully paid capital £	Share premium reserve £
Issued on incorporation, 13 July 2006	2	-	-
Issued on 30 November 2006	54,000,000	54,000	-
	54,000,002	54,000	-
Issued on 8 December 2006	13,999,998	14,000	686,000
	68,000,000	68,000	686,000
Costs of the issue of capital	-	-	(204,762)
	<u>68,000,000</u>	<u>68,000</u>	<u>481,238</u>
e) Options			
<p>Option Agreements were issued dated 18 December 2006 between the Company and each of Westwind Capital, Corporate Synergy and Ascent Capital pursuant to which the Company has granted Westwind Capital, Corporate Synergy and Ascent Capital Options to subscribe for 2,000,000 Ordinary Shares, exercisable at any time from Admission and from time to time until the fifth anniversary of Admission. The exercise price is 5 pence per ordinary share and there are a total of 6,000,000 options in issue.</p>			
	Group 30 June 2007 Number of Options	Group 30 June 2007 £	
Share options in issue	6,000,000	-	
Option premium reserve	-	154,775	
	<u>6,000,000</u>	<u>154,775</u>	

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

8e Options (continued)

Included with administration expenses is a charge for issuing share options.

	Group 30 June 2007 £	Company 30 June 2007 £
Cost of issuing share options	<u>154,775</u>	<u>154,775</u>

No options were exercised, forfeited or expired during the period.

The option value was calculated with reference to the Black-Scholes option pricing model taking into account the following input assumptions:

Share price	£0.05
Exercise price	£0.05
Expected volatility	50%
Option life	5 years
Expected dividend	Nil
Risk free interest rate	6.385%

9 Taxation

	Group 30 June 2007 £	Company 30 June 2007 £
Factors affecting the tax charge for the period:		
Loss from continuing operations before income tax expense	<u>(251,954)</u>	<u>(251,954)</u>
Tax at the Company rate of 30%	(75,586)	(75,586)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non deductible expenses	46,433	46,433
Income tax benefit not brought to account	29,153	29,153
Timing differences not recognised	-	-
Income tax expense	<u>-</u>	<u>-</u>

At the balance sheet date, the Group has unused United Kingdom tax losses available for offset against suitable future profits in the United Kingdom.

Deferred tax assets have not been recognized in respect of these amounts as it is not considered probable that future taxable income will arise against which these assets may be offset.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 30 JUNE 2007

10 Cash and Cash Equivalents	Group	Company
	30 June 2007	30 June 2007
	£	£
Cash at bank and in hand	<u>387,797</u>	<u>387,797</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. The cash at bank is bearing floating interest rates between 0.05% and 5.75%. The carrying amounts of cash and cash equivalents represent fair value.

11 Cash Flow Statement	Group	Company
	30 June 2007	30 June 2007
	£	£
Reconciliation of operating loss to net cash outflow from operating activities		
Net (loss) after tax	(259,982)	(259,982)
Share option costs	154,775	154,775
Changes in assets and liabilities:		
Increase in trade and other payables	<u>35,738</u>	<u>35,738</u>
Net cash outflow used in operating activities	<u>(69,469)</u>	<u>(69,469)</u>

12 Expenditure Commitments	Group	Company
	30 June 2007	30 June 2007
	£	£
a) Expenditure Commitments		
Commitments contracted for at reporting date but not recognised as liabilities are as follows:		
Within one year	<u>300,000</u>	<u>300,000</u>

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 Company can however withdraw from the farm-in agreement at anytime by giving notice in writing to Segue of its intention to withdraw and upon withdrawal the farm-in agreement shall terminate.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

13 Earnings Per Share

	Group 30 June 2007 £	Company 30 June 2007 £
(a) Basic and diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders	<u>(251,954)</u>	<u>(251,954)</u>
<i>Basic earnings per share</i>		
Loss from continuing operations attributable to the ordinary equity holders	<u>(0.0064)</u>	<u>(0.0064)</u>
(b) Weighted Average Number of Shares Used as the Denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>39,375,343</u>	<u>39,375,343</u>

Options on issue are not considered diluting to the earnings per share as the Company is in a loss making position.

14 Directors' Emoluments

Directors	Directors' Fees £	Consulting Fees £	Share Based Payments £	Total 30 June 2007 £
David Steinepreis	7,000	26,000	51,592	84,592
Patrick Burke	7,000	7,997	-	14,997
Robert Downey	27,000	3,636	51,592	82,228
	<u>41,000</u>	<u>37,633</u>	<u>103,184</u>	<u>181,817</u>

15 Financial Instruments and Financial Risk Management

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board of Directors under policies approved by the Board. The Board identifies and evaluates financial risks and provides written principles for overall risk management.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

15 Financial Instruments and Financial Risk Management (continued)

(a) Market Risk

Price risk

The Group is not exposed to equity securities price risk as it holds no investments in securities classified on the balance sheet either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk.

(b) Credit Risk

The Group's maximum exposures to credit risk at the reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

The Group trades only with recognised, credit worthy third parties. The Group has no significant concentrations of credit risk.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due.

(d) Fair Values

All assets and liabilities recognised in the balance sheet, whether they are carried at cost or at fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

(e) Currency Risk

The functional currency for the Group's operating activities is the pound sterling and for exploration activities the Australian dollar. The Group has not hedged against currency depreciation but continues to keep the matter under review.

(f) Financial Risk Management

The Directors recognise that this is an area in which they may need to develop specific policies should the Group become exposed to wider financial risks as the business develops.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

15 Financial Instruments and Financial Risk Management (continued)

(g) Interest Rate Risk

At 30 June 2007, the Group had cash on a floating interest rate amounting to £30,787 and cash on a fixed interest rate of £357,010. The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, was as follows:

Financial Instruments	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Non-interest bearing	Total	Weighted average effective interest rate
	2007 £	2007 £	2007 £	2007 £	2007 %
<i>(i) Financial assets</i>					
Cash assets:					
UK Current	28,130	-	-	28,130	0.00
UK Fixed	-	357,010	-	357,010	5.25
Australian	2,657	-	-	2,657	0.05
Total financial assets	<u>30,787</u>	<u>357,010</u>	<u>-</u>	<u>387,797</u>	
<i>(ii) Financial liabilities</i>					
Accruals	-	-	35,738	35,738	0.00
Total financial liabilities	<u>-</u>	<u>-</u>	<u>35,738</u>	<u>35,738</u>	

16 Control

No one party is identified as controlling the Group.

17 Decommissioning Expenditure

The Directors have considered the environmental issues and the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation.

In the view of the Directors, no provision is necessary for any future costs of decommissioning or environmental damage.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE PERIOD ENDED 30 JUNE 2007

18 Related Party Transactions

On 12th January 2007 Ascent Capital Holdings Pty Ltd, a company associated with David Steinepreis, was paid fees in the amount of £20,000 for corporate advice provided with regard to the listing of the company on AIM. It was paid a further £7,000, during the period, for the provisions of the services of David Steinepreis pursuant to a services agreement between the Company and Mr Steinepreis.

Ord Street Services, an entity associated with David Steinepreis was paid £6,000 for office rent and outgoings provided to the Company in Australia.

On 27th February 2007 Westwind Capital Pty Ltd, a company associated with Robert Downey, was paid £20,000 for corporate advice.

Quantum Vis Pty Ltd, a company associated with Robert Downey, was paid fees pursuant to a services agreement between Mr Downey and the Company of £7,000. Quantum Vis Pty Ltd was paid a further £3,636 for corporate advice provided with regard to the admission to the Company to AIM.

Share based payments made to Directors or entities related to Directors as compensation for their services for the period ended 30 June 2007 amounted to £103,184. Ascent Capital Holdings Pty Ltd was issued 2 million share options, which when valued with the Black-Scholes Model amounted to a value of £51,592. Westwind Capital Limited, was issued 2 million share options, which when valued with the Black-Scholes Model amounted to a value of £51,592.

During the period North River Resources PLC lent North River Pty Ltd, a 100% owned subsidiary of North River Resources PLC, £100,000. At the period end £100,000 remained outstanding.

On 26 July 2006, North River Resources Pty Ltd entered into a Farm-In Agreement with Segue Resources Limited (“Segue”), the holder of the Coronet Hill Tenement (“the Tenement” or “EL 10004”), a company associated with Robert Downey. The Farm-In Agreement was amended and restated on 6 November 2006. 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 the second anniversary of the admission to AIM. £100,000 was paid to Segue by NRRPL during the period.

19 Post Balance Sheet Events

There has been no matter or circumstance, other than those mentioned above, that has arisen, since the 30 June 2007 and up to the date of this report, that has significantly affected, or may significantly affect:

- 1 the Company’s operations in future financial years; or
- 2 the results of those operations in future financial years; or
- 3 the Company’s state of affairs in future financial years.