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This document comprises an admission document drawn up in accordance with the AIM Rules of the London Stock Exchange plc ("AIM") and has been issued in connection with the application for admission to trading on AIM of the Ordinary Shares of North River Resources plc ("the Company" or "North River"). This document does not constitute, and the Company is not making, an offer to the public within the meaning of Section 85 and 102B of FSMA. This document is therefore not an approved Admission Document for the purposes of Section 85 of FSMA, has not been prepared in accordance with the Prospectus Rules and as such has not been approved by the Financial Services Authority or by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

The Company and the directors of North River, whose names appear on page 3 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules published by London Stock Exchange plc. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information.

Application has been made for the entire issued ordinary share capital of the Company to be admitted to trading on AIM. AIM is a market designed primarily for emerging or small companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority. A prospective investor should be aware of the risks involved in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this document. It is expected that Admission will occur and trading in the Ordinary Shares will commence on AIM on 27 December 2006.

THE WHOLE TEXT OF THIS DOCUMENT SHOULD BE READ, IN PARTICULAR YOUR ATTENTION IS DRAWN TO THE RISK FACTORS SET OUT IN PART III OF THIS DOCUMENT.

NORTH RIVER RESOURCES PLC

(incorporated in England and Wales with Registered Number 5875525)

Admission to trading on AIM

Nominated Adviser and Broker:

Corporate Synergy Plc 

Corporate Synergy Plc, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser and broker to the Company (for the purposes of the AIM Rules) and no one else in connection with the proposed Admission. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to London Stock Exchange plc and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire or dispose of interests in Ordinary Shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Corporate Synergy Plc as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). Corporate Synergy Plc will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document or for advising them on the contents of this document or any other matter.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy Ordinary Shares, to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful to make such offer or solicitation in such jurisdiction. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act 1933, as amended, or under the securities legislation of any state of the United States. The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada; no document in relation to Admission has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission; and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to Admission or the Ordinary Shares. Subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered or sold within the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa or offered or sold to a person within the United States or a resident of Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa or any other territory in which an offer or sale of the Ordinary Shares would be prohibited.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	David Christian Steinepreis (<i>Non-Executive Chairman</i>) Robert Hartley Downey (<i>Executive Director</i>) Patrick Nicolas Burke (<i>Executive Director</i>)
Secretary	John Bottomley
Principal Office in Australia	Level 1, 33 Ord Street West Perth Western Australia 6005 Australia
Registered Office	30 Farringdon Street London EC4A 4HJ
Nominated Adviser and Broker	Corporate Synergy Plc 30 Old Broad Street London EC2N 1HT
Solicitors to the Company As to English law	Watson, Farley & Williams LLP 15 Appold Street London EC2A 2HB
Solicitors to the Company As to Australian law	Peter Walker Level 8, NT House 22 Mitchell Street Darwin NT 0800 Australia
Solicitors to the Nominated Adviser and Broker	Marriott Harrison 12 Great James Street London WC1N 3DR
Auditors and Reporting Accountants	UHY Hacker Young St. Alphage House 2 Fore Street London EC2Y 5DH
Competent Person	Al Maynard & Associates Pty Ltd 9/280 Hay Street Subiaco WA 6008 Western Australia
Principal Bankers	Barclays Bank Plc 50 Pall Mall London SW1A 1QF
Registrars	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA
Financial PR Advisers	St Brides Media & Finance Ltd 10-15 Queens Street London EC4N 1TX

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	18 December 2006
Admission effective and dealings in the Ordinary Shares to commence on AIM	27 December 2006
CREST accounts credited	27 December 2006
Share certificates in respect of the Ordinary Shares expected to be despatched by	5 January 2007

EXCHANGE RATE

Throughout this document, save where otherwise indicated, the following exchange rate has been used:

£1: \$2.5

ADMISSION STATISTICS

Number of Ordinary Shares in issue at Admission	68,000,000
Number of Options in issue at Admission	6,000,000
AIM symbol	NRRP
ISIN Number	GB00B1GCQJ71

DEFINITIONS

In this document, unless the context requires otherwise, the words and expressions set out below shall bear the following meanings (technical terms are included in the glossary to the Competent Person's Report set out in Part IV of this document):

“AAPA”	The Aboriginal Area Protection Authority as established by the Sacred Sites Act
“Act”	the Companies Act 1985, as amended
“Admission”	admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by London Stock Exchange
“AIM Rules”	the rules of AIM as published by London Stock Exchange, as amended from time to time
“Ascent Capital”	Ascent Capital Holdings Pty Ltd, ACN 118 292 238, a company registered in Australia
“ASX”	Australian Stock Exchange Limited, ACN 008 624 691
“Articles”	the articles of association of the Company
“Auger”	drill type consisting of spiral flights
“BIF”	banded iron formation
“Board”	the board of directors of the Company from time to time
“Code”	the City Code on Takeovers and Mergers
“Combined Code”	the Combined Code on Corporate Governance published in July 2003 by the Financial Reporting Council
“Company” or “North River”	North River Resources plc
“Competent Person”	Al Maynard & Associates, Australia
“Coronet Hill Tenement” or “EL 10004” or “Tenement”	Exploration Licence no 10004 in the Northern Territory of Australia
“Corporate Synergy”	Corporate Synergy Plc, Nominated Adviser and Broker (as defined in the AIM Rules) to the Company
“CPR”	the Competent Person's Report as set out in Part IV of this document
“CREST”	the relevant system (as defined in the CREST Regulations) to facilitate the transfer to title of shares in uncertificated form, in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations)
“CRESTCo”	CRESTCo Limited, a company incorporated under the laws of England and Wales, and the operator of CREST
“CREST Regulations”	the Uncertificated Securities Regulations 2001, as amended
“Department”	Department of Primary Industry, Fisheries and Mines, Northern Territory

“Directors”	the directors of the Company at the date of this document, whose names are set out on page 3 of this document
“EL”	Exploration Licence
“EM”	electromagnetic survey, being a geophysical tool (airborne or ground surveys) used to detect sulphide within stratigraphic units
“ERL”	Exploration Retention Licence
“Farm-in Agreement”	the farm-in agreement dated 26 July 2006, as amended, restated and superceded on 6 November 2006, between the Company and Segue, details of which are contained in Section 3 of Part II and paragraph 5.4 of Part VII
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000
“Graticular Block”	a graticular section of the land area as defined within 2 adjoining minutes of longitude and 2 adjoining minutes of latitude and having an area of approximately 3.25 kilometres ² (such areas varying dependant upon their distance from the Equator)
“London Stock Exchange”	London Stock Exchange plc
“Memorandum”	the memorandum of association of the Company
“Minister”	Minister for Mines and Energy, Northern Territory of Australia
“Mining Act”	Mining Act 1980 (Northern Territory of Australia)
“ML”	Mineral Lease
“MMA”	Mining Management Act (Northern Territory of Australia)
“MMP”	Mining Management Plan
“MRA”	Mining Royalty Act (Northern Territory of Australia)
“NNTT”	National Native Title Tribunal established under the NTA
“North River Group” or “Group”	North River and its wholly owned subsidiary, NRPL
“NRPL”	North River Resources Pty Ltd, ACN 120 719 306, a wholly owned subsidiary of North River, registered in Australia
“NTA”	Native Title Act 1993 (Cth) (Australia)
“Official List”	the Official List of the United Kingdom Listing Authority
“Option Agreements”	the agreements of the Company which constitute the Options, further details of which are set out in paragraph 5.5 of Part VII of this document
“Option holders”	a holder of Options from time to time
“Options”	the 6,000,000 options to subscribe for Ordinary Shares pursuant to the Option Agreements, details of which are set out in paragraph 5.5 of Part VII of this document
“Ordinary Shares”	ordinary shares of £0.001 each in the capital of the Company

“Panel”	the Panel on Takeovers and Mergers
“Rules”	the rules made by the FSA pursuant to Sections 73A(1) and (4) of FSMA
“Sacred Sites Act”	The Northern Territory Aboriginal Sacred Sites Act (Northern Territory of Australia)
“Securities Act”	The United States Securities Act of 1933, as amended
“Segue”	Segue Resources Limited ACN 112 609 846, a company listed on ASX
“Shareholders”	holders of Ordinary Shares from time to time
“United Kingdom Listing Authority”	a division of the FSA acting in its capacity as the competent authority for the purpose of Part V of FSMA
“Westwind Capital”	Westwind Capital Pty Ltd, ACN 107 994 703, a company registered in Australia
“£ or “pound”	UK pounds Sterling
“\$” or “dollars”	Australian dollars

A glossary of terms is set out in the Competent Person’s Report in Part IV of this document

FORWARD LOOKING STATEMENTS

This document includes “forward-looking statements” which includes all statements other than statement of historical facts, including, without limitation, those regarding the North River Group’s financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words “targets”, “believes”, “estimates”, “expects”, “aims”, “intends”, “can”, “may”, “anticipates”, “would”, “should”, “could”, or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the North River Group’s control that would cause the actual results, performance or achievements of the North River Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the North River Group’s present and future business strategies and the environment in which the North River Group will operate in the future. Among the important factors that could cause the North River Group’s actual results, performance or achievements to differ materially from those in forward-looking statements include those factors in Part III of this document entitled “Risk Factors” and elsewhere in this document. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, the events described in the forward-looking statements in this document may not occur either partially or at all.

PART I

INFORMATION ON THE GROUP

1. INTRODUCTION

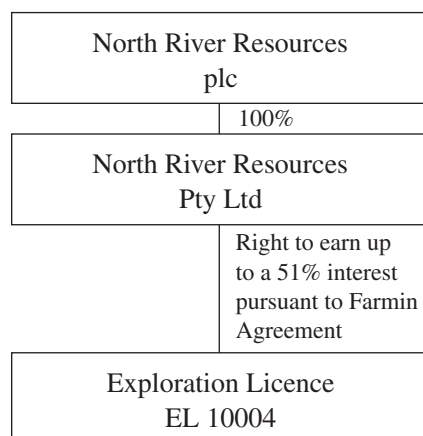
North River is the holding company of NRPL which was incorporated for the purpose of earning an interest in the Coronet Hill Tenement and making acquisitions in resource projects.

On 26 July 2006, NRPL entered into the Farm-in Agreement with Segue, the holder of the Coronet Hill Tenement. The Farm-in Agreement was amended and restated on 6 November 2006. Under the Farm-in Agreement, NRPL is entitled to earn a 20 per cent. 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 2nd anniversary of Admission. Subject to having expended this initial expenditure, NRPL is entitled to earn a further 31 per cent. interest (in aggregate a 51 per cent. 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 4th anniversary of Admission.

Between 30 November 2006 and 8 December 2006, the Company raised £754,000 (before expenses) by the issue of 67,999,998 new Ordinary Shares at 0.1 pence and 5 pence per share to fund an exploration programme for the Coronet Hill Tenement which satisfies the maximum expenditure required to earn the initial 20 per cent. 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 per cent. 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 per cent. interest. Owing to the nature of this type of business and the Directors contacts in the resources sector, it may be that NRPL will also identify other resource projects to acquire or invest in through other farm-in agreements, joint ventures, partnerships or shareholdings.

The corporate structure of the Group is as follows:



2. THE GROUP'S ASSET AND HISTORY

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

<i>Asset</i>	<i>Holder</i>	<i>Interest (%)</i>	<i>Status</i>	<i>Licence Expiry Date</i>	<i>Licence Area</i>
EL10004 Northern Territory Australia	Segue	100	Exploration	19/08/2008 (However subject to possible renewal, refer to paragraph 8 of Part II)	29.25 Kilometres ²

The location of the Coronet Hill Tenement is shown below:

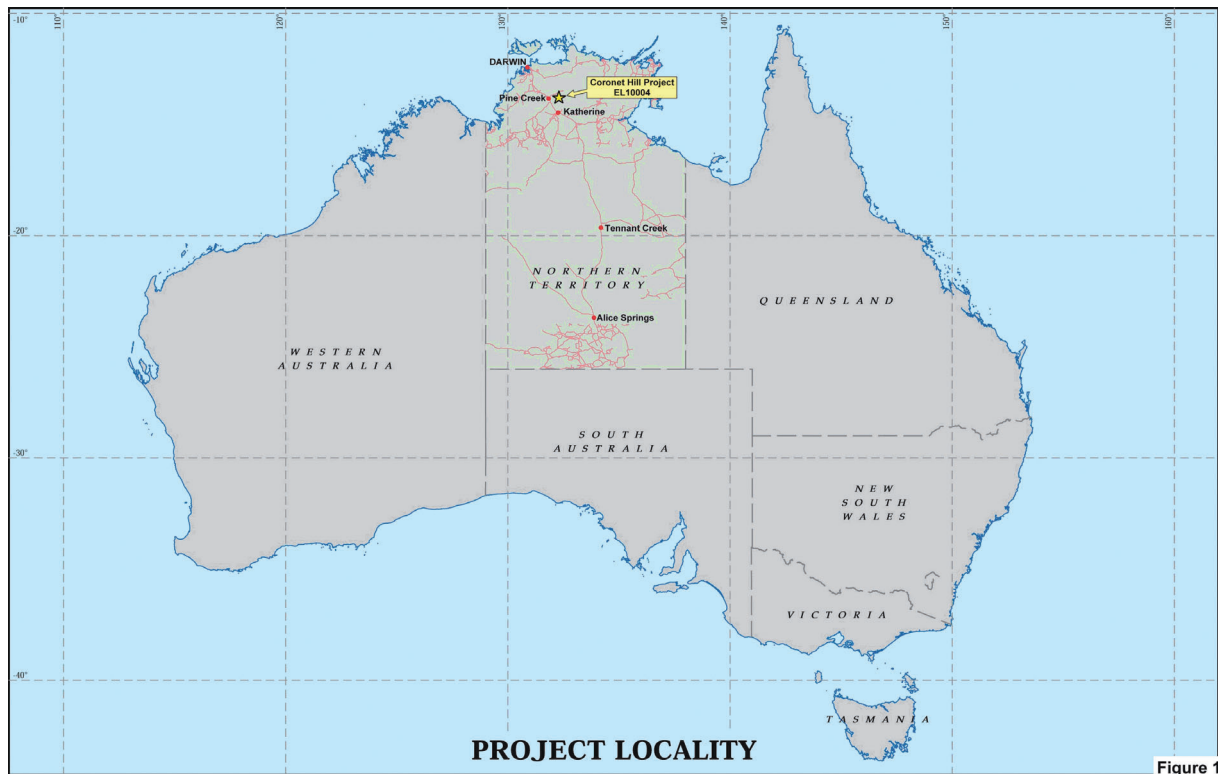


Figure 1: Project location (source: CPR, section 1, page 39)

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 (refer Figure 2). 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 highly 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 NRPL) and Segue intend to undertake a significant program of exploration work on the Tenement. Details of the work program are contained in paragraph 4 of this Part I and in the CPR.

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 Tenement's geology and mineralisation is detailed below:

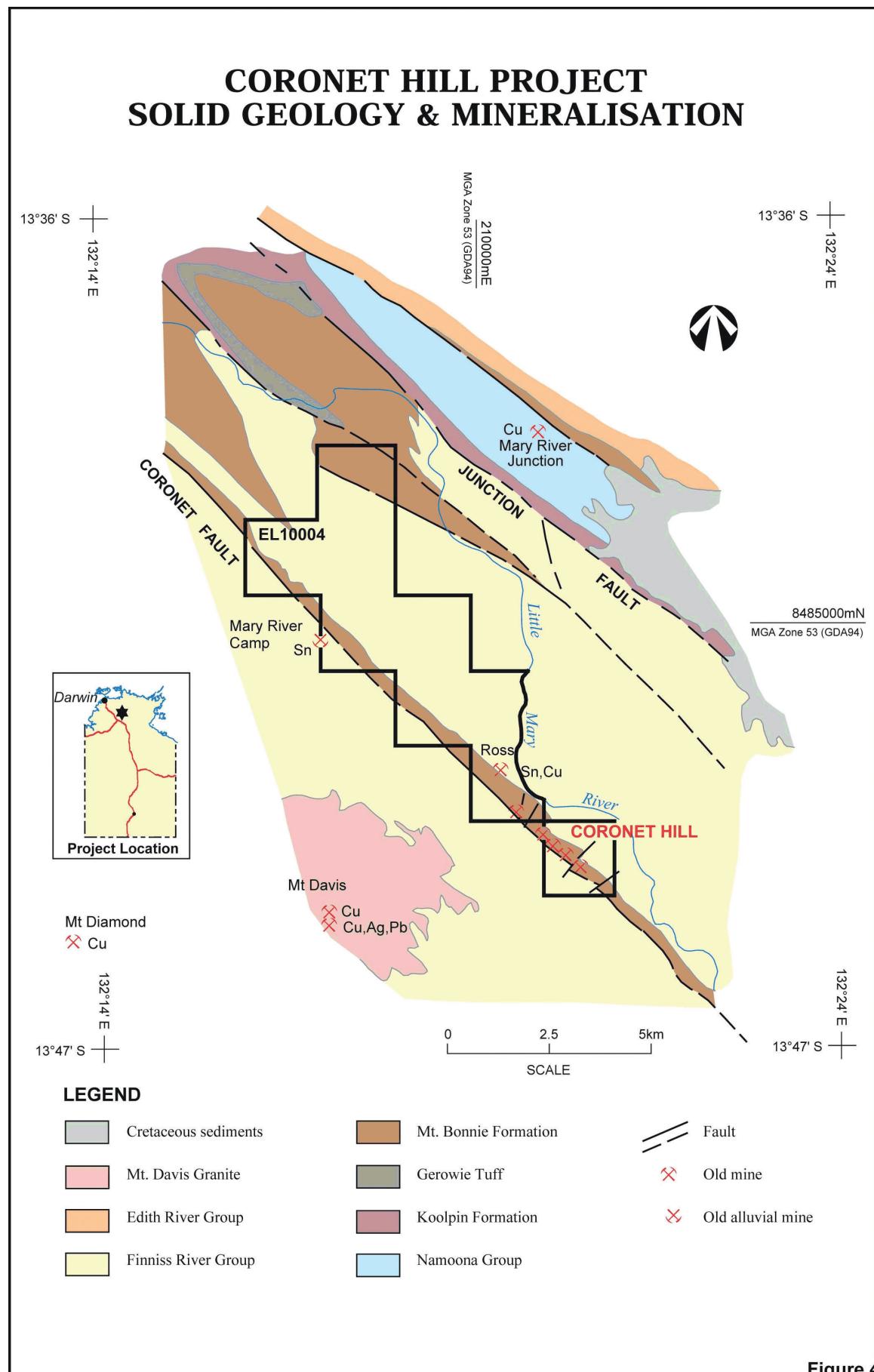


Figure 4

Figure 2: (source: CPR section 3.1, Page 41)

3. GEOLOGY AND MINERALISATION

Within the Tenement area, there is a dominant NW-SE grain provided by tight folding and parallel fault structures. Most of the Tenement, as mapped on the 1:100,000 scale Ranford Sheet, is underlain by the slaty to phyllitic mudstone, siltstone and greywacke of the Burrell Creek Formation. The underlying Mount Bonnie Formation of the South Alligator Group is exposed in anticlinal cores and in up-thrust faulted blocks. The most economically important example of the latter is that afforded by the Coronet Hills Fault system (refer Figure 2).

However, detailed mapping around the Coronet Hill mines by exploration companies has revealed a more complex setting. It was interpreted that the oldest sediments exposed are carbonaceous and lesser dolomitic mudstones of the Koolpin Formation, which are conformably overlain by mudstone, chert and albitic chert of the Gerowie Tuff Formation.

Overlying these sediments are mudstones and BIF of the Mt Bonnie Formation, and then the Burrell Creek Formation (refer Figure 3).

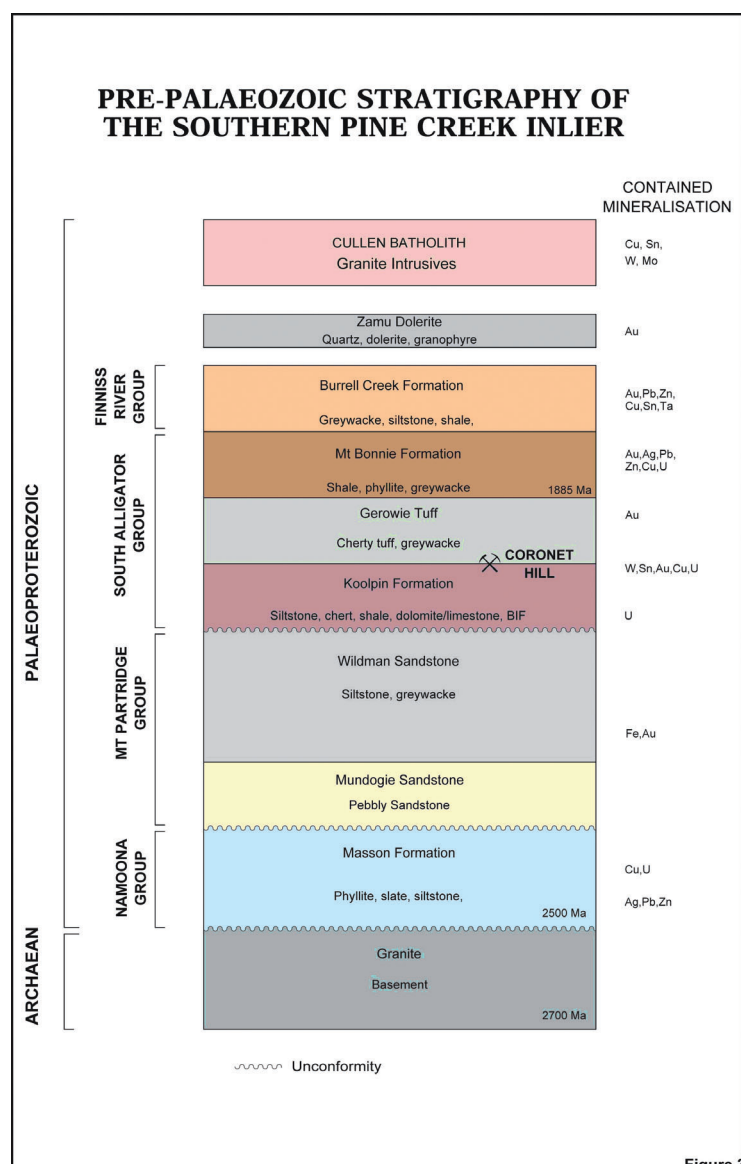


Figure 3

Figure 3: (source: CPR, section 4.2, Page 43)

The Mt Davis Granite intrudes the sequence and the nearest edge of the granite to the Tenement is about two kilometres south-west of the main Coronet Hill workings. It has been interpreted from geophysical evidence that depth to granitic basement under the Tenement is quite shallow.

Good outcrop is present along the creeks and on the crests of the ridges, while the hill slopes are covered with a thin veneer of near residual skeletal lithosols and colluvial/eluvial gravels. Transported soils are restricted to the main floodplain of the Mary River and to the lower portions of the larger tributary creeks. These conditions apparently provide excellent media for geochemical exploration.

Further details on the geology and mineralisation of the Pink Creek Inlier and Coronet Hill are set out in paragraphs 4 and 5 of the CPR.

4. 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 NRPL and Segue.

The work program for the Tenement under the budgets agreed between NRPL 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.
6. Auger, RAB, RC and/or diamond drilling to test generated targets and define resources.

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

Further details of the work programme for the Tenement are contained in the CPR.

5. FUTURE ACQUISITIONS AND INVESTMENTS

Whilst the Directors' primary focus for the Group is to earn the initial 20 per cent. 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 by virtue of the capacity to introduce new projects to the Company.

6. COMPETITION

There are a number of quoted and unquoted exploration and resource companies that have a presence in the Northern Territory of Australia. The largest tungsten exploration company is Thor Mining plc, a company listed on AIM, ASX and the Frankfurt Stock Exchange, which has recently carried out a deep drilling program at its Tungsten-Molybdenum project located in Molyhill in the Northern Territory of Australia.

7. REASONS FOR ADMISSION

The Directors believe that Admission will assist the Group in its development by:

- providing a strong platform for earning an initial 20 per cent. interest (and, subject thereto, a potential further 31 per cent. interest) in, and the exploration and development of, the Coronet Hill Tenement;
- assisting the Company to seek further investments in resource companies;
- assisting the Company in raising additional capital in the future, including capital required to meet its farm-in and other expenditure requirements under the Farm-in Agreement; and
- raising the profile of the Group generally and within its sector.

8. ADMISSION TO AIM

Application has been made to London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. Admission is expected to become effective and trading in the Ordinary Shares is expected to commence on 27 December 2006.

9. BOARD OF DIRECTORS

David Christian Steinepreis (Non-Executive Chairman) (Age 49)

David Steinepreis is a Chartered Accountant and former partner of KMG Hungerfords (now KPMG) where he specialised in strategic corporate advice and taxation for listed companies. He entered commerce as a director, adviser and major shareholder of a number of listed companies in the gold, diamonds, oil and new mining technology sectors. He is a director of Davos Resources plc, an exploration company listed on AIM, Monitor Holdings Ltd, Toodyay Resources Ltd, Gawler Resources Ltd and RMG Limited, all of whom are listed on the ASX and Leopard Minerals plc. He has previously been a director of Ascent Resources plc, Uranium Resources plc and Black Rock Oil & Gas Plc, companies listed on AIM. He is also chairman of Ascent Capital and a director of Signature Brands Ltd and WorldAudio Ltd (subject to Deed of Company Arrangement), companies seeking re-listing on the ASX.

Robert Hartley Downey (Executive Director) (Age 40)

Mr Downey has practised law since 1998, and has been admitted to practise as a barrister and solicitor of the Supreme Court of Western Australia and the High Court of Australia. His focus has been with resource companies in the area of corporate law, initial public offerings, other equity raisings, mergers and acquisitions, with extensive experience with listed companies on ASX and AIM markets. Mr Downey is currently the Company Secretary of Grove Energy Limited, a company listed on AIM and a director of Atlantic Mining plc. He is also an executive director of Segue, a company listed on ASX and the counterparty to the Farm-in Agreement.

Patrick Nicolas Burke (Executive Director) (Age 37)

Patrick Burke holds a Bachelor of Laws degree from the University of Western Australia. He has approximately fifteen years experience working in law firms and companies in Australia and Ireland. His expertise is in corporate, commercial and securities law with an emphasis on capital raisings and mergers and acquisitions. He is also a director of Signature Brands Ltd, a company seeking re-listing on the ASX.

Details of the Directors' agreements with the Company are set out in paragraphs 4.5 to 4.7 of Part VII.

Key Management

Michael Cowin (Consultant Exploration Manager)

Mr Cowin graduated as Geologist from Curtin University of Western Australia in 1986. In his capacity as an exploration geologist he has been involved in successful exploration for a wide variety of commodities including gold, diamonds, mineral and silica sands, nickel, base metals and uranium across most states of Australia and overseas with a number of ASX listed and private exploration companies.

10. LOCK-INS AND ORDERLY MARKET ARRANGEMENTS

At Admission, the Directors will have the following interests in the Company:

- David Steinepreis will be interested in 5,044,001 Ordinary Shares, representing approximately 7.4 per cent. of the Ordinary Shares and will be interested in 2,000,000 Options.
- Robert Downey will be interested in 2,250,000 Ordinary Shares representing approximately 3.3 per cent. of the Ordinary Shares and will be interested in 2,000,000 Options.
- Patrick Burke will be interested in 620,000 Ordinary Shares representing approximately 0.9 per cent. of the Ordinary Shares.

Further details of these holdings are set out in paragraph 4.1 of Part VII of this document.

The Directors and their related parties have undertaken to Corporate Synergy and to the Company for a period of 12 months from Admission not to sell nor to dispose of any of their Ordinary Shares or Ordinary Shares arising from the exercise of Options and for a further period of 12 months to dispose of such Ordinary Shares only with Corporate Synergy's (or the Company's then current broker's) consent.

Other Shareholders which, following Admission, will own, individually, in excess of 3 per cent. of the Ordinary Shares and, in aggregate, 30,509,000 Ordinary Shares, representing approximately 44.8 per cent. of the Ordinary Shares, have entered into an orderly market agreement under which they have undertaken to the Company and Corporate Synergy that they will not dispose of any interest in such Ordinary Shares for a period of twelve months from the date of Admission without the consent of Corporate Synergy.

Further details of these arrangements are set out in paragraphs 4 and 5 of Part VII of this document.

11. DIVIDEND POLICY

The nature of the Company's business means that it is unlikely that the Directors will recommend a dividend in the early years following Admission. The Directors believe the Company should seek to generate capital growth for its Shareholders but may recommend distributions at some future date, depending upon the generation of sustainable profits and creation of sufficient reserves, when it becomes commercially prudent to do so.

12. WORKING CAPITAL

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company will, from the date of Admission, be sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

13. FINANCIAL INFORMATION AND FUTURE PROSPECTS

At Admission, the Company will have cash resources of approximately £617,000. The Company does not generate revenue and the prospects of the Company will be determined solely by its ability to earn an initial 20 per cent. interest in the Coronet Hill Tenement, the success of its exploration programme at the Tenement and its ability to identify and fund quality acquisitions or investments. The Directors believe that the Company is well placed to enhance its value through earn in and development of the Coronet Hill Tenement and its possible future acquisitions or investments.

14. CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance commensurate with the size of the Company and interests of the Shareholders. So far as is practicable, taking into account the size and nature of the Company, the Directors will take steps to comply with the Combined Code. The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions.

Due to the size of the Company, the Directors do not intend to have formal audit and remuneration committees. Such committees will be established as and when the Directors deem appropriate.

The Board of Directors of the Company have formed a committee, currently comprising Patrick Burke and David Steinepreis, appointed to deal with decisions relating to the Farm-in Agreement in order to avoid any conflicts of interest.

15. OPTIONS

At Admission, Corporate Synergy, Ascent Capital and Westwind Capital will each hold 2,000,000 Options representing a total of approximately 8.8 per cent. of Ordinary Shares at Admission.

Further details of the terms of the Options in issue or to be in issue at Admission are set out in paragraph 5.5 of Part VII.

16. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Articles permit its Ordinary Shares to be evidenced in uncertificated form in accordance with the CREST Regulations.

The Directors have applied for the Ordinary Shares to be admitted to CREST with effect from Admission and CRESTCo Limited has agreed to such admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system, if the relevant Shareholders so wish.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

All of the Ordinary Shares will be in registered form and no temporary documents of title will be issued.

17. CITY CODE ON TAKEOVERS AND MERGERS

Although the Company is registered in England and Wales, its place of central management and control is not within the UK, the Channel Islands or the Isle of Man. The Company holds its Board meetings in Australia and the majority of the Board are also resident in Australia. **Accordingly, the Panel has confirmed that the Company is not currently subject to the Code and Shareholders will not be afforded any protections under the Code.**

However, the Articles provide that, if a person acquires shares in the Company in circumstances in which he would be obliged to make or extend an offer to Shareholders or holders of other securities in the Company under the Code, if the Company was subject to the Code, the Directors may serve notice upon such person requiring him (and/or persons acting in concert with him) to make or extend an offer in writing in accordance with the requirements of the Code as if the Code did apply to the Company. Shareholders should be aware that such a notice will not be enforced by the Panel as the Company is not currently subject to the Code. Further details of these provisions of the Articles are set out in paragraph 3 of Part VII of this document.

If changes to the Board are made, the Company will consult with the Panel to ascertain whether this will affect the central place of management and control of the Company. If the Panel determines that, as a result of such changes, the place of central management and control of the Company is located in the UK, Channel Islands or Isle of Man, such that the Code does become applicable to the Company, an announcement will be made.

18. ADDITIONAL INFORMATION

Your attention is drawn to the information included in the rest of this document. In particular, you are advised to consider carefully the risk factors set out in Part III of this document.

PART II

SUMMARY OF THE CORONET HILL TENEMENT LICENCE AND FARM-IN AGREEMENT

A. SUMMARY OF THE CORONET HILL TENEMENT LICENCE

(1) The Tenement

The Tenement, in which the Company is entitled to earn an initial 20 per cent. interest (and, subject thereto, a potential further 31 per cent. interest) pursuant to the Farm-in Agreement, is registered in the register maintained by the Department pursuant to the Mining Act and the details registered are set out below.

In addition, from enquiries of the NNTT, it is clear that there is a native title claim over the land within the Tenement. This is also identified in the table below. Paragraphs 2 to 10 of this Part A of this Part II of this document set out in more detail the background to this claim and related legislation, as well as its impact on the Tenement but, in summary the Tenement is in good standing and Segue, as registered holder of the Tenement and NRPL, pursuant to its rights under the Farm-in Agreement, have a framework within which they can explore the land and, if successful, negotiate the grant of mining tenure.

EXPLORATION LICENCE	No. 10004
LOCATION:	The Tenement is located within the Mary River pastoral lease
STATUS:	Granted
DATE GRANTED:	19/08/2002
EXPIRY DATE:	19/08/2008 (However subject to possible renewal for a further two years, refer to paragraph 8 of this Part II)
AREA:	29.29 kilometres ² (9 Graticular Blocks)
REGISTERED HOLDER:	Segue
REGISTERED INTERESTS:	The Farm-in Agreement has been approved and registered by the Department under the Mining Act.
NATIVE TITLE CLAIM:	The area of land covered by the Tenement is the subject to the following Native Title Claim: DC00/18 Filed: 5 December 2000 Registered: 4 January 2001

(2) Native Title

The existing native title claim relating to the Tenement is set out in paragraph (1) above. It is also possible that further claims may be made in the future and there are no time limits on making native title claims. Where land is subject to native title, the NTA imposes restrictions upon the grant of mining tenements in relation to that land, including the requirement to negotiate with native title holders an agreement as to the terms and conditions upon which they will consent to the grant. As such, the existence and determination of native title in relation to the land the subject of the Tenement could inhibit exploration and mining operations, or cause significant delays in relation to future conversion of licences and applications for mining tenements over the subject land, or possibly challenge the validity of the grant of part or all of the rights conferred therein. The background to, and history of, the NTA is summarised below.

(3) Native Title Act

In 1992 the decision of the High Court in *Mabo v Queensland* recognised the concept of Aboriginal native title to land where those rights survived the acquisition of sovereignty by non-indigenous people. The NTA was enacted in response to the *Mabo* case to regulate dealings with native title land, and its substantive provisions commenced on 1 January 1994.

The NTA was substantially amended in 1998 in response to the 1996 High Court decision of *Wik v Queensland*. The *Wik* case recognised that the granting of a pastoral lease did not necessarily extinguish all native title rights, some of which could co-exist with rights held under a pastoral lease.

Accordingly, the NTA now provides a legislative scheme which sets out how native title is validly extinguished, allows “past acts” (including mining tenements and ancillary titles granted before 1 January 1994, which might otherwise be invalid due to the native title) and “intermediate period acts” (which took place between 1 January 1994 and 23 December 1996) to be validated, authorises valid acts in relation to native title lands occurring after the introduction of the NTA, provides for a negotiation process between government, native title and non-native title parties in relation to certain future uses of native title lands, and provides for compensation to be claimed for the extinguishment or impairment of native title.

Whilst the quantum and type of compensation, which are very negotiable, vary from case to case, compensation for disturbance caused by exploration is usually approximately five per cent. of on-ground exploration costs and compensation for disturbance caused by mining is usually a royalty of approximately one to two per cent. of the gross value of production.

In the Northern Territory, however, the NTA procedures continue to apply in conjunction with the Validation (Native Title) Act (NT). This Act is consistent with the standards set by the NTA for future dealings affecting native title.

(4) Validity of the Tenement

The Tenement was granted on 19 August 2002 (ie after 23 December 1996) and, as its grant complied with the future act procedures under the NTA, is valid.

With some exceptions not relevant to this document, the validity of titles and approvals granted on or after 1 January 1994 depends, to the extent that the grant of the relevant mining title affects native title, upon compliance with the “future act” processes of the NTA. Under the NTA, the grant of a mining tenement after 1 January 1994 is generally a “future act” if the grant extinguishes or is wholly or partly inconsistent with native title, and is only permitted where the future act procedures under the NTA, and in particular the right to negotiate process, have been complied with.

There are two separate procedures: future acts affecting native title are permitted under the NTA if authorised under indigenous land use agreements with native title parties which comply with the NTA, or where compliance with legislative procedures indicates an absence of native title.

Under the NTA procedure, negotiations are initiated to obtain the agreement of relevant native title parties to the carrying out of the proposed future act on the native title land. The right to negotiate procedures consist of a statutory period of negotiation between the relevant Government party, the native title party and the grantee, during which time the parties must negotiate in good faith. Generally the right to negotiate process involves notifying relevant Aboriginal groups of the application for a mining interest, waiting the required time period for objections from any registered native title claimants and, (if there are objections from native title claimants) negotiating on the grant of the mining interest. If negotiations fail to resolve any dispute as to the grant of a mining interest the NNTT (as the arbitral body) will make a determination as to whether the grant may proceed (and, if so, on what conditions). Subject to Federal Ministerial intervention, the agreement of the parties or the decision of the NNTT will determine whether the mining interest is granted.

Generally, the right to negotiate procedures only apply to native title claimants whose claims have been accepted for registration at the relevant time.

Second, and what is immediately relevant for the Tenement, is that in relation to certain ELs an expedited procedure may be followed (if it is not successfully objected to) provided the grant is not likely to:

- interfere directly with the native title holders' community or social activities;
- interfere with areas or sites of particular significance; or
- involve major disturbance to land or waters or create rights whose exercise is likely to do so.

If the expedited procedure applies, then the EL may be granted without going through the right to negotiate procedure, and this is the process under which this Tenement was granted.

(5) Native Title and Future Applications

For future purposes, it is important to note that, where it is proposed to convert all or any part of an EL to a ML, it will be necessary to go through the right to negotiate process (discussed above) with any native title holders or claimants whose claims are accepted for registration at the relevant time.

The Tenement is currently subject to one native title claim, as noted in paragraph 1 of this Part A of this Part II of this document, and, as mentioned, other claims may arise in future. The tenement holder at the time of applying to convert the EL to a ML may negotiate and enter into agreement(s) with native title claimants or holders in relation to the grant of ML applications in future. Any such agreements may, depending on their terms, affect the costs or economics of any mining project the tenement holder may wish to conduct. In the absence of a negotiated agreement with the native title claimants, an application for a ML will be determined by the courts under the native title future act process. To date there have been no determined cases in the Northern Territory of Australia in this area and therefore it is not possible to predict the factors that will be taken into account by the courts in making their determination or the likelihood of MLs being granted.

The NTA provides for a right of compensation in favour of affected native title parties to the extent that the future acts extinguish or impair the relevant native title parties' rights to the continued enjoyment of their traditional rights over land comprised within the grants. The right to compensation only arises after the native title has been determined by the court to exist. To date there have been no determined cases in the Northern Territory of Australia in this area, and therefore, it is not possible to predict the factors that will be taken into account by the courts in making their determination or the likely quantum of the compensation. The Mining Act provides that the applicant for, or holder of, a mining tenement is liable for compensation payable to native title holders in connection with the grant of a mining tenement.

(6) Native Title on Pastoral Leases

The Tenement is on pastoral lease land which admits the continued existence of native title rights and interests to the extent that such native title rights and interests have continued to exist in accordance with Aboriginal traditional law and custom and are inconsistent with the rights of the holder of the pastoral lease and any other extinguishing event. In other words, the Tenement, being on pastoral lease land, is not exempt from the impact of native title.

(7) Sacred Sites

Sacred sites are defined in the Sacred Sites Act as "sites that are sacred to Aboriginals or otherwise of significance according to Aboriginal tradition, and includes any land that, under a law of the Northern Territory, is declared to be sacred to Aboriginals or of significance according to Aboriginal tradition".

The Sacred Sites Act protects sacred sites in the Northern Territory. Any explorer or miner is required to work within the sacred site protection regime created by this legislation (being AAPA) prior to any relevant ground disturbance and generally the relevant land council (in this case the Northern Land Council) will also become involved. It is anticipated that there are likely to be sacred sites in respect of the Tenement and there may be some sites registered on the Register kept under the Sacred Sites Act.

Accordingly, inspecting the Register does nothing more than indicate that some sacred sites have been registered. The only definitive method of investigating the possibility of the existence, location and extent of

sites is for there to be a specific sacred site survey undertaken by AAPA taking into account the proposed activities on the land.

It should be recognised that some custodians of sacred sites will only reveal the existence of a site if they believe that the site may be threatened by the proposed activity and it is therefore essential that the details of any proposed activity which generates the need for the survey encompasses the most likely greatest impact on the land if exploration is successful and a mine eventuates.

(8) Information on Mining Tenure in the Northern Territory

(a) Exploration Licences

ELs are issued subject to standard terms and conditions under the Mining Act.

The area of land in respect of which an EL may be granted must be contained in a single licence area and must not exceed 500 Graticular Blocks. An EL may be granted for a term not exceeding 6 years, however there is provision for an EL to be renewed for 2 further periods of 2 years at the Minister's discretion.

The size of an EL must be reduced at 24 months from its grant and each 12 months after that date so that the number of Graticular Blocks to be retained in the licensed area for the ensuing 12 months is not more than half the number of Graticular Blocks contained in the area at the commencement of the initial 24 month period or subsequent 12 month period. The Minister on application can waive this reduction.

An EL is granted subject to certain standard conditions and includes obligations relating to rehabilitation, payment of rent, minimum expenditure, and reporting requirements.

Rent for an EL ranges from \$10 per Graticular Block in the first year to \$160 per Graticular Block in the sixth and subsequent years.

(b) Exploration Retention Licences

An ERL is an interim title.

The holder of an EL may, at any time before relinquishing or surrendering all or any part of a licence area in which an ore body or anomalous zone of possible economic potential has been discovered, apply to the Minister to be granted an ERL in respect of any part of that land.

ERLs are granted for the purpose of further investigation and/or studies in relation to that ore body or anomalous zone. They are granted for a maximum of 5 years and must not exceed 4,000 hectares and are renewable for terms of a maximum of 5 years. The Minister can call upon the holder to apply for a ML.

An ERL may require a bond or other security before a licence is granted in an amount to be determined by the Minister. Its purpose is to ensure that the licence holder performs rehabilitation and stabilisation of the land after operations have been completed.

The rental for an ERL is \$10 per hectare per year.

(c) Mineral Leases

MLs are granted for the purpose of mining minerals and/or erecting infrastructure in support of a mine. They are granted for a maximum of 25 years and are renewable for terms of a maximum of 25 years.

A ML may require a bond or other security before a lease is granted in an amount to be determined by the Minister. Its purpose is to ensure that the lease holder performs rehabilitation and stabilisation of the land after operations have been completed.

The rental for a ML is \$10 per hectare per year.

(d) **Mining Management Act**

It is necessary to recognise that the grant of an ML does not by itself automatically permit mining.

The MMA provides that the Minister must grant a Ministerial Authorisation in respect of any activity (other than for exploration that does not involve substantial disturbance) before that activity can commence.

Any such operation would need to be undertaken in accordance with a MMP which is integral with the Ministerial Authorisation.

The MMA sets out certain procedures for applying for a MMP and imposes penalties on proprietors and their directors and officers for failure to comply with the MMP and/or the relevant legislation.

(e) **Mineral Royalty Act**

The MRA levies a royalty at a rate of 18 per cent. of the Net Value (as defined therein) of mineral commodities sold or removed from a mine, regardless of the type of mineral commodity or whether the mine is situated on Crown, freehold, leasehold or Aboriginal land.

(9) Dealings with Mining Tenure in the Northern Territory

The Mining Act contemplates dealings with the Tenement. Section 173(1) of the Mining Act provides that an EL, ERL or ML, or an interest therein, may be sold, transferred, mortgaged (except in the case of an EL) or otherwise encumbered or disposed of.

Section 173(2) provides the mechanism for perfecting any dealing and providing legal title to the interest the subject of the dealing:

“Subject to this section, a legal or equitable interest in or affecting an exploration licence, exploration retention licence or mining tenement is not capable of being created, assigned or dealt with, whether directly or indirectly –

(a) except –

- (i) by an instrument in writing signed by the person creating, assigning or otherwise dealing with the interest lodged for registration, and accompanied by the prescribed registration fee; and
- (ii) with the Minister’s approval of the instrument referred to in paragraph (a); and

(b) until registered in the appropriate register kept under this Act.”

The Farm-in Agreement has been approved and registered pursuant to section 173(2) of the Mining Act.

There is virtually no case law on the issue of whether, prior to the earning and registration of the initial 20 per cent. interest, the registration of the Farm-in Agreement under section 173(2) of the Mining Act creates an interest in the Tenement. However it is generally agreed that the act of approval and registration does not by itself create an interest in the Tenement.

The initial approval and registration process does however serve two purposes:

- (i) it provides the Northern Territory government with a record of the parties who are interested in the Tenement and with whom the Northern Territory government may expect to deal in exercising its controls over the Tenement; and

- (ii) it provides a public record of title to and interests in the Tenement for the parties who may wish to acquire or otherwise deal with the Tenement.

In addition the Company will have a right in contract with Segue under the Farm-in Agreement.

Provided the Company is able to establish that it has the financial capacity to comply with the obligations attaching to the Tenement (which currently is the case), the Directors believe there is no reason why, upon the Company earning the initial 20 per cent. interest in the Tenement, the transfer of that initial 20 per cent. interest to the Company would not be approved and registered pursuant to section 173(2) of the Mining Act, giving the Company legal title to the 20 per cent. interest. The same would apply to the further 31 per cent. interest in the event that it is earned by the Company.

(10) Other Applicable Legislation

Other Territory and Commonwealth legislation applicable to operations on the Tenement includes the following:

- (a) The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)* provides for the preservation of areas and objects which are of particular significance to Aboriginals in accordance with Aboriginal tradition, and may have the potential to halt exploration activities in the event that the Minister makes a declaration for protection and preservation of an area of Aboriginal significance is made under the Act.
- (b) The *Mining Act* includes obligations requiring tenements to be rehabilitated and this must be read in conjunction with any MMP.

B. SUMMARY OF THE FARM-IN AGREEMENT

- (1) NRPL shall be entitled to earn a 20 per cent. interest (“**Initial Interest**”) in the Tenement and all information related to the Tenement (“**Mining Property**”) by expending such amount as NRPL and Segue may agree (currently being £400,000) up to a maximum of £500,000 (the amount so agreed being the “**Initial Amount**”) on the Tenement on or before the 2 year anniversary of the Commencement Date, as defined in paragraph 3 below (“**Initial Earning Period**”).
- (2) Subject to having complied with the expenditure requirements under paragraph 1 above, NRPL shall be entitled to earn a further 31 per cent. interest (“**Further Interest**”) in the Mining Property by expending a further amount equal to £2,000,000 less the Initial Amount (“**Further Amount**”) on the Tenement on or before the 4 year anniversary of the Commencement Date (“**Further Earning Period**”).
- (3) The obligations of the parties shall be conditional upon and subject to:
 - (a) Segue obtaining all necessary shareholder approvals including approval to enter into the Farm-in Agreement and all documents to be entered into under the Farm-in Agreement (which condition Segue confirmed was satisfied by shareholder approvals given on 8 September 2006);
 - (b) North River having received, by way of cleared funds, subscriptions of not less than £754,000 (which condition has been satisfied by the subscriptions referred to in paragraphs 2.2 and 2.3 of Part VII of this document); and
 - (c) the satisfaction or waiver of all conditions contained in a sponsorship agreement to be entered into between North River and its nominated adviser in relation to the Admission (being the document referred to in paragraph 5.2 of Part VII of this document), save for any condition going to the actual occurrence of Admission,(“**Conditions**”).

The Conditions in paragraphs 3(b) and (c) above are for the benefit of and may only be waived by both parties.

The date on which all of the Conditions are satisfied or waived shall be the “**Commencement Date**”.

- (4) Notwithstanding any other term of the Farm-in Agreement, NRPL shall be obliged to expend not less than £100,000 on the Tenement within 30 days of the Commencement Date. At any time thereafter NRPL may, by notice in writing to Segue, withdraw from the Farm-in Agreement and upon withdrawal the Farm-in Agreement shall terminate. For the avoidance of doubt, if NRPL does not elect to withdraw from the Farm-in Agreement, then the £100,000 shall be included for the purposes of calculating whether NRPL has expended the Initial Amount during the Initial Earning Period.
- (5) Upon termination of the Farm-in Agreement pursuant to paragraphs 3 and 4 above, save as to matters going to confidentiality, the Farm-in Agreement will be of no further force and effect and the parties will have no rights or liabilities under the Farm-in Agreement except in relation to antecedent breaches.
- (6) During the Initial Earning Period and the Further Earning Period (collectively “**Earning Period**”) NRPL will be entitled to count as expenditure an overhead equal to 10 per cent. of its direct expenditure.
- (7) All expenditure during the Earning Period under the Farm-in Agreement shall be pursuant to budgets agreed between the parties. The parties shall agree annual budgets on or before the Commencement Date and each anniversary of the Commencement Date during the Initial Earning Period (and the initial agreed budget for the Initial Earning Period is £400,000). Failure to agree a budget in accordance with the terms of the paragraph shall constitute a dispute for the purposes of paragraph 8 below.
- (8) During the Earning Period, Segue shall, subject to NRPL complying with its obligations under the Farm-in Agreement:
 - (a) comply with all the requirements of the Mining Act and any other statute, regulation and direction insofar as they apply to the Tenement including those relating to mining practices, safety requirements and environmental issues;
 - (b) do all things necessary to keep the Tenement in good standing and free from any liability to forfeiture or non-renewal;
 - (c) pay all fees, levies, rents, rates, royalties, taxes and other sums levied or assessed on or in connection with the Tenement; and
 - (d) provide NRPL and its servants, agents and contractors with complete and unrestricted access to the Mining Property.
- (9) NRPL shall immediately notify Segue, in writing, when it has expended the Initial Amount during the Initial Earning Period and upon that notification being given:
 - (a) NRPL shall be deemed to have earned and acquired from Segue and Segue shall be deemed to have assigned to NRPL the Initial Interest; and
 - (b) NRPL must elect by notice in writing given not later than 30 days after the notice in which it advised that it has expended the Initial Expenditure whether or not it wishes to proceed with the Further Earning Period.
- (10) If NRPL elects to proceed with the Further Earning Period, then NRPL shall immediately notify Segue, in writing, when it has expended the Further Amount during the Further Earning Period and, upon notification being given, NRPL shall be deemed to have earned and acquired from Segue and Segue shall be deemed to have assigned to NRPL the Further Interest.
- (11) Upon acquisition by NRPL of the Initial Interest or the Further Interest, as the case may be, Segue shall use its best endeavours to obtain all necessary approvals required to the transfer of the Initial Interest or the Further Interest, as the case may be, to NRPL as soon as possible.

- (12) If any of the rights of NRPL comprising all or part of the Initial Interest or the Further Interest, as the case may be, are not legally capable of being transferred to, conferred upon or exercised by NRPL in NRPL's name, Segue shall hold such rights in trust for NRPL.
- (13) Following the execution of the Farm-in Agreement NRPL shall:
- (a) forthwith lodge the Farm-in Agreement with the Northern Territory Treasury for assessment of stamp duty and pay any duty assessed thereon. (The Farm-in Agreement has been lodged and stamped exempt from duty);
 - (b) upon satisfaction of paragraph (a) above, lodge the Farm-in Agreement with the Department of Primary Industry, Fisheries and Mines of the Northern Territory for approval and registration under the Mining Act and pay any fees thereon (The Farm-in Agreement has been approved and registered under the Mining Act); and
 - (c) be entitled to lodge such caveats over the Tenement as it considers appropriate;
- to protect its interests in the Mining Property and Segue agrees to do all things reasonably required of it by NRPL to support the approval, registration and lodgement process.
- (14) If NRPL acquires the:
- (a) Initial Interest but elects not to proceed with the Further Earning Period; or
 - (b) Further Interest;
- NRPL and Segue shall be associated in an unincorporated joint venture ("**Joint Venture**") for the exploration and exploitation of the Mining Property. The interests of the parties in the Joint Venture shall be commensurate with their interest in the Mining Property. The terms applying to the operation of the Joint Venture are as detailed in the paragraph 21 below.
- (15) Segue shall be the manager of the Mining Property prior to formation of the Joint Venture ("**Manager**"). Upon formation of the Joint Venture the Manager shall be as appointed by the management committee of the Joint Venture ("**Management Committee**") from time to time.
- (16) Segue warranted as at the date of the Farm-in Agreement as follows:
- (a) Segue is the sole registered holder and beneficial owner of the Mining Property;
 - (b) the Mining Property is free of all third party interests and encumbrances;
 - (c) the Tenement is in good standing;
 - (d) the Tenement is not liable to cancellation or forfeiture for any reason; and
 - (e) Segue is not engaged in any litigation, prosecution or other legal proceedings relating to the Mining Property.
- (17) All information relating to the Tenement not in the public domain shall be confidential during the term of the Farm-in Agreement. The information will not be disclosed by a party without the written consent of the other party, which shall not be unreasonably withheld or delayed. The information may be disclosed without consent by a party to:
- (a) a related body corporate;
 - (b) any State or Federal Government having lawful jurisdiction over a party;
 - (c) any stock exchange on which shares or other securities of the party or a related body corporate are, or are to be, listed when required by regulations of that stock exchange provided that the parties shall use their best endeavours to agree on the wording of any statement or announcement to, or required by the regulations of, the stock exchange before it is made (and

for these purposes Segue has consented to the disclosures in this document regarding the Farm-in Agreement);

- (d) persons during *bona fide* negotiations for the sale of any party's interest herein, or the sale of shares in a party or the shares of its holding company; or
 - (e) financial and lending institutions or other third parties for the purpose of acquiring finance.
- (18) If any dispute arises between the parties in connection with the Farm-in Agreement, either party may refer the matter to an independent expert (“**Expert**”) for determination. The Expert shall be chosen by agreement of the parties, or failing agreement, within 14 days by the President from time to time of the Australasian Institute of Mining and Metallurgy Inc. at the request of either party.
- (19) A party may only assign its rights and obligations under the Farm-in Agreement, or the whole or part of its interest in the Tenement, with the prior written consent of the other party, provided that a party may assign its rights to a related body corporate (as defined in the *Corporations Act 2001 (Cth)*) without the consent of the other party. Assignment or transfer under this clause shall not be effective until the transferee has executed and delivered to the other party a deed of covenant in a form reasonably acceptable to the other party binding it to the provisions of the Farm-in Agreement *mutatis mutandis* to the extent of the interest assigned or transferred.
- (20) The Farm-in Agreement shall be governed by and construed in accordance with the laws of Western Australia and the parties agree to submit to the non-exclusive jurisdiction of the Courts of Western Australia and all Courts competent to hear appeals therefrom.
- (21) The Farm-in Agreement is to incorporate the following matters. As from the date upon which the Joint Venture is formed:
- (a) The parties shall be associated pursuant to the Joint Venture for the purpose of exploration and development of the Mining Property.
 - (b) The participating interest of the parties in the Joint Venture shall be:
 - (i) Segue 80 per cent. and NRPL 20 per cent. in the event the NRPL acquires the Initial Interest but elects not to proceed with the Further Earning Period; or
 - (ii) Segue 49 per cent. and NRPL 51 per cent. in the event the NRPL acquires the Further Interest;

provided that these participating interests may vary according to the terms of the Joint Venture.

- (c) A Management Committee shall be established and management and control of the Joint Venture and the activities of the Joint Venture shall be vested in the Management Committee. The party with the largest participating interest will be entitled to appoint two members to the Management Committee and the party with the lesser participating interest will be entitled to appoint one member to the Management Committee and each member of the Management Committee will be entitled to exercise one vote on the Management Committee. The decisions of the Management Committee shall be by majority vote and shall bind the parties.
- (d) The Manager of the Joint Venture shall be as appointed by the Management Committee from time to time.
- (e) The Manager shall convene a meeting of the Management Committee at least twice in each calendar year by giving fourteen (14) days prior written notice to each party and shall also convene meetings of the Management Committee at the request of any party by giving fourteen (14) days prior written notice to each party of such meeting.
- (f) The Manager shall prepare programmes and budgets for work to be carried out for periods of six calendar months beginning on each 1 January and each 1 July and shall submit programmes

and budgets (which shall include estimated expenditures for each month of the budget period) to the Management Committee for approval.

- (g) The Manager shall conduct all work in accordance with programmes and budgets approved from time to time by the Management Committee and may expend up to 10 per cent. in excess of an approved budget and shall inform the parties as soon as possible of such additional expenditure.
- (h) All expenditure in relation to the Joint Venture made pursuant to programmes and budgets approved by the Management Committee shall be paid by the parties in proportion to their respective participating interests, subject to each party's right to voluntarily dilute, as detailed in paragraph (j) below.
- (i) The Manager may call upon the Parties to pay in advance expenditure estimated to be incurred under an approved budget and programme in any month, (but not for any longer period in advance unless the parties unanimously agree) and such calls shall be due for payment not more than 10 days before the first day of the relevant month.
- (j) A party may voluntarily dilute its participating interest for any new programme and budget period after presentation of the new programme and budget by the Manager to the Management Committee within 14 days of such presentation using the formula:

$$E = \left(\frac{A}{B} \right) \times 100$$

where:

E = diluted participating interest;

A = total expenditure incurred by the diluting party from the end of the Earning Period until the date of election; and

B = total expenditure incurred by all parties from the end of the Earning Period until the date of election.

- (k) If at a Management Committee meeting only one party ("proceeding Party") wishes to proceed with development of a mine, and the other party ("non-proceeding Party") does not vote in favour of a decision to proceed with development of a mine, then the non-proceeding Party is deemed to have offered its interest in the proposed development for sale to the proceeding Party for market value (as agreed by them, or failing agreement as determined by an independent valuer).
- (l) All minerals won from the Mining Property shall be owned by the parties in proportion to their respective participating interests and each party shall be entitled and obligated to take its share in kind.
- (m) No party will be allowed to hold less than a five per cent interest in the Joint Venture. If a party's participating interest dilutes to five per cent, the Manager shall give written notice to the diluting party who shall have a period of 30 days within which to elect to recommence contributions to expenditure. If the diluting party fails to elect to recommence contributions, it shall be deemed to have withdrawn from the Joint Venture and the withdrawing party shall cease to have any participating interest.
- (n) A party may withdraw from the Joint Venture at any time by giving notice to the other party at which time the Joint Venture will cease to apply (provided however that the withdrawing joint venturer will be required to contribute its proportionate share of any outstanding rehabilitation costs) and the parties agree to undertake all matters (including signing any transfer) required to transfer the Mining Property to the non withdrawing party.

- (o) No assignment of any participating interest may occur without the other parties to the Joint Venture first being given reasonable opportunity to acquire all or some of that interest (except for an assignment to a related body corporate, which will not be subject to any pre-emptive right require, but which must be to a company that is of sufficient commercial standing to continue to perform the obligations of the assigning party). Any sale to a third party must be on the same terms as that offered to the other Joint Venture parties.

PART III

RISK FACTORS

In addition to the other relevant information set out in this document, the following specific factors should be considered carefully by potential investors in evaluating whether to make an investment in the Company. The investment described in this document may not be suitable for all of its recipients. If you are in any doubt about the action you should take, you should consult a person authorised under the FSMA who specialises in advising on the acquisition of shares and other securities.

You should carefully consider the risks described below and ensure that you read this document in its entirety before making a decision to invest in the Company.

Prospective investors should be aware that an investment in the Company is speculative and involves a high degree of risk. In addition to the usual risks associated with an investment in a business at an early stage of its development, the Directors consider the following risk factors to be the most significant to potential investors. They should be carefully considered and in particular, should be read in conjunction with Part II, the Competent Person's Report in Part IV and the Accountants' Report in Part V of this document although the whole of this document should be read. If any of the following risks and uncertainties actually occurs, the Company may not be able to conduct its business as currently planned and the Company's business, financial conditions or results of operations could be materially adversely affected. In such case, the market price of the Company's Ordinary Shares could decline and Shareholders or prospective investors may lose all or part of their investment. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the Company. The risks listed are not set out in any particular order of priority.

Obligations under the Farm-in Agreement

Pursuant to the Farm-in Agreement, in order to earn an initial 20 per cent. interest in the Tenement, the Group must expend such amount as the parties may agree (currently being £400,000) up to a maximum of £500,000 by the 2nd anniversary of Admission. At Admission, the Company will have cash resources of approximately £615,000 of which £400,000 has been earmarked for expenditure on the Tenement in order to earn the initial 20 per cent. interest. If unforeseen operational costs, or expenditures on investigating or pursuing other potential projects, result in less than £400,000 (or any higher agreed amount required to earn the initial 20 per cent. interest) being available for expenditure on the Tenement, and Segue does not agree to a lesser sum being expended for the purposes of earning the initial 20 per cent. interest the Company will need to raise further funds to meet the initial expenditure requirement of £400,000 (or any higher agreed amount required to earn the initial 20 per cent. interest). There is no guarantee that additional funds, if required, will be able to be raised and it will depend upon factors such as market conditions, the Company's results to date and its prospects.

Pursuant to the Farm-in Agreement, in order to earn the further 31 per cent. interest in the Tenement, the Group must expend a further amount equal to £2,000,000 less the initial expenditure on the Tenement on or before the 4th anniversary of Admission. In order to earn the further 31 per cent. interest, the Company will need to raise, after costs, a further amount equal to £2,000,000 less the initial expenditure incurred for its initial 20 per cent. interest in the Tenement. Whilst this is the Directors' intention, there is no guarantee that additional funds can be raised, which will depend upon factors such as market conditions, the Company's results to date and its prospects.

Exploration, project development and mining risks

Exploration for mineral resources is speculative and involves significant degrees of risk. There is no guarantee that exploration on the Coronet Hill Tenement or the Group's future permit and licence interests will lead to commercial discovery of mineral resources. If there is commercial discovery, there is no guarantee that the North River Group will be able to realise such ore reserves as intended through the

successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades, and resource prices affect project development, as does the design and construction of efficient processing facilities, competent operational management and prudent financial administration. Such exploitation may involve the need to obtain licences or clearances from the relevant authorities or consents from third parties, which may require conditions to be satisfied and/or the exercise of discretion by such authorities or persons. It may or may not be possible for such conditions to be satisfied, or it may be that the satisfaction of the conditions is not commercially practicable.

Exploration, mining, processing and transporting activities may be prevented, delayed or adversely affected by many factors outside the control of the North River Group. These include adverse operating conditions (such as unexpected geological conditions, seismic events, fire, weather, accidents), compliance with governmental requirements, labour and safety issues, shortages or delays in installing, commissioning and repairing plant and equipment or import or customs delays. Problems may also arise due to interruptions to essential services (such as power, water, fuel, equipment or transport capacity) or technical support which results in a failure to achieve expected target dates for exploration or production and/or result in a requirement for greater expenditure.

Resources estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis the estimates may change. This could result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations. There can be no assurance that any resources recovered can be brought into profitable production.

Ability to exploit successful discoveries

It is possible that the Company may not be able to exploit commercially viable discoveries in which it holds an interest. Exploration may require external approvals or consents from relevant authorities and the granting of these approvals and consents is beyond the Company's control. The granting of such approvals and consents may be withheld for lengthy periods, not given at all, or granted subject to the satisfaction of certain conditions which the North River Group cannot or may consider impractical or uneconomic to seek to meet. As a result of such delays, the Company may incur additional costs, losses or revenue or part or all of its equity in a licence.

Additional financing for acquisitions

The Company may acquire interests in additional exploration properties which may require acquisition payments to be made and exploration expenditures to be incurred. The only potential sources of funding currently available to the Company are through the issue of additional equity and/or debt capital or through bringing in a farm-in partner to fund the exploration and development costs on investments it may acquire. There is no assurance that the Company will be successful in raising sufficient funds or attracting a suitable farm-in partner to enable it to meet its obligations under its agreements. Any funds incurred on investigating or pursuing new projects may adversely affect the Group's ability to meet its Farm-in Agreement obligations.

Title

All of the tenements or licences in which the North River Group has, or may earn, an interest will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each tenement or licence is usually at the discretion of the relevant government authority. If a tenement or licence is not renewed or granted, the North River Group may suffer significant economic and reputational damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

Native Title

The NTA recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is a significant uncertainty associated with native title in Australia and this may materially impact upon the Company's operations and future plans. Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native title is not necessarily extinguished by the grant of mining licences, although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title. It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as it is a matter ultimately determined by the Federal Court of Australia. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner) or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations. For further details refer to Part II of this document.

Environmental regulation

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment in the country concerned. Such laws and regulations may change in a manner which requires stricter or additional standards than those currently in force. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Equipment and availability

The current and foreseeable levels of global exploration activity are such that equipment utilisation rates are high, and the North River Group will be in a competitive environment in relation to sourcing appropriate equipment. If it is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

Insurance

The North River Group may be subject to liabilities and events which cannot be insured against adequately or at all or in relation to which it elects not to insure against due to the level of premium sought or the extent of the insurance where available. The North River Group may incur liabilities to third parties in excess of such insurance or amounts paid in respect thereof (if any) arising from such matters.

Volatility of prices for mineral and other commodities

The supply, demand and prices for commodities are volatile and are influenced by factors beyond the Company's control. These factors include global demand and supply, exchange rate, interest and inflation rates and political events. A significant prolonged decline in commodity prices could impact the viability of some of the Company's exploration activities. Additionally, production from geographically isolated countries may be sold at a discount to current market prices.

Economic and political risks

It is anticipated that all or the majority of the Company's activities will be outside the UK and, accordingly, there are a number of risks over which it has little control.

Whilst the Company will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that the Company's activities are adversely impacted by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences,

expropriation, war, terrorism, insurrection and changes to laws governing mineral exploration and operations. There is also the possibility that the terms of any licence the Company holds (including any favourable tax provisions) may be changed.

Force majeure

The North River Group's projects now or in the future may be adversely affected by risks outside the control of the North River Group including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Currency risk

The Company will report its results in Sterling, whilst it is expected that a majority of its costs and revenues will be denominated in currencies outside of its reporting currency. This may result in additions to the Company's reported costs or reductions in the Company's reported revenues.

Legal systems

Some of the countries the Company may operate in could have legal systems that are less well developed than or different to those in the UK. This could result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulation, decrees, orders and resolutions; (v) relative inexperience of the judiciary and courts in such matters; and (vi) difficulty in the interpretation and enforcement of licences and other contracts. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangement in these jurisdictions cannot be assured.

Dependence on key personnel

The Company has a small management team and the loss of any key individual or the inability to attract appropriate personnel could impact the Company's performance. It may also be difficult to employ and retain people who are willing to work for the Company in certain countries.

Liquidity of the Ordinary Shares

The Ordinary Shares will be traded on AIM but it should not be assumed that there will always or at any time be a liquid market for the Ordinary Shares. The price of the Ordinary Shares may be volatile, influenced by many factors, some of which are beyond the control of the Company, such as, for example, the performance of the overall share market, other Shareholders buying or selling large number of Ordinary Shares, changes in legislation or regulations and general economic conditions. Therefore, a return on an investment in the Ordinary Shares cannot be guaranteed.

Investment risk

The value of an investment in the Company could, for a number of reasons go up or down. There is also the possibility that the market value of an investment in the Company may not reflect the true underlying value of the Company.

No profit to date

The North River Group has no previous trading history and it is therefore not possible to evaluate its prospects based on past performance. The Directors anticipate that the Company will make losses for the foreseeable future.

There can be no certainty that the North River Group will achieve or sustain profitability or achieve or sustain positive cash flows from its activities.

PART IV
COMPETENT PERSON'S REPORT

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Competent Person's Report
for
North River Resources plc
“CORONET HILL”
POLY-METALLIC PROJECT
NORTHERN TERRITORY
AUSTRALIA

Prepared by:

Allen J Maynard

BAppSc(Geol), MAIG, MAusIMM

18 December, 2006

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18 December 2006

Dear Sirs

COMPETENT PERSONS REPORT ON THE MINERAL ASSETS OF NORTH RIVER RESOURCES PLC

At your request, Al Maynard & Associates (“AM & A”) has prepared a Competent Persons’ Report on the mineral assets of North River Resources plc (“North River”). It is our understanding that this report will be included in its entirety in an Admission Document for the AIM market of the London Stock Exchange (“LSE”).

The objective of this report is to: (1) confirm the veracity of the available technical information; (2) to comment on the exploration potential of the project areas, and (3) to consider the appropriateness of the work programs and budget proposed by North River.

AM & A has based its assessment of North River’s Coronet Hill Tenement on detailed discussions with the management of North River and its consultants, and on a review of technical information compiled by North River, previous tenement holders and the Northern Territory Department of Primary Industry, Fisheries and Mines (“DPIFM”), as well as published technical documents and various company reports. A listing of the documents referenced is provided at the end of this report. Consents have been sought from North Rivers’ consultants to include technical information and opinions expressed by them. None of the other entities referred to in this report have consented to their inclusions in this report and have only been referred to in the context of reporting material fact. AM & A accepts responsibility for this report in accordance with the AIM Rules.

AM & A did not undertake very recent site visits to North River’s Coronet Hill Tenement. However, AM & A is familiar with the project area through several visits to the Coronet Hill district over the previous decade.

AM & A has based its findings upon information known to us at 18 December 2006 and has satisfied itself that all material information in the possession of North River and its consultants has been fully disclosed to AM & A. North River has agreed to indemnify AM & A from any liability arising from its reliance upon information provided or from information not provided. A draft version of this report was provided to the directors of North River before listing for comment in respect of omission and factual accuracy.

AM & A has prepared this report on the understanding that the Coronet Hill Tenement is currently in good standing and that there is no cause to doubt the eventual granting of any applications. AM & A has not

attempted to establish the legal status of the tenements with respect to ownership, Native Title claims or potential environmental and access restrictions and is not qualified to make legal representations in this regard. Rather we have relied upon information provided by North River and on an independent tenement search. It is our understanding that the current ownership status and standing of the tenement has been the subject of independent legal verification.

The proposed exploration programmes developed by the management of North River and reviewed by AM & A have been designed to realise the potential of the project in a prudent and efficient manner. AM & A has been advised by North River that these amounts are sufficient to meet North Rivers' minimum expenditure obligations for the tenements as specified by DPIFM.

Based on AM & A's assessment of North River's Coronet Hill Tenement project it is our opinion that it is of merit and that the evaluation programs proposed have been carefully conceived and costed. AM & A considers that the Tenement has sufficient technical merit to justify the proposed program and associated expenditure.

This report has been prepared by Mr Allen J. Maynard in accordance with the Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ("the VALMIN Code") which is binding upon Members of the Australasian Institute of Mining and Metallurgy (AusIMM), and the Australian Institute of Geoscientists (AIG).

Mr Maynard is a geologist with in excess of 28 years experience in the estimation, assessment and evaluation of precious metals and base metals and other mineral exploration properties. He is a Corporate Member of AusIMM and a Member of the AIG.

AM & A is an independent firm providing specialist mining industry consultancy services in the fields of geology, exploration and resource estimation. The Company has prepared independent technical reports and valuations on a variety of mineral commodities in Australia, Africa, China and South East Asia, South America and elsewhere.

AM & A has reviewed the information contained elsewhere in the Admission Document for North River which relates to the information contained in this report and confirms that the information presented is accurate, balanced and complete and is not inconsistent with this report.

Neither AM & A nor those involved in the preparation of this report have, or have previously had, any material interest in North River or in the mineral properties considered in this report. AM & A is independent of North River, its directors and advisors. Its relationship with North River is solely one of professional association between client and independent consultant. AM & A is remunerated for this report by way of a professional fee determined in accordance to a standard schedule of rates which is not contingent on the outcome of this report.

This report is complete up to and including 18 December 2006. AM & A has given, and not before lodgment of North Rivers' Admission Document, withdrawn its written consent to being named as author of this report and to the inclusion of this in its Admission Document, as well as the inclusion of statements made by AM & A and to the references of its name in other sections of the Admission Document, in the form and context in which the report and those statements appear.

AM & A accepts responsibility for this report for the purposes of a Competent Person's Report under the AIM Rules. Having taken all reasonable care to ensure that such is the case, AM & A confirms that to the best of its knowledge, the information contained in the report is in accordance with the facts, contains no omission likely to affect its import, and no change has occurred from 18 December 2006 to the date hereof that would require any amendment to the report. AM & A also confirms that where any information contained in the report has been sourced from a third party, such information has been accurately reproduced and, so far as we are aware and are able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Yours faithfully,

Allen J Maynard

BAppSc(Geol), MAIG, MAusIMM

EXECUTIVE SUMMARY

This report is to be included in an Admission Document in conjunction with the proposed admission of ordinary shares of North River Resources plc (“North River”) to the AIM market of London Stock Exchange (“Admission”).

Pursuant to a Farm-in Agreement between North River Resources Pty Ltd (“NRPL”), a wholly owned subsidiary of North River, and Segue Resources Limited (“Segue”), dated 26 July 2006, as amended and restated on 6 November 2006 (“Farm-in Agreement”), NRPL is entitled to earn a 20 per cent. interest in exploration licence EL10004 located in the Northern Territory of Australia (“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 2nd anniversary of Admission. Subject to having expended this initial expenditure, NRPL is entitled to earn a further 31 per cent. interest (in aggregate a 51 per cent. interest) in the Tenement by expending a further amount equal to £2,000,000 less the initial expenditure on the Tenement on or before the 4th anniversary of Admission.

The historic mining centre of Coronet Hill is located 220km south-east of Darwin in the Northern Territory of Australia (Figures 1 & 2). The Tenement securing the project area is on a major mineralised structure known as the Coronet Fault that trends northwest-southeast. Historical mine workings along the Coronet Fault and adjacent points were mined intermittently for silver, copper and tin between 1888 and 1918. Alluvial tin was also produced elsewhere from workings at the Mary River Camp and the Ross mine (Figure 3).

Successive waves of appraisals of the area the subject of the Tenement by historic and modern explorers has shown the Coronet Fault zone and parallel structures to be anomalous in tin, tungsten and base metals over 10km of strike within the Tenement. Work in recent years was principally directed towards precious and base-metals and tin and tungsten were secondary targets. Previous exploration concentrated upon evaluation of the sulphide-rich and narrow historic lodes. There is evidence that the tin and tungsten mineralisation is not only of greater strike extent than previously tested, but may also occur in the alteration zones laterally adjacent to the lodes.

The Tenement is situated in the southern part of the Pine Creek Inlier. This major mineral province of the Northern Territory covers about 66,000km² and is centred 170km south of the city of Darwin. The region is notable, as one of the world’s largest and richest uranium provinces and also as a significant producer of gold, base metals, silver, iron, tin and tungsten. Geologically the Pine Creek Inlier consists of Proterozoic-aged (530-2500 million years old) meta-sedimentary rocks overlying a gneissic and granitic Archaean-aged (2500-3800 million years old) basement.

Geological models of tin occurrences commonly involve mineralisation within close proximity to igneous margins. In this respect the Tenement is highly 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.

The previous Tenement holder was encouraged by this fact and commissioned an independent assessment of the tin potential of the area (J Fabray, 2004). This report concurred with the view that there is good potential for a hard-rock, economic tin resource to be discovered in the area. It is evident that the Coronet Fault is a significantly under-explored feature responsible for structurally channelling mineralisation in the region.

Previous holders of this tenure have completed very little work over the last few years. However, a significant program of work is planned to progress rapidly. This program involves geochemical and geophysical techniques to identify priority targets for drilling. A program of gradient-array induced polarisation (IP) has highlighted zones of high chargeability indicative of massive to disseminated sulphide mineralisation along the fault that will require immediate drill testing.

It is also intended to investigate the possibility of hydrothermally-sourced platinum group element (“PGE”) mineralisation in the Tenement. This unusual style of PGE mineralisation has been identified at Coronation

Hill, a significant gold-platinum-palladium resource located approximately 25km to the north-west and which bears some striking similarities to the geological setting at Coronet Hill.

1. TENEMENT

Details of the Tenement are listed below in the Summary Table of Assets (Table 1) and its location is shown in Figures 1 and 2

Table 1 Summary Table of Assets

<i>Asset</i>	<i>Holder</i>	<i>Interest (%)</i>	<i>Status</i>	<i>Expiry Date</i>	<i>Licence Area</i>
EL10004 – Northern Territory, Australia	Segue	100%	Exploration Licence	18/8/2008	29.29 km ² (9 Blocks)

The Tenement is currently granted for a total of nine blocks. In the Northern Territory, tenement areas are described by reference to graticular sections (units of latitude and longitude) or blocks. The areas of these blocks vary slightly, dependent on the distance from the Equator. An approximation of 3km² for one block can be applied. The Tenement was granted on 19th August 2002 (“**grant date**”) and is subject to standard terms and conditions under the *Mining Act 1980 (NT)*. The Tenement is valid for a period of six years from grant date but can be renewed for two further periods of 2 years each, at the Minister’s discretion.

An exploration licence can be converted to a prospecting licence or a mining lease at any stage.

An exploration licence must be reduced in area at 24 months from its grant date and each 12 months after that date so that the number of blocks to be retained in the licence area for the ensuing 12 months is not more than half the number of blocks contained in the area at the commencement of the initial 12 month period or subsequent 12 month period. The Minister can, on application, waive this reduction.

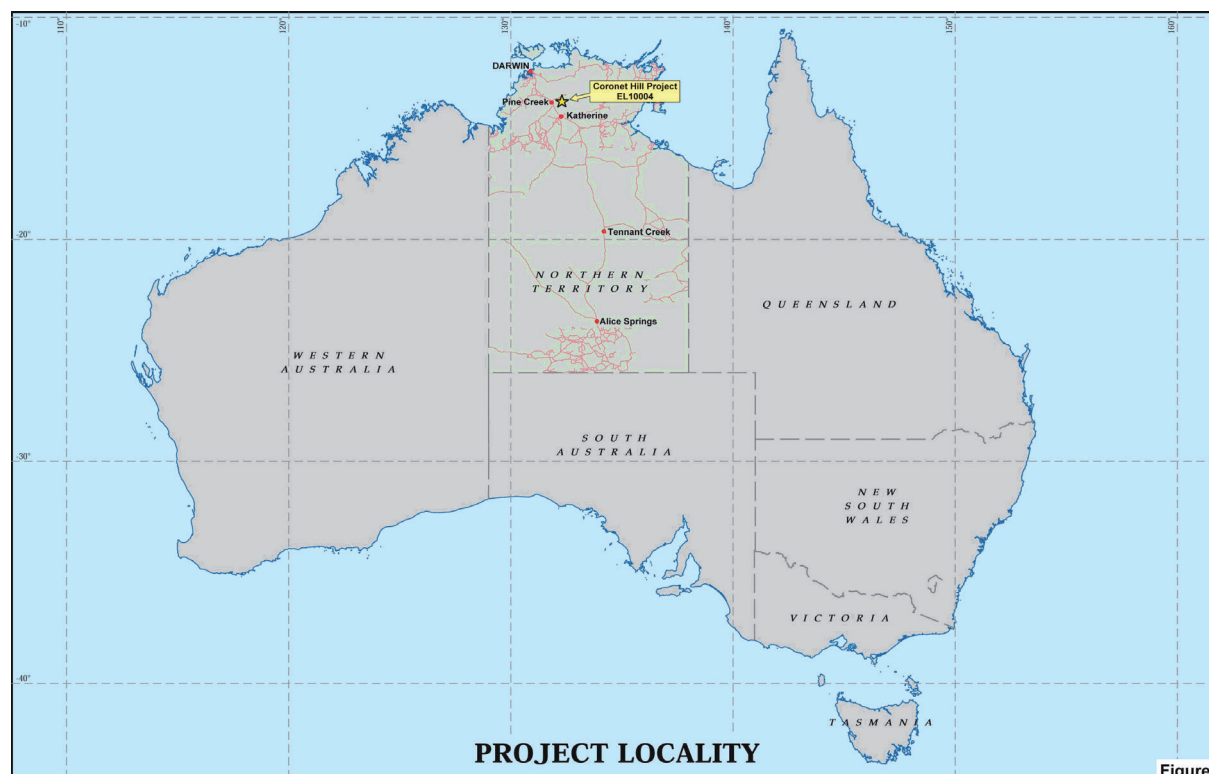


Figure 1. Project Location Map.

DATA SOURCES

The principal data sources are held in the Northern Territory Government’s Department of Primary Industry, Fisheries & Mining (“DPIFM”) Library in Darwin. Segue has also provided a copy of an investigation into

the tin (only) potential which was commissioned by Arafura Resources Ltd in 2004. These sources are listed in the Bibliography.

In view of the relatively localised and routine nature of Segue's recent and directly applicable field investigations, AM&A has solely relied on those sources and its broad experience in the Pine Creek Geosyncline over the previous decade and did not visit the project area specifically for the purpose of this report. The most recent visit by AM&A was during September 2005

2. DESCRIPTION OF RESERVES AND RESOURCES

The Tenement is at an exploration stage and has yielded significant results from the initial exploration delineating substantial anomalous zones. At this stage no reserves or resources have been, or can be defined on the Tenement. Accordingly, no table as set out in Appendix 3 of the guidance Note has been included in this report.

3. BACKGROUND INFORMATION

3.1 LOCATION AND ACCESS

The Coronet Hill area is located about 60 kilometres east of Pine Creek and about 220 kilometres south-east of Darwin as shown on Figure 1.

Access to Coronet Hill from Darwin, the capital of the Northern Territory, is by the sealed Stuart Highway to Pine Creek and then east on the Kakadu Highway to Moline for a combined distance of 250 kilometres. The historical mining area is a further 30 kilometres on narrow, unsealed tracks from the Kakadu Highway in broadly a south-easterly direction.

The project area is located outside the south-western boundary of the Kakadu National Park, separated by permanent watercourses, the Mary and Little Mary Rivers.

CORONET HILL PROJECT SOLID GEOLOGY & MINERALISATION

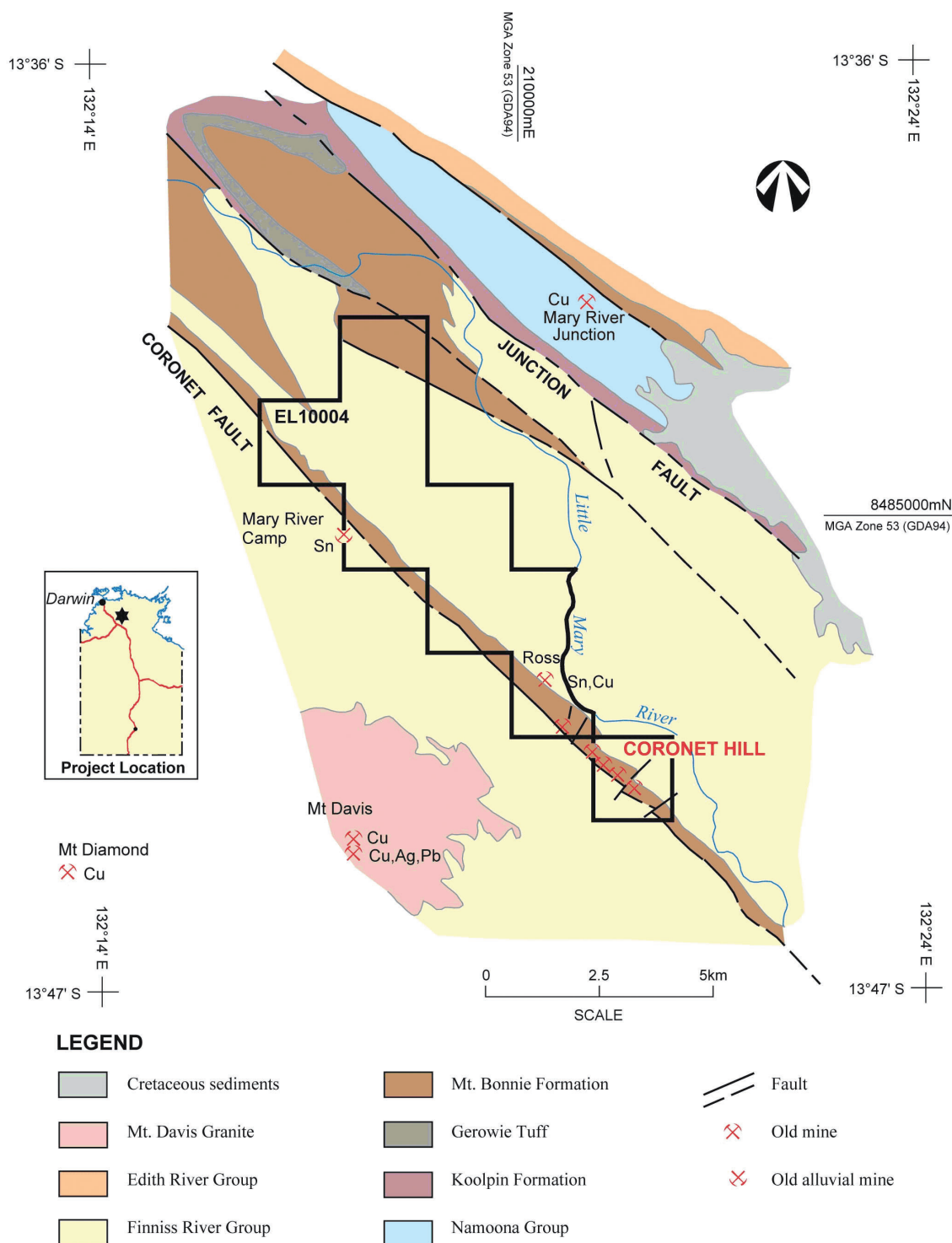


Figure 4

Figure 2 – Project Locality

3.2 CLIMATE

The area lies in the tropical monsoon rain belt of northern Australia. Annual rainfall is about 1200-1400 millimetres. The bulk of this falls between December and March. Pre-monsoon tropical storms occur in October and November and can restrict activities temporarily. Very little rain usually falls between the start of May and the end of August. Temperatures range from 20-30°C in summer (“wet season”) and 10-30°C in winter (“dry season”).

3.3 TOPOGRAPHY AND VEGETATION

Topographically the area consists of steep strike ridges, low hills and undulating rubble-strewn rises with a well-developed dendritic pattern of drainage. Good outcrop is present along the creeks and on the crests of the ridges, whilst the hill slopes are covered with a thin veneer of near residual skeletal lithosols and colluvial to eluvial gravels. The rocks are deeply weathered in places. Transported soils are restricted to the main flood plain of the Little Mary River and to the lower portions of the larger tributary creeks.

Vegetation consists of open eucalypt woodland and tall perennial grasses typical of the open savannah of tropical Northern Australia.

4. GEOLOGY

4.1 GEOLOGICAL AND MINERALISATION OVERVIEW OF THE PINE CREEK INLIER

This section aims to provide a broad representation of the geology of the southern part of the Pine Creek Inlier as exposed on the Ranford Hill and adjacent 1:100,000 scale geological map sheets (“Sheets”), and the general styles of mineralisation therein. The stratigraphy of this part of the Pine Creek Inlier is shown in Figure 3. The following geological history is adapted from public records.

Most sedimentary-volcanic deposition and all the tectonism, metamorphism and igneous intrusion, are associated with the development of the Pine Creek Inlier during the Palaeoproterozoic time period. Since then the area has been relatively stable apart from minor tectonism and minor Mesoproterozoic, Palaeozoic, Mesozoic and Cainozoic continental or shallow-marine sedimentary deposition. Geosynclinal sedimentation began during the later part of the Palaeoproterozoic, after 2500 Ma, in an intracratonic basin, under mainly alternating continental and shallow-water marine conditions which gave way to deeper-water at later stages. A sequence termed Namoon Group sediments were deposited during this stage.

Proximal sandstone sequences, which rest on Archaean basement, are exposed in areas such as Rum Jungle, but not on the Project Sheets. Interbedded carbonaceous silts, muds and carbonate rocks were then deposited over these sequences at the margins of the basin. In deeper parts, including these Sheet areas, a thicker sequence of fine clastic and chemical sediments followed and the Mundogie Sandstone sequence accumulated in the basin from a northern provenance as alluvial fans. This was overlain by and transitional with shallow-water, clastic and minor dolomitic deposits of the Wildman Siltstone.

A transgression followed minor uplift and peneplanation of the Mount Partridge Group, and the South Alligator Group of shallow-water, dolomitic and carbon-rich sediments were deposited. Felsic sub-aerial volcanism outside the Sheets during this stage, about 1880 Ma, formed intercalated ash-fall tuffs (the Gerowie Tuff) within the South Alligator Group. The Tenement area is hosted by South Alligator Group sediments.

Locally, hydrothermal-exhalative precious and base metal massive sulphide deposits (e.g., Mount Bonnie) formed during the waning stages of this volcanism. It coincided with an influx of flysch-type sediment of the Finnis River Group, particularly the Burrell Creek Formation. This was possibly related to deepening of the basin. Later, during this influx, minor felsic to intermediate volcanics were extruded. A source area to the south, composed dominantly of volcanic and minor Early Proterozoic sediments, is indicated.

Sills of Zamu Dolerite were intruded probably near the close of geosynclinal deposition between 1880 and 1870 Ma.

The dolerite and the Palaeoproterozoic sediments were then tightly to isoclinally folded, faulted and regionally metamorphosed to low grade between 1870 and 1800 Ma. On the Ranford Hill sheet, block faulting formed a shallow half-graben (Mount Callanan Basin) in the north-east, which was filled by felsic volcanics and sediments of the El Sherana and Edith River Groups at about 1800 Ma.

Several granitoid plutons, together comprising the Cullen Batholith, preceded by minor alkaline intrusions, were emplaced during and after the later stages of orogenesis, extensively contact-metamorphosing the dolerite and geosynclinal sediments. These intrusions were later cut by minor aplite, felsite, syenite and dolerite dykes. Metal-bearing hydrothermal quartz veins and stockworks were emplaced within the contact zone (termed: aureole) either during granitoid emplacement or later.

Peneplanation occurred during a very long stable period, broken only in the south-west of the Pine Creek Inlier by:

- block faulting and deposition of the relatively flat lying Middle Proterozoic Tolmer Group;
- fault reactivation in the north-east, intrusion of Oenpelli Dolerite at about 1690 Ma and by deposition of the relatively flat-lying Mesoproterozoic sediments and volcanics of the Katherine River Group at about 1650 Ma; and
- deposition of the Kombolgie Sandstone of the Katherine River Group and Palaeozoic sedimentation of the Daly River Basin.

Deep chemical weathering, which produced the massive ironstones at Frances Creek, preceded Mesozoic deposition of a thin veneer of epicontinental to terrestrial sediments, the remnants of which form scattered mesas and tablelands.

Since then, the area has remained above sea level and has undergone weathering and erosion that produced laterites as well as sheet washes of sand and minor gravels derived from older strata.

The Pine Creek Inlier is significantly mineralised with world-class uranium deposits in the East Alligator area and lesser historic uranium mines in the South Alligator and Rum Jungle districts. Major gold mines have been operated from the mid 1980's, particularly around Pine Creek. Base metals have been mined in the Rum Jungle and Woodcutter's Fields, in the southern PGI and at Coronet Hill.

At Coronation Hill in the South Alligator Field, a considerable gold platinum-palladium deposit has been delineated surrounding a smaller historic uranium mine but has not been brought into production.

Alluvial tin and, locally, tantalum deposits have been worked in several areas.

4.2 CORONET HILL LOCAL GEOLOGY

Within the Tenement area, there is a dominant northwest-southeast grain provided by tight folding and parallel fault structures. Most of the Tenement, as mapped on the 1:100 000 scale Ranford Sheet, is underlain by the slaty to phyllitic mudstone, siltstone and greywacke of the Burrell Creek Formation. The underlying Mount Bonnie Formation of the South Alligator Group is exposed in anticlinal cores and in up-thrust faulted blocks. The most economically important example of the latter is that afforded by the Coronet Fault system (Figure 3).

However, detailed mapping around the Coronet Hill mines by exploration companies has revealed a complex setting. It was interpreted that the oldest sediments exposed are carbonaceous and lesser dolomitic mudstones of the Koolpin Formation, which are conformably overlain by mudstone, chert and albitic chert of the Gerowie Tuff Formation.

Overlying these sediments are mudstones and BIF of the Mt Bonnie Formation, and then the Burrell Creek Formation. (Figure 3).

The Mt Davis Granite intrudes the sequence and the nearest edge of the granite to the Tenement is about two kilometres south-west of the main Coronet Hill workings. It has been interpreted from geophysical evidence that depth to granitic basement under the Tenement is quite shallow.

As previously mentioned, good outcrop is present along the creeks and on the crests of the ridges, while the hill slopes are covered with a thin veneer of near residual skeletal lithosols and colluvial/eluvial gravels. Transported soils are restricted to the main floodplain of the Mary River and to the lower portions of the larger tributary creeks. These conditions apparently provide excellent media for geochemical exploration.

PRE-PALAEOZOIC STRATIGRAPHY OF THE SOUTHERN PINE CREEK INLIER

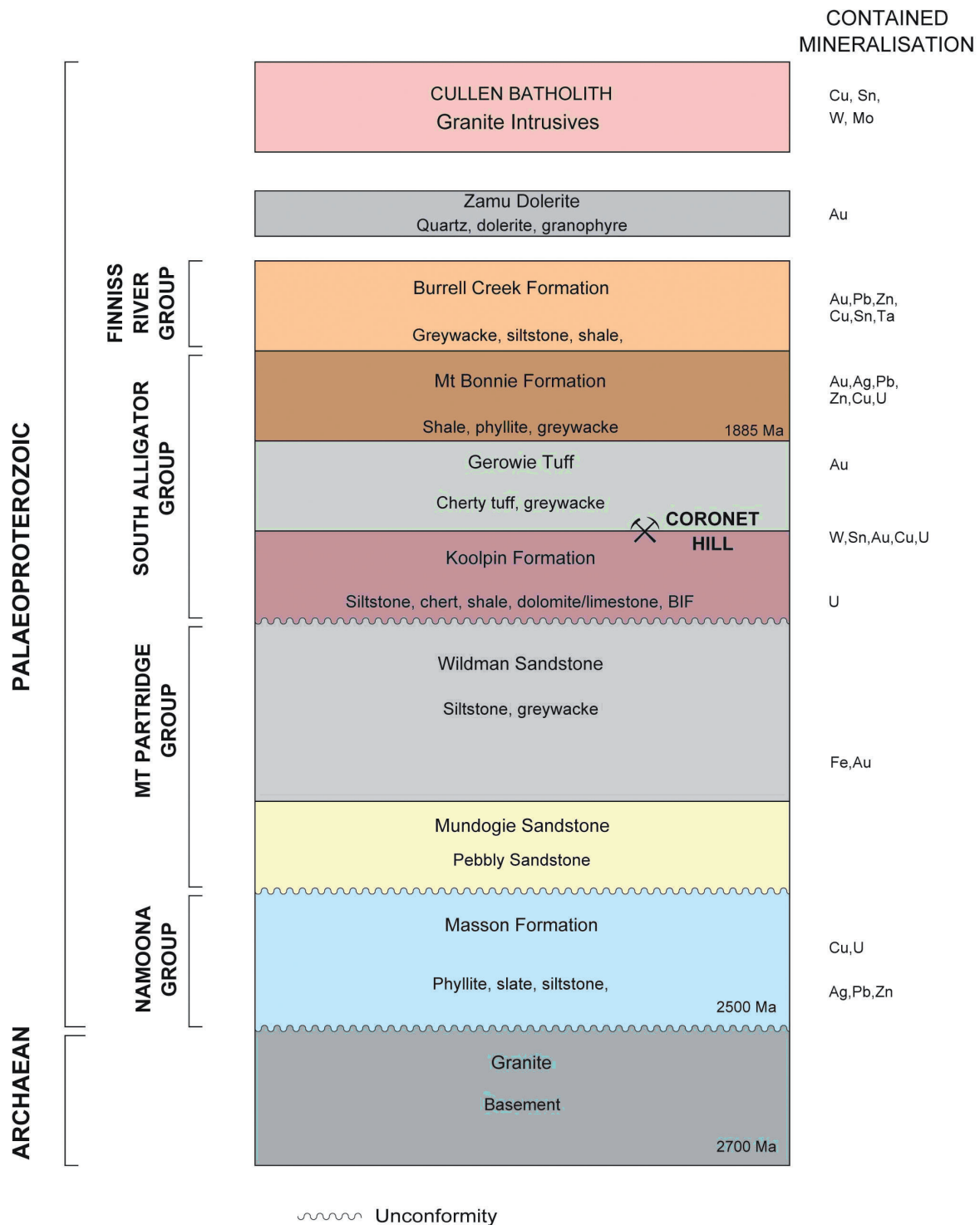


Figure 3

4.3 CONCEPTUAL MODEL

The Pine Creek Inlier was an area of intrusive activity during the Palaeoproterozoic era which led to the emplacement of granites. In the central region, intrusive activity is represented by the emplacement of the Cullen Batholith, a coalesced mass of granite bodies with several satellite plutons covering an area of about 3000km². These granites are responsible for a wide variety of mineralisation as the result of hydrothermal alteration and contact metamorphism throughout the region.

The principal conceptual model applicable to exploration in the Coronet Hill area concerns tungsten deposits occurring within the contact aureole of granitic batholiths, usually within 500-1000m from such contacts.

CORONET HILL PROJECT SOLID GEOLOGY & MINERALISATION

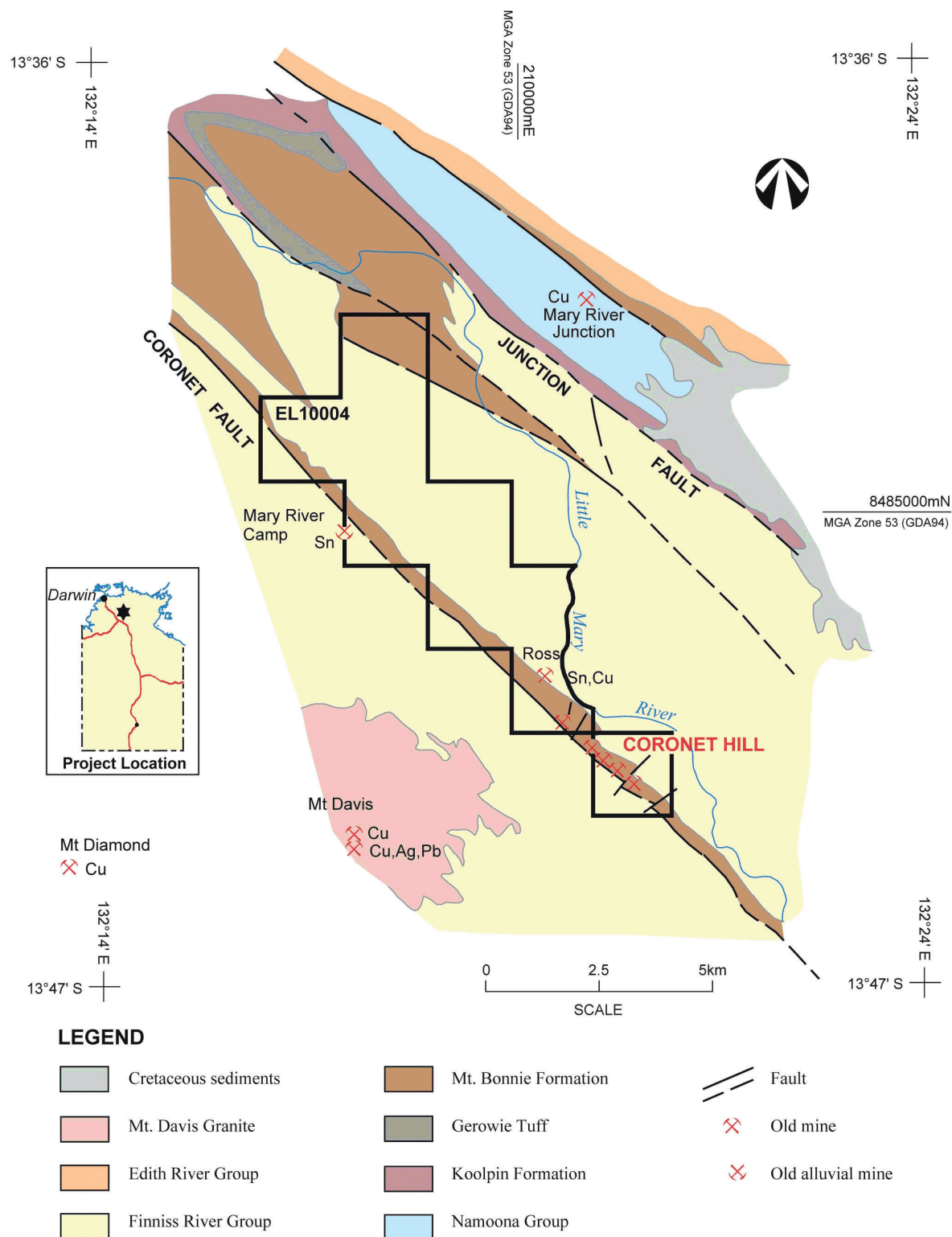


Figure 4

CORONET HILL PROJECT - RESULTS & TARGETS

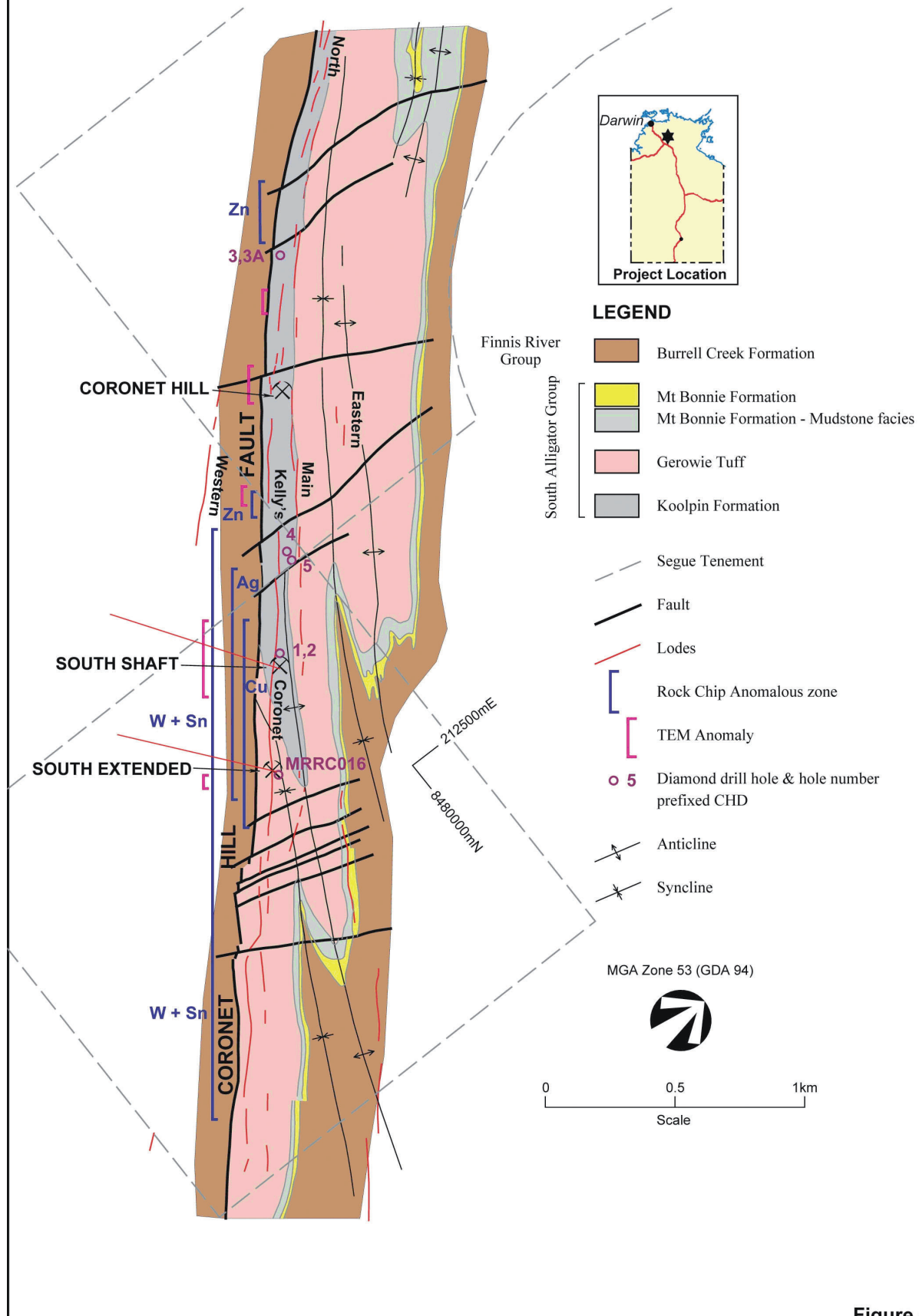


Figure 5

5. MINERALISATION AND THE MINES

5.1 CORONET HILL

Tin, tungsten, copper, arsenic and minor lead, bismuth, zinc, gold and silver mineralisation is known to occur in the Coronet Hill area. Mineralisation occurs in a number of sulphide-bearing veins within lodes over a known strike length exceeding 4km generally interpreted as fault-controlled and fault parallel. The entire Coronet Fault (over a length of 10km within the Tenement) is strongly anomalous for tin, tungsten, copper, arsenic, silver and lead. The area was originally mined for silver then later for copper and tin (Figure 4).

Two outer sets of quartz-tourmaline veins, named the Eastern and the Western Lodes, converge north-westerly towards the main Coronet Fault and enclose a central set of sulphide-bearing veins. Five of the sulphide-bearing veins overlap each other and are arranged en echelon over the length of the field. These sulphide-bearing veins also converge towards the north-west.

The Main Lode and Kelly's Lode join into a composite quartz-tourmaline, sulphide-bearing vein named the North Lode. With few exceptions, all the mineralised veins dip steeply in a south-westerly direction (Figure 5). Although the quartz-tourmaline veins can attain thicknesses well in excess of a metre, they are commonly less than 30 cm.

Much of the North Lode is in siltstone: Kelly's Lode is on the boundary between siltstone and chert: while most of the Main Lode, Coronet Hill Lode and South Lode are within chert. These lodes are usually straight and regular, consisting of silicified chert (or siltstone) and vein quartz with local developments of massive scorodite (an iron-arsenic oxide) or gossan.

The Coronet Hill lode, which has the greatest lengths of massive gossan and scorodite in outcrop, provided the majority of the past production of copper ore. The workings consisted of two adits, from which about 300m of drives and cross-cuts were driven, and at least eight shafts, of which the deepest was about 40m.

The copper grade reportedly averaged about 5 per cent. with some enriched zones grading up to 16 per cent. Cu and 1225 g/t Ag. Less than 250 tonnes of ore grading about 22 per cent. Cu and 550 g/t Ag were extracted in the period 1916 to 1918. The veins were mined between 1888 and 1918. The primary ore contained:

<i>Mineral</i>	<i>Ore Type</i>
Chalcopyrite	Copper
Covellite	Copper
Enargite	Copper-Arsenic
Cuprite	Copper
Arsenopyrite	Arsenic sulphide
Pyrite	Iron sulphide
Pyrrhotite	Iron sulphide
Tetrahedrite	Copper-Antimony
Galena	Lead
Cassiterite	Tin
Wolfram	Tungsten
Scheelite	Tungsten

Lode and alluvial tin was produced from the Mary River Camp. The alluvials have a recorded production of 46 tonnes of tin concentrate between 1910 and 1913. Production between 1910 and 1913 was mainly from alluvial concentrations in the creeks. Limited mining was done on cassiterite-bearing quartz veins which were probably the source of the alluvial deposits. Minor amounts of tin were produced from quartz-tourmaline veins at the Ross Mine. The veins were about 0.3m wide and contained cassiterite, arsenopyrite and chalcopyrite and trended north-westerly.

5.2 PAST EXPLORATION OVERVIEW

Early investigations were conducted by Federal and Northern Territory government agencies from 1919 to the 1960s. The government initially praised the potential of the Coronet Hills area, advocating it as a site for a smelter to service the mines of the district and recommending a light railway connection to Pine Creek.

In 1951 the Northern Territory Geological Survey recommended exploration of and development on the lodes.

Company investigations began from the mid 1960s and they generally concentrated upon an appraisal of the base metal potential.

In 1962 Northern Territory government mapping and appraisal of the vein systems was carried out and a subsequent drilling program was promoted but apparently not carried out.

In a 1982 Northern Territory and Federal government publication it was stated that:

“The workings extend intermittently over a total length of about 2½ miles, and consist of two adits from which about 1000 feet of drives and cross-cuts have been driven, and at least eight shafts, of which the deepest is about 120 feet. Most of the work appears to have been done between 1916 and 1918.

The lodes average 2 to 3 feet thick, with occasional bulges up to 10 feet, but assay values are very erratic. Of a group of 35 samples taken in 1961, 12 gave assays of over 5 per cent. Cu, 20 contained 8 to 30 oz Ag per ton, and 2 contained over 15 per cent. Pb. Pyrite and arsenopyrite are always present in the primary ore, and scorodite (iron arsenate) commonly occurs in the oxidised zone. Gold is generally low (less than 1 dwt per ton), but up to 0.7 per cent bismuth and traces of antimony may be present.”

- (a) The first documented explorer from the mid 1960s was United Uranium NL who was able to secure tenure not only over Coronet Hill, but also other fields in the district and revisited the idea of a central treatment plant. Using known parameters of the Coronet Hill field, including a postulated productive length of 3000', a width of 3', a mineable depth of 3000', an in situ copper grade of 5 per cent., and allowing for low grade material to be left as pillars, mining dilution etc, it rather optimistically postulated that 3.8 million tons of 4.2 per cent. Cu and 12 ozs Ag/ton material might be found, mined and milled. A drilling program to delineate reserves was proposed, but apparently not carried out for unknown reasons.
- (b) The second documented explorer was Geopeko who from 1981 were active at the Coronet Hill area as part of a large regional program searching for Mt Bonnie stratiform base metal style mineralisation associated with Gerowie Tuff and Mt Bonnie Formation of the South Alligator Group. It concluded that a significant tonnage of ore grade material may be present at Coronet Hill and that the Gerowie Tuff was prospective for stratiform base metal mineralisation. However, no work was carried out possibly due to budget constraints.
- (c) Australian Coal and Gold Holdings and Troy Resources Ltd held a tenement which covered all of the area of the Tenement during the late 1980s. Initial target commodities included tin, gold, uranium and diamonds. Exploration consisted of gridding; detailed geological mapping; rock chip sampling; stream sediment sampling with geochemical analysis of the fine fraction and mineralogical examination of the coarse, heavy mineral fraction; and an airborne magnetometric/radiometric survey.

The Mary River Camp tin occurrences, which occur about 7km north-west of the Coronet Hill mine, were gridded and geologically mapped. This indicated a complex system of quartz-tourmaline veins, quartz veins and granite dykes with associated tin mineralisation. Tin values of up to 3.3 per cent. resulted from sampling of shallow prospecting pits.

Rock chip sampling was taken over two traverses 65-75m in length and about 100m apart. The southerly covered the main mineralised zone and the northerly was about 100m north of that zone.

Sample intervals were irregular and, unfortunately, various uncertainties in sample location and numbering render the results less than optimal. Nevertheless that traverse reportedly averaged about 0.1 per cent. tin which must be regarded as highly encouraging. Actual tungsten assays were not given but were described as “low”.

A low density BLEG gold sampling program located two weak anomalies within the area the subject of the Tenement. Bulk sampling for tin at Mary River Camp was unsuccessful.

The companies undertook a rock chip sampling program of gossanous cherts over a strike length of 900m, with the cherts occurring about 500m north-east of the Coronet Hill line of lode. Base metal assay results peaked at 1.54 per cent. lead, 1910ppm zinc and 37.5ppm silver; apparently no assaying for tin or tungsten was carried out. Drilling follow-up was proposed but not undertaken possibly due to budget constraints.

Prospecting and gossan or rock chip sampling were carried out on the main Coronet Hill line. Eight RC holes for a total of 427m were drilled into the most likely prospects. Three holes were drilled at Kelly’s Lode, two at South Shaft and two at South Extended Shaft (Figure 4). The eighth tested a small gossan zone about 100m west of Kelly’s adit. Others tested the general lode systems.

The drilling beneath the gossan outcrops intersected massive and disseminated sulphide mineralisation consisting dominantly of arsenopyrite and pyrite. The zones of massive sulphide were thin (1.0 to 1.5m true thickness). Best values of economic significance were in hole MRRC-16 which assayed 2.96 per cent. copper, 0.6 per cent. lead, 0.7 per cent. zinc, 0.9 per cent. arsenic and 6.9 oz/t silver over a 5m down-hole interval and 1.5m true width. It was suggested that the hole intersected the mineralisation down-dip of the structure. Unfortunately the samples were not assayed for tin or tungsten and the tenure was relinquished possibly due to budget constraints.

- (d) The same ground was later taken up by Mineral Resources Corporation P/L and Kakadu Resources NL. An initial 55 sample stream BLEG survey assessed the region. A total of 84 soil samples and 24 rock chip samples were taken in the northern parts of the tenement and along the north-western extent of the Coronet Fault. No near-surface indication of extensive economic mineralisation was found and the tenement was again relinquished as the JV had higher priority targets elsewhere.
- (e) During much of the late 1980s to mid 1990s, the area was held by a consortium whose varying members had experience in Northern Territory gold and base metal development and production: it included Aztec Mining Co Ltd, Dominion Mining Limited, Territory Goldfields NL, Northern Gold NL and Normandy Metals Ltd. They concentrated on base metals and gold, and on tin and tungsten to a much lesser extent. Tenements covered all of the area the subject of the Tenement, but reporting of the data is very fragmented.

The initial investigations mainly covered areas north-west of the Tenement. Detailed stream sampling of –40 mesh material was carried out, with a sample density of 170 – 250 metres apart in all streams draining off or alongside the Coronet Fault. The north-western extent of the Coronet Fault was not found to be anomalous. Lead and tin stream anomalies were confined to the historically mined areas. Rock chip follow-up of the stream tin anomalies only returned values up to 159ppm tin.

This work was followed by a lag sampling program on a 200 m x 700 m basis, and then by a 500 m x 100 m soil BLEG program for gold, arsenic and base metals, tin and tungsten, covering the Coronet Fault and immediately to the east of it.

Although this licence covered only one block of the Tenement, it did cover a strike length of two kilometres of the Coronet Fault 8km north-west of the main workings and at the extreme north-west part of the Tenement. The repetitive and intensive geochemical campaigns can be regarded as having eliminated any chance of near surface base and precious metal mineralisation in that block. However, strong tin anomalies resulted and there are occasional moderate tungsten anomalies.

Another tenement held by Aztec Mining, Normandy Metals and Northern Gold covered only the most south-easterly block of the Tenement. A first pass rock chip program found significant lead, arsenic and tin anomalism associated with the south-eastern end of the Coronet Fault, and a second parallel zone some 400m south-west of the Tenement. Stream BLEG gold values were not anomalous.

A further small tenement covered the most north-westerly part of the Coronet Fault within the Tenement. A very detailed stream sediment program, at a sampling density of $\pm 16/\text{km}^2$, was completed. The stream sediment analysis revealed a broadly coincident area of anomalous lead and tin that is located over and adjacent to the Coronet Fault zone. Copper, zinc, silver, arsenic, bismuth and gold were at background levels and tungsten anomalism was both weak and uncommon.

A rock chip sampling program over the gossanous lodes which sourced the tin, lead and arsenic stream sediment anomalies returned only low-level tungsten values.

In a further exploration licence, mapping and rock chipping programs were concentrated on the Coronet Fault zone. This work revealed the Coronet Hill target area is geochemically highly anomalous and defined a coincident lead and tin stream geochemical anomaly that required follow-up exploration. A metal zonation was recognised and areas with high base metals but low arsenic were indicated. Anomalous areas were pegged with mineral claims in order to carry out further exploration.

In order to maintain tenure over core ground in the face of statutory exploration licence partial relinquishment requirements, the main Coronet Hill mine area was pegged with mining claims. Gridding, mapping, detailed stream sediment sampling, gossan rock chip sampling and follow-up diamond drilling was undertaken on them. The mapping was detailed, and supported the close spaced stream sediment sampling (125 samples at 300 – 400 m spacing in all drainages along and off the Coronet Fault). The gossans were systematically rock chipped at intervals of 30 – 40m.

This rock chipping covered a strike length of about 10km and was the first program in which tungsten was consistently assayed. Of the 295 samples, most assays would be described as anomalous, with 36 exceeding 0.1 per cent. tungsten and five exceeding 1 per cent. Figure 5 shows bracketed zones of anomalous tin, tungsten, copper, silver and zinc along the Coronet Fault.

There is no record of any ultraviolet lamping campaigns and so this program does not indicate the potential for tungsten mineralisation as scheelite in the altered rocks surrounding the 1-2m thick gossans.

A transient electromagnetic (TEM) survey was carried out at Coronet Hill using 25 traverses of about one kilometre in length, and spaced 100m apart. Several conductors were revealed, located above a consistent deeper conductor, which was present over the entire length of the survey grid. Of the shallower conductors one is prominent. It was tested by five diamond holes within MLN 20 but they indicated that the conductors were carbonaceous black shale. Hole CHD2 was only assayed between 261m-267m and returned the following:

- average tin 174 ppm
- average tungsten 293 ppm
- peak tungsten 1350 ppm 265-266m

- peak copper 1.8% 264-266m

Drill holes CHD 3 & 3A were targeted to test Coronet Hill structures in albitic chert beds below a strong zinc, lead and copper rock chip anomaly. Thin sulphide veinlets with galena, sphalerite, chalcopyrite and arsenopyrite were intersected. However there were no economically significant grades. Fourteen samples, based on the presence of sulphide mineralisation, were assayed with peak tin value of 135ppm and tungsten value of 30ppm.

CHD4 was targeted to test down dip from gossan developed on the surface in a shear link structure between Kelly's Lode and Main Lode. The hole was abandoned at 151m as it had become too steep. A second hole, CHD 5, was collared close-by and was drilled to test the same target. Narrow sulphide filled veins (predominantly pyrite and arsenopyrite) were intersected throughout the hole, but with no encouraging base metal assays. Again, the presence of base metal mineralisation determined the intervals for assaying which comprised only 13 samples. The peak tin assay was 100 ppm, but strong tungsten mineralisation is evident as follows:

140.0 – 140.5m	0.48%
179.7 – 180.8m	750 ppm

It was generally noted by the consortium that:

- The Coronet Hill mineralisation is polymetallic and there is good potential to locate areas of significant mineralisation with lower 'penalty' metals (i.e. low arsenic and bismuth which the refiner will charge for if in high amounts).
- A lateral mineral zonation was revealed (Figure 4).
- The EM conductive anomalies are caused by carbonaceous mudstone, however there are discrete subtle responses that could reflect sulphide mineralisation and still require explanation.
- The mineralisation style is similar to that which was then being mined at Woodcutters, to the east of Rum Jungle (Figure 1) in the Pine Creek Geosyncline. It occurs in dextral (right hand movement) strike slip faults and is best developed in northerly trending shear link structures that cross cut the north-west trend.
- The diamond drilling revealed wide alteration zones although the base metal sulphide-filled veins are only thin (<1 m).
- Geological mapping and airborne magnetics indicate that the Mt Diamond granite shallowly underlies most of the mapped area.

Northern Gold NL finally undertook a detailed soil sampling program. Lines were spaced at 400 m; samples were collected every 25 m and composited to 100 m. They were assayed for BLEG gold, arsenic and for base metals and volatile elements including tin and tungsten.

The lists of assays clearly show anomalous tin and tungsten assays. Incorporation of them into a GIS database may well indicate targets and these may not be directly associated with the known gossanous zones.

- (f) A final exploration effort by Dominion Mining NL and Minotaur Gold NL was over a tenement which covered all but the southern portion of the Tenement. It was initially subjected to a lag geochemical sampling program. A number of weak zones of gold and incoherent base metal anomalism resulted. Follow-up was a low-key reconnaissance soil sampling and rock chip sampling program which did not provide any encouragement.

5.3 PGE POTENTIAL

It is intended to undertake at least preliminary investigations of the Coronet system to determine whether it may host PGE mineralization. The rationale is the occurrence of the significant Coronation Hill deposit some 25km to the north-east, for which mineralisation has been published as standing at 4.85Mt at 4.31g/t gold, 0.19g/t platinum and 0.65g/t palladium.

Comparisons between the two mineralised systems are tabulated below.

<i>Characteristic</i>	<i>Coronation Hill</i>	<i>Coronet Hill</i>
Host stratigraphy	Koolpin Farm Gerowie Tuff Debris Flow Conglomerate Capping Sandstone	Koolpin Farm Gerowie Tuff
Host lithologies	Tuffaceous siltstone Quartz feldspar Porphyry Quartz diorite	Carbonaceous & dolomitic mudstones, mudstone, chert and albitic chert
Structural control	Very strong North-west trending fault systems	Strong North-west trending fault systems
Proximity to intrusions	Immediate	Mt Diamond granite “underlies shallowly”
Mineralisation	Gold, PGE (uranium, selenium, antimony, silver) Low sulphides, minor base metals	Tin, tungsten, copper, arsenic (lead, bismuth, zinc, gold, silver) High sulphides, strong base metals.
PGE	Yes	No known assays
Alteration	Sericite, chlorite, quartz	Quartz-tourmaline, chlorite, hematite, albite
Length of mineralised system	South Alligator field: 15-20km	Coronet Fault System: >10km
Mineral zoning	Yes	Yes

5.4 REVIEW OF SEGUE SOIL SAMPLING

The most south-easterly block of the Tenement has been subject to a soil sampling program by Segue in the 2006 field season. Sampling pattern was mostly 100m x 25m utilising the existing northeast-southwest Aztec grid. The principal known zone of mineralisation in that block had previously had minor drill assessment by Aztec’s relatively shallow drill holes MRRC 013, 015 and 016 and diamond drill hole CHD01 (Figure 5).

For comparative purposes a single line was run across the main zone of historic workings in the next block to the north-west (Figure 5).

Tungsten is expected to be particulate and thus not prone to geochemical dispersion. The main mineralised trend is evident over the 1km of tested strike, and mineralisation is strongest over the two most north-westerly sample traverses. It is open beyond that distance and extension of the survey is well warranted. That main anomaly is also 100 – 150m wide with a halo almost doubling that and so indicates potential for a broad mineralised zone.

A weaker, but consistently anomalous, trend is also evident near the upper contact of the main target stratigraphic unit approximately 300m north-east across strike.

The single traverse across the main workings – where the limited drilling to date has been concentrated – was only weakly tungsteniferous and better results returned from the south-west extremity of the sample line, indicating a possible new target zone.

Tin should be particulate and so dispersion is likely to be principally by mechanical means. While the main mineralised trend is evident, anomalism is spatially restricted. The best mineralised zone in terms of assay and thickness occurs over the most south-easterly four traverses. Mineralisation is strengthening and broadening to the south-east, and generally occurs beyond any existing drilling. Extensions to the sampling program are warranted. Anomalism to the south-west of the main mineralised line of lode is also evident in both that south-west direction and there is evidence of a second and parallel zone some 300m south-west of that main zone.

Lead anomalism tracks the main lines of lode clearly, and at least two other target zones are indicated stratigraphically to the north-east and there may be a new target emerging along the western boundary of that the sampled tenement block.

Potential for the discovery of new lode zones, or more dispersed mineralisation, is evident.

Copper assays indicate at least three other mineralised zones parallel, and in addition, to the main line of lode and mineralisation is open along strike in both directions. This has not been closed off by the sampling along the traverses in both north-east and south-west directions.

The following are the salient features:-

- Mineral zoning is evident;
- The mineralisation system is open along strike, is broad, and consists of multiple target zones;
- Soil sampling is demonstrated to be a valid exploration technique and its coverage should be expanded throughout the Tenement;
- The sampling results clearly demonstrate the grossly inadequate drill testing of the Coronet Hill system to date; and
- Element assay coverage should be extended to include PGE.

5.5 OVERVIEW OF PAST WORK

The Coronet Fault zone has long been recognised as having base metal and tin potential. During the modern exploration phases of the 1980s and 1990s, tin prices were depressed and consequently there was little effort directed towards it other than being ancillary to assessment for gold and base metals. Tungsten has received even less attention and PGE none.

Since 2002, (when Arafura first acquired the Tenement), we have entered a mineral commodities ‘supercycle’, as evidenced by the following US dollar price increases in the commodities sought at Coronet Hill, as follows:

<i>Metal</i>	<i>July 2002</i> <i>US\$</i>	<i>November 2006</i> <i>US\$</i>	<i>Increase</i> <i>%</i>
Tungsten	40/mtu	290/mtu	725
Tin	4,000/t	10,200/t	255
Copper	0.70/lb	3.20/lb	457
Lead	0.20/lb	0.70/lb	350
Gold	315/oz	620/oz	198
Silver	4.80/oz	12.80/oz	266
Platinum	540/oz	1200/oz	220

It is noted that recent increases in Australian capital and operating and labour costs have partially offset these gains in commodity prices.

5.5.1 Base Metals

Successive waves of geological sampling over the years, combined with mapping in this area of good outcrop, have clearly defined the near-surface target base and precious metal zones. Although drilling has been limited with respect to both the number of holes and the depth which they have tested, the dozen holes to date have not given any reason to believe that the thin mineralised lodes seen at surface are likely to host economic tonnages of ore at shallow depth.

Because of the widespread surface anomalism, there is a possibility for a significant base metal deposit to occur at greater depths than have been tested to date. Geophysical techniques, such as gravity, magnetics and EM will be required to define specific target zones along the extended mineralisation belt. While EM has previously been conducted and limited drilling of the larger EM anomalies found them to be caused by sulphidic black shales, those previous explorers did comment that other more subtle anomalies had not been explained and so they remain as targets.

5.5.2 Tin & Tungsten

There has been considerable geochemical investigation for tin and this has resulted in the recognition that the entire Coronet Fault zone in the Tenement is considered as strongly anomalous and an obvious target. The tin stream, soil and rock chip anomalies have yet to be followed up. Together with a second anomalous zone 400-500m separated from the main Coronet Hill line of lode, a broader target has been defined. To date, the rock chip sampling, as was the case for the selective assaying of the drill core, has been concentrated on obvious gossan or strongly sulphidic zones.

Turning to tungsten, even less work has been done. Nonetheless it is apparent that the tungsten anomalism is just as extensive along the Coronet Fault zone as is tin. Furthermore, a tin-tungsten zonation is evident at Coronet Hill with a preferred target about 2.5km long (Figure 4) and the limited drill core assaying has recovered grades with economic potential.

Segue has advised that it has accessed some of the historic drill core and that ultraviolet (“UV”) lamping of it has revealed significant tungsten mineralisation in the form of scheelite.

Additional targets are that the tin and tungsten be hosted by quartz or sulphide veins as a stockwork or sheeted system around the main lodes, or be disseminated in the country rock around or between those lodes. Previous testwork for tin and tungsten was confined to the known lode systems. It is intended to initiate a detailed soil sampling program beginning in the most south-easterly block of the Tenement. This is a logical first step in the exploration for broader zones of tin and tungsten.

The mineralisation, by analogy with other producing fields, is highly likely to exhibit strong vertical zoning. Past explorers have interpreted depth to granite basement to be “quite shallow”, although modelled depths were not quoted. It is quite possible that the extent and tenor of mineralisation will improve strongly with depth.

5.5.3 Platinum Group Elements

There are sufficient similarities between Coronet Hill and Coronation Hill to justify at least the initiation of an appraisal of the former for PGE mineralisation. Given the relationship between PGE and precious metal mineralisation and faults at Coronation Hill, the faults and lode structures at Coronet Hill would be the obvious first target.

Coronation Hill is one of a very small number of hydrothermal platinum deposits in the world formed entirely from low to moderate temperature fluid action. Platinum-palladium-gold mineralisation occurs in structurally controlled lenses in Proterozoic meta-shale and in altered volcanics near an unconformity with overlying sediments.

It is hydrothermal replacement of wallrock that is responsible for mineralisation and there does not appear to be a preference for any particular rock type (Carville et al, 1990). Ore occurs in 2-35m wide tabular bodies which are sub-parallel to north-north-west splays of the regional structure. The location of these bodies is attributed to fracturing that provides channel-ways for mineralising solutions.

Interestingly, gold and PGE appear qualitatively related (Carville et al, 1990) and sulphide minerals only occur in trace amounts in mineralised zones. Although no significant gold mineralisation has been shown to exist at Coronet Hill, enough primary similarities exist between Coronation Hill and Coronet Hill to investigate a hypothesis of similar mineralisation styles. As far as it is possible to determine, no PGE analyses have ever been completed on samples in this tenure.

6.0 PROPOSED WORK PROGRAM

6.1 Expenditure Commitment

North River, pursuant to budgets agreed with Segue pursuant to the Farm-in Agreement, proposes to spend a minimum of £100,000 in Year 1 and £300,000 in Year 2 on the Tenement. Detailed exploration budgets are contained in Tables 3 and 4.

6.2 Work Program

The work program for the Tenement will include some or all of the following:

- Ongoing review and compilation of all previous data into a GIS database, thus increasing exploration efficiency to generate targets in the future.
- Regional and local geological reconnaissance/mapping to gain a better understanding of the structural and stratigraphic nature of the mineralization.
- Surface rock chip and/or soil sampling to identify areas of geochemical anomalism.
- 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.
- Create access for field work.
- Auger, RAB, RC and/or diamond drilling to test generated targets.

Table 3 Exploration Budget for Coronet Hill – Year 1*Project: Coronet Hill Exploration Program*

	<i>Year 1</i>	<i>Total AUD\$</i>
Heavy Earth Moving Equipment Hire		
Mob/Demo + Clearing of Road/Tracks, Drill Access /Pads	\$10,000.00	\$10,000.00
Sub-total		\$10,000.00
RC Drilling for 10 Holes, totalling 2000 metres		
Drill Contractor		
–Mobilisation/Demobilisation	\$5,000.00	\$5,000.00
–RC – (av. \$50.00/m) (estimated at 2000m)	\$100,000.00	\$100,000.00
Geologist for drilling (30 Days @ \$500/day)	\$15,000.00	\$15,000.00
Field Assistant (30 Days @ \$350/day)	\$10,500.00	\$10,500.00
Vehicle (30 Days @ \$120/day)	\$3,600.00	\$3,600.00
Accommodation Mary River Roadhouse – Geo (30 Days @ \$100/day)	\$3,000.00	\$3,000.00
Accommodation Mary River Roadhouse – Field Assist (30 Days @ \$100/day)	\$3,000.00	\$3,000.00
Accommodation Mary River Roadhouse – Drillers x 3 (25 Days @ \$100/day)	\$7,500.00	\$7,500.00
Sub-total		\$147,600.00
Assay Laboratories Analysis		
Geochemistry for RC Drill Samples (\$25/sample for 860)	\$21,000.00	\$21,000.00
Sub-total		\$21,000.00
Drilling Consumables/General Consumables		
Drilling Consumables (foam, oils, PVC pipes etc)	\$1,000.00	\$1,000.00
General Consumables (PVC Bags, calico bags, pens, markers etc)	\$2,000.00	\$2,000.00
Sub-total		\$3,000.00
Trucking Bulk Sample to Perth		
Transportation of samples from site to WA	\$4,000.00	\$4,000.00
Sub-total		\$4,000.00
Professionals Services		
Principal Geologist (average 5 Days/ month @ \$700/day x 9months)	\$31,400.00	\$31,400.00
Sub-total	\$31,400.00	
Travel		
Airfares	\$10,000.00	\$10,000.00
Sub-total		\$10,000.00
Overheads		
Overheads (10%)	\$23,000.00	\$23,000.00
Sub-total		\$23,000.00
Total	\$250,000.00	\$250,000.00

Table 4: Exploration Budget for Coronet Hill – Year 2*Project: Coronet Hill Exploration Program*

	Year 2	Total AUD\$
Heavy Earth Moving Equipment Hire		
Clearing of Roads/ Tracks/ Drill Lines/Pads	\$50,000.00	\$50,000.00
Sub-total		\$50,000.00
RC Drilling for 20 Holes, totalling 3,000 metres		
Drill Contractor		
–Mobilisation/Demobilisation	\$7,000.00	\$7,000.00
–RC – (av. \$50.00/m) (estimated at 3000m)	\$150,000.00	\$150,000.00
Geologist for drilling (50 Days @ \$500/day)	\$25,000.00	\$25,000.00
Field Assistant for drilling (50 Days @ \$350/day)	\$17,500.00	\$17,500.00
Vehicle for drilling (50 Days @ \$130/day)	\$6,500.00	\$6,500.00
Accommodation Mary River Roadhouse – Geo (50 Days @ \$120/day)	\$6,000.00	\$6,000.00
Accommodation Mary River Roadhouse – Field Assist (50 Days @ \$120/day)	\$6,000.00	\$6,000.00
Accommodation Mary River Roadhouse – Drillers x3 (40 Days @ \$120/day)	\$14,400.00	\$14,400.00
Sub-total		\$232,400.00
Diamond Drilling for 10 Holes, totalling 1200 metres of core		
Drill Contractor		
–Mobilisation/Demobilisation	\$7,000.00	\$7,000.00
–Diamond (2 shift) – (av. \$130.00/m) (estimated at 1200m)	\$156,000.00	\$156,000.00
Geologist for drilling (20 Days @ \$500/day)	\$10,000.00	\$10,000.00
Field Assistant for drilling (20 Days @ \$350/day)	\$7,500.00	\$7,500.00
Vehicle for drilling (20 Days @ \$130/day)	\$2,600.00	\$2,600.00
Accommodation Mary River Roadhouse – Geo (20 Days @ \$120/day)	\$2,400.00	\$2,400.00
Accommodation Mary River Roadhouse – Field Assist (20 Days @ \$120/day)	\$2,400.00	\$2,400.00
Accommodation Mary River Roadhouse – Drillers x 6 (20 Days @ \$120/day)	\$14,400.00	\$14,400.00
Sub-total		\$202,300.00
Assay Laboratories Analysis		
Geochemistry for RC Drill Samples (\$25/sample for 1200)	\$30,000.00	\$30,000.00
Geochemistry for Diamond Drill Samples (\$25/sample for 600)	\$15,000.00	\$15,000.00
Sub-total		\$45,000.00
Drilling Consumables/General Consumables		
Drilling Consumables	\$8,000.00	\$8,000.00
General Consumables	\$4,000.00	\$4,000.00
Sub-total		\$12,000.00
Trucking Bulk Sample/ Core to Perth		
Transportation of samples / core from site to WA	\$10,000.00	\$10,000.00
Sub-total		\$10,000.00
Professionals		
Principal Geologist (average 9 Days/month@ \$700/day x 11 months)	\$69,300.00	\$69,300.00
Sub-total		\$69,300.00
Travel		
Airfares	\$15,000.00	\$15,000.00
Sub-total		\$15,000.00
Geophysics		
Interpretation	\$20,000.00	\$20,000.00
Sub-total		\$20,000.00
Metallurgical		
Ore characteristic studies / petrology etc	\$20,000.00	\$20,000.00
Sub-total		\$20,000.00
Overheads		
Overheads (10%)	\$74,000.00	\$74,000.00
Total	\$750,000.00	\$750,000.00

7. CONCLUSIONS

The Coronet Hill poly-metallic anomalous mineralisation has been demonstrated to exist over the considerable strike length of ten kilometres. The structural ‘stacking’ of lodes provides a good potential for further mineralisation to occur down-plunge, between those lodes and at depth. This could provide sufficient tonnage for a future mining operation.

It is considered that the Coronet Fault may represent a low angle thrust surface at depth, as indicated by strikingly parallel mineralised lodes. Clearly, mineralisation is structurally controlled and has a component of lateral movement. An understanding of the regional stress regime and sense of movement is critical to identifying mineralised plunge components created in zones of minimal compressive stress. This information can be gained from well-targeted diamond drill holes.

To date, efforts have been concentrated upon the outcropping lodes, and exploration of these has been mainly directed at base metals. Drilling has been surprisingly sparse and that so far carried out has only tested to shallow depths. Main targets are seen as:

- Tin and tungsten-bearing sulphides near surface and at depth, particularly near interpreted granite margins;
- PGE associated with fault structures and hydrothermal alteration; and
- Base metal sulphides at depth.

Recent soil sampling has re-confirmed surface poly-metallic anomalism associated with the main Coronet Fault and sub-parallel structures. This work has also highlighted numerous subtle anomalies that still require explanation.

A gradient-array IP survey is being implemented to target the known sulphide-bearing mineralisation, primarily pyrite, chalcopyrite and arsenopyrite. The aim of this IP survey is to delineate zones of high chargeability due to disseminated sulphide concentrations that will translate to direct drilling targets. Secondly the collected resistivity data will assist in delineating lithology, structure and zones of alteration to create second-order drilling targets.

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GLOSSARY OF TECHNICAL TERMS AND ABBREVIATIONS

adit	Horizontal tunnel into a hill.
Ag	Silver
albite	A form of the very abundant rock-forming minerals of the feldspar family.
alluvium	A sediment deposited by water.
alteration	The change in the mineral composition of a rock, commonly reactions due to hydrothermal activity.
amphibole	Common rock forming mineral composed of silicates rich in magnesium, iron, aluminium, calcium and sodium.
amphibolite	A metamorphic rock consisting of amphibole and plagioclase.
anticlinal	arch-like form convex upwards.
anomalous	Deviating from the normal: usually refers to significant or unusual data.
aaplite	fine-grained light colour granite – mainly quartz & feldspar.
Archaean	The oldest rocks of the Earth's crust – older than about 2,400 million years.
Arsenopyrite	An ore of Arsenic – Iron arsenic sulphide.-also known as mispickel.
As	Arsenic.
assay	Accurate laboratory determination of the concentration of a given element in a sample.
Au	Gold.
base metal	A metal inferior in value to precious metals e.g. copper, lead, zinc.
basement	A general term for rocks considered older than and/or below the target rocks.
batholith	body of intrusive igneous rock that crystallised deep within the earth.
Bi	Bismuth.
BLEG	Bulk leach extractable gold analysis; an analytical method for accurately determining low levels of gold.
Cainozoic	The division of geological time extending from 65 million years ago to the present.
carbonaceous	Containing fossil organic material in the form of coal or graphite.
cassiterite	Tin dioxide – principal ore of tin.
chalcopyrite	Copper iron sulphide – Brassy-yellow copper mineral.
chargeability	A geophysical measurement of how much electricity can be stored in the ground that is commonly used to develop an estimate of the abundance of metallic sulphide minerals below the surface.
chert	A very fine grained rock composed of silica, often banded.
clastic	Referring to fragments of pre-existing rocks produced by weathering and erosion – if they accumulate and lithify, clastic rocks result.

colluvium	Sediment mass deposited from transport down a slope by gravity but not by stream flow – or colluvial.
cordierite	A Mg-Al-silicate metamorphic mineral.
costean	A trench through the surface soil or debris to expose the bedrock or undisturbed weathered rock for mapping and sampling.
covellite	Copper sulphide – indigo coloured copper mineral.
Cu	Copper.
cuprite	A red, brown or black ore of copper; cuprous oxide.
dendritic	Branching – tree-like pattern.
diamond hole/drilling	A type of drilling with an annular diamond-impregnated bit that returns cylindrical rock samples for evaluation.
diorite	An intrusive rock intermediate in composition between acid and basic.
Dipole-dipole	A Geophysical survey method for measuring electrical properties of the earth to assist with defining exploration targets.
dolerite	An intrusive, mafic (dark-coloured) igneous rock consisting essentially of calcium-rich plagioclase and some pyroxene mineral, usually augite. Its grain size (texture) lies between coarse-grained gabbro and fine-grained basalt.
dolomitic	Pertaining to dolerite – very fine grained, hard black igneous rock.
DPIFM	(Northern Territory) Department of Primary Industry & Fisheries & Mining.
early Proterozoic	Early part of the Proterozoic Era.
electromagnetic survey	See EM survey.
eluvium	Sediment mass deposited from transport by channelled or overbank stream flow or by the wind. Also eluvial.
EM survey	Electromagnetic survey, a method of measuring the alternating magnetic fields associated with electrical currents artificially or naturally maintained in the subsurface.
enargite	A black copper mineral – copper, arsenic, sulphide.
epicontinental	Found on or in a continent.
faulting or fault	Fractures in rocks on which there has been movement on one of the sides relative to the other and parallel to the fracture.
feldspar	A group of abundant rock-forming aluminous silicate minerals containing potassium, sodium, calcium or barium.
felsic	A group name for light coloured silicate minerals that are poor in iron and magnesium and for rocks in which these minerals are abundant.
flysch	old term for marine sandstone sedimentation.
folding	Bending of strata or of any planar structure.
galena	Ore of lead- lead sulphide, usually cubic shape crystals.

geochemistry	The study of the variation of chemical elements in rocks or soils: adj. geochemical.
geophysics	The study of the earth by quantitative physical methods.
geosyncline	A large linear trough on the earth's surface in which sediments or volcanic rocks are deposited.
GIS	Geographic Information System –.
GIS Database	A form of electronic information storage – often used for map displays.
gossan	A ferruginous deposit remaining after the oxidation of the original sulphide minerals in a vein or ore zone.
granite	A coarse grained igneous rock consisting essentially of quartz and more alkali feldspar than plagioclase.
granitic/granitoid	Pertaining to granite.
granitic	Pertaining to granite.
granitoid plutons	Plutons comprising granite.
granophyre	A microgranite.
graphyre	A microgranite.
Graywacke	a consolidated rock in which sand-sized grains of feldspar, rock fragments and quartz are set in a matrix of clay material.
gneissic	Describes metamorphic banding or alignment of minerals in an igneous rock due to regional metamorphism.
half graben	A depression bounded by a normal fault, more asymmetric. no sharp fault on other side.
hornblende	A mineral, a member of the amphibole group.
igneous	Formed by solidification of hot mobile material termed magma.
induced polarisation	Another Geophysical survey method for measuring electrical properties of the earth to assist with defining exploration targets.
intercalated	In between.
intracratonic	Within a craton.
intrusive	A body of igneous rock that was intruded while molten in to the Earth's crust.
IP	Induced Polarization, which describes either a certain type of geophysical survey or the results it produces. Induced polarization surveys involve injecting electrical current into the ground, using a generator and transmitter, and measuring the decay of the “induced” currents (hence the term) when the current is turned off, using a receiver, which is a kind of voltmeter. Generally speaking the intensity of the “IP effect” is stronger for rocks that contain metallic particles, such as pyrite, in minute amounts-as little as 1-2 per cent.. Because gold or porphyry copper deposits often contain such small amounts of “disseminated” mineralization, IP is the tool of choice for locating these types of targets.

lag	A residual accumulation of coarse hard rock fragments on the surface after the removal of finer material by wind or water.
laterite	A strongly leached iron and aluminium rich rock, formed at the surface by weathering in tropical conditions.
lithology	Relating to rocks.
lithosol	Surface cover primarily comprising weathered rocks rather than soil.
lode	A body of ore or valuable mineral.
m	Metre.
M	Million.
Ma	Million years ago.
magnetic survey	Geophysical survey which records the magnetic intensity of the Earth's field and any local distortions caused by immediately underlying rocks.
mesas	Flat topped little hills.
Mesoproterozoic	A time period from 1400 to 1800 million years ago. A sub division of the Proterozoic.
Mesozoic	A time period from 65 to 247 million years ago.
meta	A prefix meaning that the rock type has undergone metamorphism.
metallurgy	The science of extracting metals or other wanted products from ore.
Micro	a prefix used to modify a mineral or rock name and indicating it is very fine grained.
Mo	Molybdenum.
mineralisation	Any element of possible economic interest.
ML	Mining Lease, a title that allows mining.
Mtu	metric tungsten unit – approx 10kg of WO ³ .
O	Oxygen.
Orogenesis	Movements of the earth forming mountains.
Oz	Ounce.
palaeo	A prefix relating to a past, ancient or fossil feature.
Palaeoproterozoic	A time period from 1800 to 2400 million years ago. A sub division of the Proterozoic.
Palaeozoic	A time period from 570 to 248 million years ago.
Pb	Lead.
phyllite	Slaty rock with mica crystals giving a lustre. Phyllitic.
peneplation	The action of weathering and erosion to form an ultimately flat, sub-horizontal surface.
platinum-palladium-gold	Naturally occurring elements.

pluton	General term for a body of intrusive rock irrespective of its size, shape or composition.
poly-metallic	Of more than one mineral/ metal species.
PGE	Platinum Group Elements; platinum, palladium, osmium, iridium, rhodium, ruthenium.
plagioclase	A common feldspar mineral.
ppm	Parts per million (same as grams per tonne, or g/t).
Proterozoic	Geological period approximately 2400-570 Ma ago. The Proterozoic is further subdivided into Palaeo (2400-1800), Meso (1800-1400) and Neo (1400-570).
pyrite	A mineral composed of iron and sulphur, often associated with more valuable minerals.
pyrrhotite	Another form of iron sulphide – may be slightly magnetic.
RAB	Rotary Air Blast drilling that is not reverse circulation – can be subject to contamination from within the drill hole.
RC	See reverse circulation drilling.
resistivity	A geophysical method which measures how well (or how poorly) the rock conducts electrical current. Resistivity data are measured simultaneously with IP data.
resource	In-situ mineral occurrence for which there are reasonable prospects for eventual economic extraction. The location, quantity, geological characteristics and continuity are known, estimated or interpreted from specific geological evidence and knowledge.
reverse circulation drilling	Drilling method employing a repeated hammering action on a drill bit which yields sample material which is delivered to the surface inside the rod string by compressed air.
rock-chip	The collection of representative samples of rock fragments within a limited area.
sandstone	A cemented or otherwise compacted detrital sediment composed predominantly of quartz grains.
scheelite	Calcium tungstate – one of the two principal tungsten minerals.
scorodite	An iron arsenic oxide.
sediments	Solid material, both mineral and organic, that is in suspension, is being transported or has been moved from its site of origin by air, water or ice, and has come to rest on the Earth's surface either above or below sea level.
shale	A laminated sediment in which the constituent particles are predominantly clay sized (small than 0.0039mm in diameter).
silt	A sediment in which most of the particles are between 0.0625mm and 0.0039mm diameter.
siltstone	A very fine-grained clastic rock composed predominantly of silt sized particles.
slate	A finely foliated metamorphic rock that results from the metamorphism of rocks such as shale under stress.

Slaty	Pertaining to slate.
silicate	Pertaining to silica.
skeletal lithosol	A thin shallow soil showing minimal profile development and dominated by the presence of weathered rock and rock fragments.
sphalerite	zinc sulphide – ore of zinc.
stratigraphy	Composition, sequence and correlation of stratified rocks in the Earth's crust.
stream sediment sampling	A geochemical sampling technique based on the assumption that if traces of an element, such as gold, occur in a stream sediment, they have been derived from the area or catchment that the stream drains.
strike	The direction of the trace of a geological unit or structure on a horizontal surface.
sulphide	A mineral compound characterised by the linkage of sulphur and a metal ion. eg. Fe.
supergene	Secondary ores or minerals formed by downward enrichment processes due to concentration of the minerals by dissolution and precipitation associated with ground water.
surface enrichment	Upgrading of the relative quantity of a mineral or ore at the Earth's surface, due to weathering processes.
Syenite	An igneous rock composed primarily of alkali feldspar together with other minerals, such as hornblende.
t	metric tonne.
tablelands	Elevated flat-lying ground.
tectonism	The major structural processes forming faults and folds in the Earth's crust.
Tetrahedrite	Copper and antimony sulphide with silver – ore of copper & silver.
tourmaline	A family of boron-silicate-Na/Al/Mg etc minerals formed in igneous and metamorphic rocks, and often associated with other economic mineralisation.
tuff (aceous)	A compacted pyroclastic rock of cemented volcanic ash.
unconformity	Lack of parallelism between rock strata in sequential contact, caused by a time break in sedimentation.
volcaniclastic	A sedimentary rock whose constituents are derived from breakdown of volcanic primary rocks.
W	Tungsten.
weathering	The effects on rock and ore minerals of prolonged exposure to atmospheric elements such as water and oxygen.
wolfram	Iron-manganese tungstate – one of the two principal tungsten minerals.
Zn	Zinc.
zonation	Pertaining to zones.

ABBREVIATIONS

g	gram
kg	kilogram
km	kilometre
km ²	square kilometre
m	metre
m ²	square metre
m ³	cubic metre
mm	millimetre
t	tonne
oz	troy ounce, equivalent to 31.1035g

UNITS OF CONCENTRATION

ppb	parts per billion
ppm	parts per million

PART V

ACCOUNTANTS' REPORTS AND FINANCIAL INFORMATION ON THE COMPANY AND SUBSIDIARY

(a) Accountants' Report on North River Resources plc

The following is the full text of a report on North River Resources plc from UHY Hacker Young, the Reporting Accountants, to the Directors of North River Resources plc and to the Directors of Corporate Synergy Plc.



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18 December 2006

The Directors
North River Resources plc
30 Farringdon Street
London
EC4A 4HJ

The Directors
Corporate Synergy plc
30 Old Broad Street
London
EC2N 1HT

Dear Sirs

NORTH RIVER RESOURCES PLC

We report on the financial information set out in part V(b) of the AIM Admission Document of North River Resources plc dated 18 December 2006 ("the Document"). This financial information has been prepared for inclusion in the Document on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of North River Resources plc are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view for the purposes of the Document and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of North River Resources plc as at 30 September 2006 in accordance with the basis of preparation set out in note 1 to the financial information and in accordance with United Kingdom Generally Accepted Accounting Practice.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

UHY Hacker Young

(b) Financial information of North River Resources plc

The following financial information of North River Resources plc is for the period from the date of its incorporation on 13 July 2006 to 30 September 2006 and was approved by the directors on 6 December 2006.

BALANCE SHEET

As at 30 September 2006

	<i>Notes</i>	<i>30 September 2006 £</i>
Current assets		
Debtors	2	1
Total assets less current liabilities		<u>1</u>
Capital and reserves		
Called up share capital	3	1
Shareholders' funds		<u>1</u>

NOTES TO THE FINANCIAL INFORMATION

For the period ended 30 September 2006

1. Accounting policies

Accounting convention

The financial information has been prepared under the historical cost convention.

Compliance with accounting standards

The financial information has been prepared in accordance with the applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

2. Debtors

	2006
	£
Called up share capital not paid	1
	<hr/>

3. Share capital

	2006
	£
Authorised	
10,000,000,000 Ordinary Shares of £0.001 each	10,000,000
	<hr/>
Issued and fully paid	
2 Ordinary Shares of £0.001 each	1
	<hr/>

The Company was incorporated with an authorised share capital of £10,000,000 divided into 10,000,000,000 Ordinary Shares of £0.001 each, of which two were issued fully paid on incorporation.

4. Reconciliation of movements in shareholders' funds

	2006
	£
Loss for the financial period	–
Issue of shares	1
	<hr/>
Net addition to shareholders' funds	1
Opening shareholders' funds	–
	<hr/>
Closing shareholders' funds	1
	<hr/>

5. Employees

Number of employees

There were no employees during the period.

6. Subsequent events

On incorporation, the Company had an authorised share capital of £10,000,000 divided into 10,000,000,000 Ordinary Shares of £0.001 each, of which 2 were issued, fully paid, to the subscribers to the Memorandum.

On 30 November 2006, the number of Ordinary Shares issued and fully paid was increased from 2 Ordinary Shares of £0.001 each to 54,000,002 Ordinary Shares of £0.001 each. All shares issued on this date were issued for £0.001.

On 8 December 2006 the number of Ordinary Shares issued and fully paid was increased from 54,000,002 Ordinary Shares of £0.001 each to 68,000,000 Ordinary Shares of £0.001 each. All shares issued on this date were issued for £0.05.

The authorised and issued share capital of the Company at the date of this document and as they will be immediately following Admission are as follows:

<i>Authorised</i>		<i>Ordinary Shares of</i>	<i>Issued and fully paid</i>	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£10,000,000	10,000,000,000	£0.001 each	£68,000	68,000,000

On 6 December 2006 the Company acquired the entire issued share capital of North River Resources Pty Ltd for a total consideration of \$1.

Ascent Capital Holdings Pty Ltd has advanced a total of \$20,320 (£8,128) to the group for working Capital purposes. The loan is interest free and repayable on Admission.

(c) Accountants' Report on North River Resources Pty Ltd

The following is the full text of a report on North River Resources Pty Ltd from UHY Hacker Young, the Reporting Accountants, to the Directors of North River Resources plc and to the Directors of Corporate Synergy Plc.



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2 Fore Street
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18 December 2006

The Directors
North River Resources plc
30 Farringdon Street
London
EC4A 4HJ

The Directors
Corporate Synergy plc
30 Old Broad Street
London
EC2N 1HT

Dear Sirs

NORTH RIVER RESOURCES PTY LTD

We report on the financial information set out in part V(d) of the AIM Admission Document of North River Resources plc dated 18 December 2006 ("the Document"). This financial information has been prepared for inclusion in the Document on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of North River Resources Pty Ltd are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view for the purposes of the Document and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of North River Resources Pty Ltd as at 30 September 2006 in accordance with the basis of preparation set out in note 1 to the financial information and in accordance with United Kingdom Generally Accepted Accounting Practices.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

UHY Hacker Young

(d) Financial information of North River Resources Pty Ltd

The following financial information of North River Resources Pty Ltd is for the period from the date of its incorporation on 13 July 2006 to 30 September 2006 and was approved by the directors 6 December 2006.

BALANCE SHEET

As at 30 September 2006

	<i>Notes</i>	<i>30 September 2006 £</i>
Fixed assets		
Intangible assets	3	<u>1,093</u>
Current assets		
Trade and other debtors	4	<u>192</u>
Creditors: amounts falling due within one year	5	<u>(1,284)</u>
Net current (liabilities)		<u>(1,092)</u>
Total assets less current liabilities		<u><u>1</u></u>
Capital and reserves		
Called up share capital	2	1
Profit and loss account		<u>—</u>
Shareholders funds		<u><u>1</u></u>

NOTES TO THE FINANCIAL INFORMATION

For the period ended 30 September 2006

1. Accounting policies

Accounting convention

The financial information has been prepared under the historical cost convention

Compliance with accounting standards

The financial information has been prepared in accordance with the applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

Mineral rights and reserves

The company follows the “full cost” method of accounting for the costs associated with exploration, appraisal, development and production of mineral reserves. Evaluated mineral assets are held in separately designated geographical cost pools. The costs of acquisition of property (including rights and concessions), geological and geophysical costs, costs of field production facilities, and plant and equipment are classified as tangible assets if they relate to proved and probable mineral properties.

All costs associated with property acquisition, exploration and development are capitalised regardless of whether they result in commercial discoveries or not. Producing mineral assets are depleted by pool on a unit of production method in the proportion of actual production for the period to the total remaining commercial reserves. Reserves are those estimated at the end of the period plus production during the period. For depletion purposes only, the cost base includes costs of capital assets and anticipated future development expenditure.

Pre licence acquisition, exploration and appraisal costs of individual licence interests are held outside cost pools until the existence or otherwise of commercial reserves is established. These costs remain undepreciated as intangible exploration and development costs until this determination is made. When a positive determination is made the cost is transferred to a cost pool and depreciated. If a licence interest is determined to be non-commercial the cost is written off.

Foreign currencies

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.

2. Share capital

	2006 £
Issued and fully paid	
1 Ordinary Share of \$1	<u>1</u>

The Company was incorporated in Australia on 13 July 2006 with one Ordinary Share issued fully paid on incorporation.

3. Intangible assets

	2006 £
Farm-in agreement	
Acquisition, exploration and appraisal costs	1,093
	<hr/>

4. Trade and other debtors

	2006 £
Other debtors	192
	<hr/>

5. Creditors

	2006 £
Loan by Ascent Capital Holdings Pty Ltd	1,284
	<hr/>

6. Reconciliation of movements in shareholders' funds

	2006 £
Loss for the financial period	—
Proceeds from issue of shares	1
	<hr/>
Net addition to shareholders' funds	1
Opening shareholders' funds	—
	<hr/>
Closing shareholders' funds	1
	<hr/>

7. Employees

Number of employees

There were no employees during the period.

8. Related Party Transactions

Ascent Capital Holdings Pty Ltd, a company associated with David Steinepreis and Gary Steinepreis, has agreed to provide a working capital facility of up to £50,000 as and when required, to North River Resources Pty Ltd. No funds have been provided as at the date of this report.

9. Subsequent events

On 6 December 2006 the entire issued share capital of the Company was acquired by North River Resources plc for \$1.

PART VI

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

(a) Accountants Report

The following is the full text of a report on the pro forma statement of net assets from UHY Hacker Young, the Reporting Accountants, to the Directors of North River Resources plc and to the Directors of Corporate Synergy Plc.



St Alphage House
2 Fore Street
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Email london@uhy-uk.com
Web www.uhy-uk.com

18 December 2006

The Directors
North River Resources plc
30 Farringdon Street
London
EC4A 4HJ

The Directors
Corporate Synergy plc
30 Old Broad Street
London
EC2N 1HT

Dear Sirs

NORTH RIVER RESOURCES PLC – ACQUISITION OF NORTH RIVER RESOURCES PTY LTD (“ACQUISITION”) (TOGETHER THE “ENLARGED GROUP”), ISSUES OF ORDINARY SHARES & AIM ADMISSION DOCUMENT DATED 18 DECEMBER 2006 (“THE DOCUMENT”)

We report on the unaudited pro forma financial information set out in Part VI(b) of the Document, which has been prepared on the basis described therein, for illustrative purposes only, to provide information about how the Acquisition, issue of new Ordinary Shares and Admission might have affected the financial information presented on the basis of the accounting policies adopted by North River Resources plc (“North River”) in preparing the financial statements for the period ended 30 September 2006. This report is required by guidance issued by the London Stock Exchange with respect to the AIM market and is given for the purposes of complying with that guidance and for no other purpose.

Responsibilities

It is the responsibility of the directors of North River to prepare the pro forma financial information in accordance with guidance issued by the London Stock Exchange.

It is our responsibility to form an opinion, as required by guidance issued by the London Stock Exchange, as to the proper compilation of the pro forma financial information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the directors of North River.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of North River.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of North River.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

UHY Hacker Young

(b) Unaudited pro forma statement of consolidated net assets of the Enlarged Group

The following table sets out a pro forma statement of consolidated net assets of the Enlarged Group (“the pro forma statement”) following completion of the acquisition of North River Resources Pty Ltd (“the Acquisition”) and the issues of Ordinary Shares as if they had been completed on 30 September 2006. The pro forma statement is based on the audited balance sheet of the Company as at 30 September 2006 and adjusted to reflect the Acquisition and the expected net proceeds of the issues of Ordinary Shares. The pro forma statement has been prepared on the bases set out in the notes below. The pro forma statement has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the financial position of the Enlarged Group.

	<i>North River Resources plc as at 30 September 2006 £'000</i>	<i>North River Resources Pty Ltd 30 September 2006 £'000</i>	<i>Adjustments to reflect: (Note 1) (Note 2) Placing Acquisition</i>		<i>Pro Forma Enlarged Group as at 30 September 2006 £'000</i>
			<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
ASSETS					
Fixed assets					
Property, plant and equipment	–	–	–	–	–
Goodwill	–	–	–	–	–
Other intangible assets	–	1	–	8	9
	<u>–</u>	<u>1</u>	<u>–</u>	<u>8</u>	<u>9</u>
Current assets					
Cash at bank	–	–	617	(8)	609
Trade and other receivables	–	–	–	–	–
			<u>617</u>		<u>609</u>
Current liabilities					
Trade and other creditors	–	(1)	–	–	(1)
Net current assets	<u>–</u>	<u>(1)</u>	<u>617</u>	<u>(8)</u>	<u>608</u>
Net assets	<u>–</u>	<u>–</u>	<u>617</u>	<u>–</u>	<u>617</u>

Note 1 – Issues of Ordinary Shares

	<i>£'000</i>
54,000,000 Ordinary Shares of £0.001 each	
issued at £0.001 per share on 8 November 2006	54
13,999,998 Ordinary Shares of £0.001 each	
issued at £0.0005 per share on 8 December 2006	700
Less costs of Admission and issues of Ordinary	
Shares in North River	<u>(137)</u>
Net increase in cash	<u>617</u>

Note 2 – Acquisition of North River Resources Pty Ltd

On 6 December 2006 North River acquired the entire issued share capital of North River Resources Pty Ltd for \$1.

Ascent Capital Holdings Pty Ltd has advanced a total of \$20,320 (£8,128) to the group for working capital purposes. The loan is interest free and repayable on Admission.

PART VII

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company is registered in England and Wales, having been incorporated on 13 July 2006 under the Act with registered number 5875525 as a public company limited by shares. The liability of members is limited.
- 1.2 The Company is governed by and its securities were created under the Act.
- 1.3 On 6 December 2006 the Registrar of Companies issued a certificate to the Company entitling it to do business under the provisions of section 117 of the Act.
- 1.4 The Company is the holding company of NRPL, which was registered in Australia on 13 July 2006.
- 1.5 The telephone number of the Company at its registered office is 0207 544 5555. The telephone number of the Company at its principal place of business after Admission will be + 61 89 420 9300.
- 1.6 The Company has no administrative, management or supervisory bodies other than the Board.
- 1.7 The Company's auditors during the period covered by the historical financial information set out in Part V are UHY Hacker Young who are regulated by the Institute of Chartered Accountants in England and Wales.
- 1.8 The ISIN of the Ordinary Shares is GB00B1GCQJ71.
- 1.9 A Shareholder is required pursuant to sections 198 to 210 of the Act to notify the Company when he acquires or disposes of a material interest in shares in the capital of the Company to or in excess of 3 per cent. of the nominal value of that share capital.

2. Share Capital

- 2.1 On incorporation, the Company had an authorised share capital of £10,000,000 divided into 10,000,000,000 Ordinary Shares of £0.001 each, of which 2 were issued, fully paid, to the subscribers to the Memorandum.
- 2.2 On 30 November 2006, the number of Ordinary Shares issued and fully paid was increased from 2 Ordinary Shares of £0.001 each to 54,000,002 Ordinary Shares of £0.001 each.
- 2.3 On 8 December 2006 the number of Ordinary Shares issued and fully paid was increased from 54,000,002 Ordinary Shares of £0.001 each to 68,000,000 Ordinary Shares of £0.001 each.
- 2.4 The authorised share capital at the date of this document is 10,000,000,000 (£10,000,000) of which 68,000,000 (£68,000) Ordinary Shares are issued and fully paid up.
- 2.5 Of the 10,000,000,000 Ordinary Shares (£10,000,000) authorised and unreserved or issue free from pre-emption rights, 68,000,000 Ordinary Shares have been issued. Therefore, at present there are 9,932,000,000 Ordinary Shares which remain authorised and unreserved for issue free from pre-emption rights.
- 2.6 All issued Ordinary Shares rank *pari passu* in all respects including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares from the date of this document.
- 2.7 Following Admission, the Ordinary Shares may be held in either certificated or uncertificated form.
- 2.8 Ascent Capital holds Options exercisable within 5 years of the date of Admission, to subscribe for up to 2,000,000 Ordinary Shares (which will be equivalent to approximately two point nine per cent (2.9

- per cent.) of the total issued share capital of the Company immediately following Admission) at 5 pence per Ordinary Share.
- 2.9 Westwind Capital holds Options exercisable within 5 years of the date of Admission, to subscribe for up to 2,000,000 Ordinary Shares (which will be equivalent to approximately two point nine per cent (2.9 per cent.) of the total issued share capital of the Company immediately following Admission) at 5 pence per Ordinary Share.
- 2.10 Corporate Synergy holds Options exercisable within 5 years of the date of Admission, to subscribe for up to 2,000,000 Ordinary Shares (which will be equivalent to approximately two point nine per cent (2.9 per cent.) of the total issued share capital of the Company immediately following Admission) at 5 pence per Ordinary Share.
- 2.11 Save as disclosed in this Part VII of this document:
- (a) no share or loan capital of the Company has been issued or is proposed to be issued;
 - (b) save for the Options, details of which are set out in paragraphs 2.8 to 2.10 and 5.5 of this Part VII, there are currently no outstanding convertible securities, exchangeable securities or securities with options issued;
 - (c) there are no shares in the Company not representing capital;
 - (d) there are no shares in the Company held by or on behalf of the Company itself or by subsidiaries of the Company;
 - (e) there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital;
 - (f) no person has any preferential or subscription rights for any share capital of the Company; and
 - (g) no share or loan capital of the Company or any member of the North River Group is under option or agreed conditionally or unconditionally to be put under option.
- 2.12 Subject to any direction to the contrary which may be given by the Company in general meeting, the Directors are unconditionally authorised to allot relevant securities (within the meaning of section 80(2) of the Act) to such persons (including any Director) on such terms and at such times as they think fit, provided always that the authority thereby conferred shall be limited to the allotment of relevant securities having an aggregate nominal amount of £9,926,000. This authority remains in force until the first Annual General Meeting of the Company.
- 2.13 The provisions of section 89(1) of the Act, which confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be paid up in cash do not apply to the share capital up to an aggregate nominal value of £10,000,000, Options have been granted, conditionally on Admission, to issue 6,000,000 Ordinary Shares as detailed in paragraph 5.5 of this Part VII. As noted in paragraph 2.5 of this Part VII, 9,926,000,000 Ordinary Shares remain available for issue and free from pre-emption rights.
- 2.14 The par value of each Ordinary Share is £0.001.
- 2.15 The Company has no issued Ordinary Shares that are not fully paid up.

3. Memorandum and Articles

- 3.1 In this paragraph 3, references to the “Statutes” are references to the Act and every other act for the time being in force concerning companies and affecting the Company.
- 3.2 The principal objects of the Company are set out in full in clause 4 of the Company’s Memorandum (which is available for inspection at the Company’s registered office and include carrying on the business of a general commercial company).

3.3 The Articles contain, *inter alia*, provisions to the following effect:

Transfer

Except as may be required by the Statutes and the facilities and requirements of the relevant system concerned, the Directors shall have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing and transfer of uncertificated shares. All transfers of certificated shares must be in writing in the usual common form or in any other form, which the Directors may approve. The instrument of transfer must be signed by or on behalf of the transferor and, if the shares being transferred are not fully paid, by or on behalf of the transferee. The Directors may refuse to register any transfer of any share that is not fully paid and they may refuse to register the transfer of any share on which the Company has a lien provided that such refusal does not prevent dealings in the shares from taking place on an open and proper basis. They may also refuse to register a transfer of any share in favour of more than four persons jointly and in certain other exceptional circumstances, and a transfer of certificated shares which has not been duly stamped and lodged at the Company's registered office or such place as the board may determine and which is not accompanied by the certificates for the shares to which it relates (except in the case of a transfer by a recognised person to whom a certificate has not been issued) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The Directors may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted by the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (including any modification thereof or any regulations in substitution therefor made under Section 207 of the Companies Act 1989 for the time being in force) (the "Regulations") and the requirements of the computer based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument, and which facilitate supplementary and incidental matters in accordance with the Regulations.

Voting rights

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held (as to which there are none at present) and subject to certain other Articles, on a show of hands every holder of an Ordinary Share present in person (if an individual) or duly authorised representative (if a corporation) shall have one vote, and on a poll every member present in person or by proxy and entitled to vote shall have one vote for each Ordinary Share of which he is the holder.

If at any time when the Code does not apply to the Company, a person (together with any persons held to be acting in concert with him) acquires shares in the Company which would have obliged them to extend an offer (a "mandatory offer") to the holders of all other shares in the Company had the Code applied, the Directors have the discretion to disenfranchise such person until a compliant mandatory offer is made.

If two or more persons are jointly entitled to a share, then, in voting upon any question, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the Register.

No Shareholder shall be entitled to be present or to be counted in the quorum at any general meeting unless he shall be the holder of one or more shares giving the right to attend thereat upon which all calls or other moneys due and payable in respect of the same shall have been paid and no Shareholder shall be entitled to vote at any general meeting or upon a poll either personally or by proxy in respect of any share upon which any call or other moneys due and payable have not been paid.

Votes may be given either personally or by proxy. On a show of hands a Shareholder (other than a corporation) present only by proxy shall have no vote, but a proxy for or representative of a corporation may vote on a show of hands. A proxy need not be a Shareholder of the Company and a Shareholder may appoint one or more than one person to act as his proxy.

The appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote at such poll.

Dividends

The profits of the Company available for distribution and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may from time to time declare by ordinary resolution dividends but no such dividends shall (except as by the Statutes expressly authorised) be payable otherwise than out of the profits of the Company available for the purpose in accordance with the Statutes. No dividend may exceed the amount recommended by the Board.

Subject to the provisions of the Statutes the Board may if it thinks fit from time to time pay to the Shareholders such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non preferred rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and the Board may also pay 6 monthly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if it is of the opinion that the profits justify the payment, provided the Directors act *bona fide* they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non preferred rights.

Notwithstanding any other provision of the Articles the Directors may fix a date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time within 6 months before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made. There is no fixed date on which an entitlement to dividend arises.

With the sanction of a general meeting, dividends may be paid wholly or in part *in specie* and may be satisfied in whole or in part by the distribution amongst Shareholders in accordance with the rights of fully paid shares debentures or other securities of the Company or of any other company, or of any other property suitable for distribution as aforesaid provided that no distribution shall be made which would amount to a reduction of capital except in the manner approved by law. The Board shall have full liberty to make all such valuations, adjustments and arrangements (including cash payments to Shareholders upon the basis of the value fixed in order to adjust the rights of Shareholders and vesting any specific assets in trustees upon trust for the persons entitled to the dividend), and to issue, in the case of certificated shares, all such certificates or documents of title as may in its opinion be necessary or expedient with a view to facilitating the equitable distribution amongst the Shareholders of any dividends or portions of dividends to be satisfied as aforesaid or to giving them the benefit of their proper shares and interests in the property and no valuation, adjustment or arrangement so made shall be questioned by any Shareholder.

The Directors may resolve that ordinary shareholders will be entitled to elect to receive an allotment of further Ordinary Shares (a scrip dividend) credited as fully paid in lieu of any cash dividend or any part of a cash dividend, subject to the Articles and to such exclusions or restrictions as the Directors may in their absolute discretion deem necessary or desirable in relation to compliance with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory.

The Directors shall give notice in writing to the ordinary shareholders of their rights of election in respect of the scrip dividend and of the procedure to be followed in order for an election to be made. In relation to uncertificated shares, the Directors may make such arrangements as they in their absolute discretion think fit (subject always to the facilities and requirements of the computer based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument, and which facilitate supplementary and incidental matters in accordance with the Regulations concerned).

The Directors may resolve that the rights to elect for a scrip dividend shall not be made available to shareholders resident in a country or countries where, in the opinion of the Directors, compliance with local laws or regulatory requirements would be unduly burdensome.

Any dividend, instalment of dividend or interest or other moneys payable in cash in respect of any share may be paid by cheque or option payable to the order of the Shareholder entitled thereto or (in the case of joint holders) of that Shareholder whose name stands first on the Register in respect of the joint holding. Every such cheque or option shall (unless otherwise directed) be sent by post to the last registered address of the Shareholder entitled thereto, and payment of the cheque or option shall be a good discharge to the Company for the same. Any such dividend or other moneys may also be paid by such other method (including, without limitation, direct debit, bank or other funds transfer system) as the Directors may in their absolute discretion think fit (subject always, in the case of uncertificated shares, to the facilities and requirements of the relevant system concerned where payment is to be made by means of such system) to or through such person as the holder or person entitled may in writing direct.

Return of capital

If the Company shall be wound up, the liquidator may, with the authority of an extraordinary resolution (and any other sanction required by the Statutes), divide among the members in proportion to their shareholdings *in specie* the whole or any part of the assets of the Company and may determine how such division shall be carried out between the members or different classes of members. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled by the liquidator to accept any assets in respect of which there is attached a liability or potential liability.

Variation of rights

Subject to the Statutes, none of the rights, privileges or conditions for the time being attached to or belonging to any class of shares forming part of the issued share capital for the time being of the Company shall (unless otherwise provided by the terms of issue of the shares of that class) be modified, varied or abrogated in any manner except with the consent in writing of the holders of three fourths in nominal value of the issued shares of the class or, subject to the provisions of the Statutes, the sanction of an extraordinary resolution passed at a separate meeting of the members of that class, and then only subject to the provisions of Section 127 of the Act. To any such separate meeting all the provisions of the Articles as to general meetings shall *mutatis mutandis* apply but so that the necessary quorum (other than at an adjourned Meeting) shall be not less than two persons personally present and holding or representing, either by proxy or as the duly appointed representative of a corporation which is a Shareholder, at least 33.33 per cent. of the capital paid up on the issued shares of the class and, at an adjourned Meeting, one Shareholder holding shares of the class in question or his proxy, and so that any holder of shares of the class in question present in person or by proxy may demand a poll and shall be entitled on a poll to one vote for every such share held by him. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the Articles or by the terms of issue of the shares of that class, be deemed to be modified, varied or abrogated by the creation or issue of further shares ranking *pari passu* in all respects (save as the date from which such new shares shall rank for dividend) therewith or subsequent to those already issued.

Power to issue redeemable shares

Subject to the provisions of the Statutes and to any rights conferred on the holders of any other shares, the Company may, with the sanction of a special resolution, issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or of the shareholder on such terms and in such manner as may be provided by the Articles save that the date on or by which, or dates between

which, any such shares are to be or may be redeemed may be fixed by the Board (and if so fixed, the date or dates must be fixed before the shares are issued).

Calls on shares

The Board may, subject to the provisions of the Articles and to any conditions of issue, from time to time make such calls upon the Shareholders in respect of all moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) as it thinks fit, provided that no call on any share shall be payable within 1 month from the date fixed for the payment of the last preceding call and that 14 days' notice at least is given of each call specifying the time or times, place of payment and the amount called on the Shareholders' shares, and each Shareholder shall be liable to pay the amount of every call so made upon him to the persons and at the times and places appointed by the Board.

Disclosure of interests in shares

With the authority of the Board, the Company may serve on any Shareholder, or any other person appearing to be interested in shares held by that Shareholder, a notice requiring disclosure pursuant to Section 212 of the Act in relation to all or any number of the shares which that Shareholder holds or to which that other person is entitled or interested.

Conversion of shares into stock

The Company may, from time to time, by ordinary resolution, convert all or any of its fully paid shares into stock, and may from time to time, in like manner, convert any stock into fully paid shares of any denomination. No such conversion shall affect or prejudice any preference or other special privilege.

When any shares have been converted into stock the several holders of such stock may transfer their respective interests therein, or any part of such interests, in such manner as the Company by ordinary resolution directs but in default of any such direction in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances will admit. The Board may, from time to time fix the minimum amount of stock transferable provided that such minimum shall not exceed the nominal amount of each of the shares from which the stock arose.

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at general meetings of the Company and other matters, and be subject to the same provisions of the Articles as if they held the shares from which the stock arose, but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Changes in share capital

The Company may by ordinary resolution increase its share capital, cancel any unissued shares, consolidate and divide all or any of its share capital into shares of a larger amount and, subject to the provisions of the Statutes, subdivide all or any of its shares into shares of a smaller amount. Subject to the provisions of the Statutes, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

Purchase by the Company of its own shares

Subject to the provisions of the Statutes, to any rights conferred on the holders of any other shares and to the authority of the Company in general meeting required by the Statutes, the Company may purchase its own shares.

Unclaimed dividends

Any dividend unclaimed after a period of 12 years from the date it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company and shall thenceforth belong to the Company absolutely.

Borrowing powers

The Directors may exercise all the powers of the Company to borrow money and, subject to the Statutes, to grant any mortgage, charge or debentures, debenture stock or other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

General Meetings (“Meetings”)

An annual general meeting of the Company shall be held in each year in addition to any other Meetings which may be held in that year, and such Meeting shall be specified as the annual general meeting in the notices calling it. Not more than 15 months shall elapse between the date of one annual general meeting and the date of the next. Subject as aforesaid and to the provisions of the Statutes the annual general meeting shall be held at such time and place as the Board shall appoint.

All Meetings of the Company other than annual general meetings shall be called extraordinary general meetings.

The Board may call an extraordinary general meeting whenever it thinks fit. Extraordinary general meetings shall also be convened on requisition by shareholders, as provided by the Statutes, whereupon the Board shall forthwith proceed to convene an extraordinary general meeting for a date not more than 28 days after the date of the notice convening the Meeting. If at any time there are not sufficient Directors capable of acting to form a quorum of the Board any Director or any two Shareholders of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

In the case of an extraordinary general meeting called in pursuance of a requisition, unless such Meeting shall have been called by the Directors, no business other than that stated in the requisition as the objects of the Meeting shall be transacted.

At least 21 clear days’ notice of every annual general meeting and of every extraordinary general meeting at which it is proposed to pass a special resolution and at least 14 clear days’ notice of every other extraordinary general meeting shall be given in manner hereinafter mentioned to such Shareholders as are under the provisions of the Articles entitled to receive such notices from the Company and to the Auditors of the Company. Every notice of Meeting shall specify the place, day and hour of meeting and, in the case of special business, the general nature of such business and shall also state with reasonable prominence that a Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a Shareholder. In the case of a Meeting convened for passing a special or extraordinary resolution the notice shall specify the intention to propose the resolution as a special or extraordinary resolution as the case may be. Subject to the provisions of the Articles, to the rights attaching to any class of shares and to any restrictions imposed on any holder, notice shall be given to all Shareholders, the Directors and the auditors.

A Meeting of the Company shall notwithstanding that it is called by shorter notice than that specified above be deemed to have been duly called if it is so agreed (a) in the case of a Meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat; and (b) in the case of any other Meeting, by a majority in number of the Shareholders having a right to attend and vote at the Meeting being a majority together holding not less than 95 per cent. in nominal value of the shares giving a right to attend and vote at the Meeting.

The Directors may from time to time make such arrangements for controlling the level of attendance at any Meeting place (whether involving the issue of tickets or the imposition of some other means of selection or otherwise) as they shall in their absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a Shareholder who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places; and the entitlement of any Shareholder so to attend the meeting or adjourned Meeting at such place shall be subject to any such arrangement as may be for the time being in force and by the notice of Meeting or adjourned Meeting stated to apply to the Meeting.

Directors

The business of the Company shall be managed by the Board, which may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercisable and done by the Company, and as are not by the Statutes or by the Articles required to be exercised or done by the Company in general meeting, subject to any regulations of the Articles, to the provisions of the Statutes, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. This general power shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of two or more Directors and (if thought fit) one or more other persons, provided that (a) a majority of the members of a committee shall be Directors; and (b) no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors or alternate Directors.

The Board may from time to time and at any time appoint any other person to be a Director either to fill a casual vacancy or by way of addition to the Board. A Director so appointed shall hold office only until the annual general meeting following next after his appointment, when he shall retire, but shall then be eligible for re election.

A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director and subject to Section 319 of the Act on such terms as to remuneration and otherwise as the Board shall arrange.

Subject to the Statutes, the Board may from time to time appoint one or more of its body to be the holder of any executive office, including the office of managing or joint or assistant managing director, on such terms and for such period as it may determine.

A Director holding any executive office shall receive such remuneration, whether in addition to or in substitution for his ordinary remuneration as a Director and whether by way of salary, commission, participation in profits or otherwise as a remuneration committee (if established) or the Board (if no remuneration committee is in existence at the time) may determine.

The Board may establish any local boards or agencies for managing any of the affairs of the Company, and may appoint any persons to be members of such local boards or any managers or agents and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Board, with power to sub delegate, and may authorise the members of any local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit.

Subject to the Articles, at the annual general meeting in every year one third of the Directors for the time being (other than those retiring in accordance with other Articles) or if their number is not a multiple of 3 then the number nearest to but not exceeding 33.3 per cent. shall retire from office, provided always that if in any year the number of Directors (other than those retiring as aforesaid) is two, one of such Directors shall retire, and if in any year there is only one Director (other than those retiring as aforesaid) that Director shall retire.

The Directors to retire at the annual general meeting in every year shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be the Directors who have been longest in office since their last election. As between Directors of equal seniority, the Directors to retire shall in the absence of agreement be selected from among them by lot. A retiring Director shall be eligible for re election and shall act as a Director throughout the Meeting at which he retires.

The Board or any committee of the Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit, and determine the quorum necessary for the transaction of business. Meetings of the Board or of any committee of the Board may take place in any part of the world and may take place via telephonic communication, video conference or similar means of communication notwithstanding that the Directors or committee members present may not all be meeting in one particular place. Unless otherwise determined by the Board two Directors shall be a quorum.

A Director (other than an alternate Director) may from time to time by writing under his hand appoint another Director or any other person to be his alternate but no such appointment of any person not being a Director shall be operative unless and until approved by the Board. The Board may also from time to time appoint any person to be an associate Director of the Company.

The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution. At the time of Admission there will be no maximum number of directors and the minimum number of directors will be two.

4. Directors' and other interests

- 4.1 The interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and the persons connected with them (within the meaning of Section 346 of the Act) which have been notified to the Company pursuant to Sections 324 and 328 of the Act or are required to be disclosed in the Register of Directors' Interests pursuant to Section 325 of the Act in the issued share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as at the date of this document are as follows:

<i>Name</i>	<i>Number of Ordinary Shares as at the date of this document and on Admission</i>	<i>Percentage of issued Ordinary Shares</i>	<i>Options</i>
David Steinepreis	5,044,001	7.4%	2,000,000
Robert Downey	2,250,000	3.3%	2,000,000
Patrick Burke	620,000	0.9%	Nil

Notes:

- 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 (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.
 - 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.
 - 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.
 - 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.
- 4.2 Save as disclosed above, none of the Directors nor any member of their respective immediate families nor any person connected with the Directors (within the meaning of Section 346 of the Act) has any interest, whether beneficial or non-beneficial, in any share capital of the Company or Options.
- 4.3 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.

- 4.4 Save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.
- 4.5 On 18 December 2006, the Company entered into an agreement for services with Ascent Capital Holdings Pty Ltd which provides for David Steinepreis to perform his services on behalf of the Company, for a fee of £12,000 per annum. If Mr Steinepreis is required to perform additional services on behalf of the Company, an additional fee (as approved by the Board) will be payable to Ascent Capital Pty Ltd. Under the terms of the agreement, Mr Steinepreis entered into a separate agreement with the Company dated 18 December 2006, whereby he is appointed as a Non-executive Director of the Company. Both agreements are conditional upon and take effect from Admission and continue unless and until they are terminated on not less than three months' notice by either side. The agreements contain certain restrictions relating to confidentiality but do not contain restrictions relating to post-termination restrictive covenants.
- 4.6 On 18 December 2006, the Company entered into an agreement for services with Ascent Capital Holdings Pty Ltd which provides for Patrick Burke to perform his services on behalf of the Company, for a fee of £12,000 per annum. If Mr Burke is required to perform additional services on behalf of the Company, an additional fee (as approved by the Board) will be payable to Ascent Capital Pty Ltd. Under the terms of the agreement, Mr Burke entered into a separate agreement with the Company dated 18 December 2006, whereby he is appointed as an Executive Director of the Company. Both agreements are conditional upon and take effect from Admission and continue unless and until they are terminated on not less than three months' notice by either side. The agreements contain certain restrictions relating to confidentiality but do not contain restrictions relating to post-termination restrictive covenants.
- 4.7 On 18 December 2006, the Company entered into an agreement for services with Quantum Vis Pty Ltd which provides for Robert Downey to perform his services on behalf of the Company, for a fee of £12,000 per annum. If Mr Downey is required to perform additional services on behalf of the Company, an additional fee (as approved by the Board) will be payable to Quantum Vis Pty Ltd. Under the terms of the agreement, Mr Downey entered into a separate agreement with the Company dated 18 December 2006, whereby he is appointed as an Executive Director of the Company. Both agreements are conditional upon and take effect from Admission and continue unless and until they are terminated on not less than three months' notice by either side. The agreements contain certain restrictions relating to confidentiality but do not contain restrictions relating to post-termination restrictive covenants.
- 4.9 In respect of the agreements for services referred to in paragraphs 4.5, 4.6 and 4.7 above, the Company may terminate the agreements immediately on written notice where the Director (i) is guilty of conduct that is calculated or likely to bring the Company into disrepute or otherwise prejudice the interests of the Company; (ii) has a bankruptcy order made against him or enters into a voluntary arrangement within the meaning of the Insolvency Act 1986; (iii) is convicted of an arrestable offence; or (iv) ceases to be a Director. The appointment of the Directors referred to in paragraphs 4.5, 4.6 and 4.7 will terminate automatically where (i) any of the Directors are not elected or re-elected; (ii) any of the Directors resign their directorship. In addition, the Company may terminate the appointments of the Directors summarily where any of the Directors commit a material breach or if the director is prohibited from acting as a Director.
- 4.10 Save as disclosed in this paragraph there are no service contracts, existing or proposed, between any Director and the Company or any other member of the North River Group.

- 4.11 Details of the length of time in which Directors have been in office and the period of their term of office are set out below:

<i>Name</i>	<i>Commencement of Period of Office</i>	<i>Date of Expiration of term of office</i>
David Steinepreis	13 July 2006	Indefinite – three months' notice
Patrick Burke	22 November 2006	Indefinite – three months' notice
Robert Downey	13 July 2006	Indefinite – three months' notice

There are no service contracts in place between the Company or any subsidiary and any member of any administrative, management or supervisory bodies which provides for benefits on termination of employment.

- 4.12 There is no arrangement under which any Director has agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.
- 4.13 It is estimated that under the arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors and/or the Directors' associated consultancy companies, as the case may be, for the period ending 30 June 2007 will be approximately £25,000.
- 4.14 In addition to the directorships in the Company, the Directors hold or have held the following directorships within the five years immediately prior to the date of this document:

<i>Name</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
David Steinepreis	Ascent Capital Holdings Pty Ltd (registered in Australia)	Aeris Biological Systems Pty Ltd (registered in Australia)
	Ascent Capital Pty Ltd (registered in Australia)	Aeris Technologies Ltd (registered in Australia)
	Burns Property Developments Pty Ltd (registered in Australia)	Ascent Resources plc
	Carelma Pty Ltd (registered in Australia)	Australian Ethanol Limited (registered in Australia)
	Cetacean Petroleum Pty Ltd (registered in Australia)	Black Range Minerals Ltd (registered in Australia)
	Daro Pty Ltd (registered in Australia)	Black Rock Oil & Gas plc
	Davos Resources plc	Black Rock Petroleum NL (registered in Australia)
	Davos Resources Pty Ltd (registered in Australia)	CopperCo Limited (registered in Australia)
	Gawler Resources Ltd (registered in Australia)	Deep Yellow Ltd (registered in Australia)
	Imperial Petroleum Ltd	Eureka Energy Ltd (registered in Australia)
	Leopard Minerals plc	Extract Resources Ltd (registered in Australia)
	Mansmar Investments Pty Ltd (registered in Australia)	Gabon Investments (Iris Marin) Pty Ltd (registered in Australia)
	Monitor Holdings Ltd (registered in Australia)	Gabon Investments (Themis Marin) Pty Ltd (registered in Australia)
	N & J Mitchell Holdings Pty Ltd (registered in Australia)	Green Rock Energy Limited (registered in Australia)
	North River Resources Pty Ltd (registered in Australia)	IM Medical Ltd (registered in Australia)
	RMG Limited (registered in Australia)	Imugene Limited (registered in Australia)

<i>Name</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
David Steinepreis (continued)	Signature Brands Ltd (registered in Australia) Toodyay Resources Ltd (registered in Australia) WorldAudio Limited (subject to Deed of Company Arrangement) (registered in Australia)	International Scientific Pty Ltd (registered in Australia) Kiana Projects Pty Ltd (registered in Australia) Medivac Limited (registered in Australia) Minres Resources Inc (registered in Canada) Mobi Limited (registered in Australia) OBJ Limited (registered in Australia) Peninsual Minerals Ltd (registered in Australia) Rakov Pty Ltd (registered in Australia) Resonance Health Ltd (registered in Australia) Salus Technologies Ltd (registered in Australia) Service Stream Ltd (registered in Australia) Synergy Metals Ltd (registered in Australia) Uranium Resources plc View Resources Ltd (registered in Australia) Vos Industries Pty Ltd (registered in Australia) Western Metals Limited (registered in Australia) Wildlook Enterprises Pty Ltd (registered in Australia)
Robert Downey	Grove Energy (UK) Limited Grove Energy (Southern North Sea) Limited Atlantic Mining plc Segue Resources Limited (registered in Australia) Brimstone Resources Limited (registered in Australia) Quantum Vis Pty Ltd (registered in Australia) Westwind Capital Pty Ltd (registered in Australia) Mt Gould Minerals Pty Ltd (registered in Australia) Weld Range Iron Ore Pty Ltd (registered in Australia) Universal MIO Pty Ltd (registered in Australia) Tirops Limited (registered in Australia) Canaccord Capital Australia Pty Ltd (registered in Australia)	

<i>Name</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
Robert Downey (continued)	Sardine Resources Limited (registered in Australia) Bio Phil Energy Limited (registered in Australia) Southern Orion Energy Limited (registered in Australia) Ostridge Resources Limited (registered in Australia) Pelican Energy Limited (registered in Australia)	
Patrick Burke	Signature Brands Ltd (registered in Australia)	–

David Steinepreis is a director of Ascent Capital, a company formed to pursue, amongst other things, the reconstruction and recapitalisation of existing stock exchange quoted companies. Since its foundation, Ascent Capital has successfully recapitalised and relisted 18 Australian companies on the ASX. Each of the 18 companies recapitalised by Ascent Capital were placed under external administration either prior to Ascent Capital recapitalising the company or as part of Ascent Capital's recapitalisation of the company. As a consequence, David Steinepreis has been appointed a director of companies in administration or has placed companies into administration. David Steinepreis has been a director of the following Australian companies in administration, all of which have been successfully released from administration. David Steinepreis is also a Director of WorldAudio Limited (subject to Deed of Company Arrangement), a company currently in administration and Signature Brands Limited which Ascent Capital is in the process of recapitalising and relisting on the ASX.

Company

Copperco Limited
Imugene Limited
Synergy Metals Ltd
View Resources Ltd
Resonance Health Ltd
Extract Resources Ltd
Salus Technologies Ltd
Medivac Limited
Service Stream Ltd
IM Medical Limited
Mobi Limited
OBJ Limited
Monitor Holdings Limited
Black Range Minerals Limited
Deep Yellow Limited
Western Metals Ltd
Toodyay Resources Limited
RMG Limited
Signature Brands Limited

Patrick Burke provides his services as a solicitor and director to companies that Ascent Capital reconstructs and recapitalises and is a director of Signature Brands Limited.

Save as disclosed above none of the Directors has:

- any unspent convictions in relation to indictable offences;
- had any bankruptcy order made against him or entered into any voluntary arrangements;

- been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership;
- been publicly criticised by any statutory or regulatory body (including recognised professional bodies); or
- been disqualified by a court from acting as a director of any company or from acting in the management or conduct of affairs of a company.

4.15 Save as disclosed in paragraph 4.1 of this Part VII, the Company is only aware of the following persons who immediately following Admission, directly or indirectly, jointly or severally, hold or will hold 3 per cent. or more of the Ordinary Shares of the Company or exercise or could exercise control over the Company.

<i>Name</i>	<i>Number of Ordinary Shares On Admission</i>	<i>Percentage of issued Ordinary Shares</i>
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%

5. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business of the Company, have been entered into by the Company and are or may be material.

5.1 Nominated Adviser and Broker agreement

A Nominated Adviser and Broker Agreement dated 18 December 2006 between the Company (1), the Directors (2) and Corporate Synergy (3) pursuant to which the Company has appointed Corporate Synergy to act as Nominated Adviser and Broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Corporate Synergy an annual fee for its services as Nominated Adviser and Broker under this agreement. The agreement contains certain undertakings given by the Company and the Directors and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement continues for a fixed period of 15 months from the date of the agreement and, thereafter, is subject to termination on the giving of not less than three months' notice.

5.2 Sponsorship Agreement

An AIM sponsorship agreement dated 18 December 2006 between Corporate Synergy (1), the Company (2) and the Directors (3) in relation to the Admission. Under this agreement, Corporate Synergy has been appointed to provide assistance to the Company in connection with Admission. Corporate Synergy's obligations under the agreement are conditional, *inter alia*, on Admission occurring by 8.00 a.m. on 5 January 2007 or such later time and date as each of Corporate Synergy and the Company may agree. The agreement provides for the Company to pay all the fees and expenses connected with Admission including Corporate Synergy's fees and expenses.

The agreement contains, *inter alia*, indemnities and warranties from the Company and certain warranties from each of the Directors in favour of Corporate Synergy together with provisions which enable Corporate Synergy to terminate the agreement in certain circumstances prior to Admission, principally if there is a material breach of the agreement or any of the warranties given under it or if a *force majeure* event arises.

5.3 Lock-In Deed/Orderly Market Agreement

A Lock-In and Orderly Market Deed dated 18 December 2006 between the Directors, applicable employees and related parties (each as defined in the AIM Rules, the "Locked-In Shareholders"), the persons named in paragraph 4.15 of this Part VII of this document (the "Orderly Market Shareholders") and the Company and Corporate Synergy pursuant to which:

- (a) the Locked-In Shareholders have undertaken to Corporate Synergy and the Company, save in specified circumstances not to sell or otherwise dispose of, or agree to sell or dispose of any of their interests in the Ordinary Shares or Options held by them for the twelve month period commencing on the date of Admission and for a further period of twelve months to dispose of their Ordinary Shares or Options only with the prior consent of Corporate Synergy (or the Company's broker); and
- (b) the Orderly Market Shareholders have undertaken to Corporate Synergy and to the Company for a period of 12 months from Admission not to sell nor to dispose of any of their interests in Ordinary Shares or Options held by them on Admission without the prior consent of Corporate Synergy (or the Company's broker) (subject to certain limited exceptions under the AIM Rules).

5.4 Farm-in Agreement

A Farm-in Agreement dated 26 July 2006 (as amended, restated and superceded on 6 November 2006) pursuant to which North River shall be entitled to earn a 20 per cent. 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 2nd anniversary of Admission. Subject to having expended the initial expenditure, North River shall be entitled to earn a further 31 per cent. interest in the Tenement by expending a further amount equal to £2,000,000 less the initial expenditure on the Tenement on or before the 4th anniversary of Admission. Notwithstanding any other term of the Farm-in Agreement, North River shall be obliged to expend not less than £100,000 on the Tenement within 30 days of the date of Admission. At any time thereafter North River may withdraw from the Farm-in Agreement and upon withdrawal the Farm-in Agreement shall terminate.

All expenditure under the Farm-in Agreement shall be pursuant to budgets agreed between North River and Segue. In the event that North River acquires an interest in the Tenement, North River and Segue shall be associated in an unincorporated joint venture for the exploration and exploitation of the Tenement. The interests of the parties in the joint venture shall be commensurate with their interest in the Tenement.

Segue has provided warranties to North River that, *inter alia*, it is the sole registered holder and beneficial owner of the Tenement and that the Tenement is free of encumbrances and is in good standing.

A detailed summary of the Farm-in Agreement is contained in paragraph 11 of Part II,

5.5 Option Agreement

Option Agreements dated 18 December 2006 between the Company and each of Corporate Synergy, Ascent Capital and Westwind Capital pursuant to which the Company has granted Corporate Synergy, Ascent Capital and Westwind Capital Options to subscribe for 2,000,000 Ordinary Shares each being that number of Ordinary Shares each equal to approximately 2.9 per cent. of the Ordinary Shares in issue at Admission, exercisable at any time from Admission and from time to time until the fifth anniversary of Admission. The exercise price shall be at the average trading closing price of an Ordinary Share for the first five days following Admission.

6. Related Party Transactions

The transaction referred to in section 5.4 of this Part VII is considered a related party transaction.

Robert Downey was a non-executive director and option holder of Segue at the time of execution of the Farm-in Agreement and remains a non-executive director and option holder of Segue at the date of this document.

The Board of Directors of the Company have formed a committee, currently comprising Patrick Burke and David Steinepreis, appointed to deal with decisions relating to the Farm-in Agreement in order to avoid any conflicts of interest.

Save in respect of the transaction referred to above, there have been no other related party transactions which were, as a single transaction or in their entirety, material to the Company prior to the date of this document.

7. Employees

At the date of this document, the North River Group has no employees.

8. Litigation

No member of the North River Group is involved in, nor has been involved in, any governmental, legal or arbitration proceedings in the previous twelve months prior to Admission which may have or have had in the recent past a significant effect on the North River Group's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against any member of the North River Group.

9. Taxation

The following comments are intended to provide a general summary of the UK taxation implications for the Company and Shareholders.

As taxation laws are complex, the following comments are intended as a general guide to the UK tax implications only. Shareholders should not rely on these comments as advice in relation to their own affairs but should consult their own tax adviser applicable to their own needs and circumstances. Shareholders resident in Australia, or elsewhere, for tax purposes should seek local advice.

The comments are based on the law and understanding of the practice of the tax authorities in the UK at the date of this document.

9.1 Tax residence of the Company

It is expected that the Company will be "effectively managed" in Australia. Accordingly, it should be treated as being resident in Australia under the United Kingdom/Australian double tax treaty and consequently not resident in the United Kingdom for most purposes of the United Kingdom's domestic law.

9.2 United Kingdom taxation

UK Taxation of UK Resident Shareholders

The following summary is intended as a general guide to United Kingdom resident and ordinarily resident Shareholders who are domiciled in the United Kingdom and who hold Ordinary Shares in the Company as investments (rather than as dealing stock). This summary is based on existing legislation and current HM Revenue & Customs practice. Any person who is in any doubt as to his tax position, whether in the United Kingdom or in any other jurisdiction in which he may be liable to tax, should consult, and rely upon, the advice of his own duly authorised professional adviser.

Taxation of Dividends

Individual

Shareholders who are individuals will be liable to income tax (if at all) on dividends at, in the case of starting rate or basic rate tax payers, a rate of 10 per cent. (for the year 2006/07), or, in the case of higher rate tax payers, the dividend upper rate of 32.5 per cent. (for the year 2006/07) in accordance with Section 402 – 404 of the Income Tax (Trading and Other Income) Act 2005 and the Income Corporation Tax Act of 1988, ss1A and 1B. Dividend income from the Company will be treated as forming the highest part of the shareholder's income.

Companies

A corporate shareholder will generally be subject to United Kingdom corporation tax under Schedule D Case V in respect of dividends received from the Company at the usual rate of corporation tax applicable to it (30 per cent. for the year 2006/07 for companies paying the full rate of corporation tax).

Tax Credits

Individuals and corporate shareholders (in the case of corporate shareholders owning less than 10 per cent. of the Company) are not normally able to obtain credit for any underlying tax paid by the Company in respect of its own profits.

In the event that dividends are paid under deduction of Australian withholding tax, United Kingdom shareholders may be able to obtain credit for all or part of any Australian tax so withheld, in computing their respective liabilities to United Kingdom income tax or corporation tax on such dividend income.

Taxation on disposals

Individuals

A shareholder who disposes of (or who is deemed to dispose of) his Ordinary Shares may be liable to capital gains tax in relation thereto at rates up to 40 per cent. (for the year 2006/07) of any chargeable gain thereby realised. In computing the chargeable gain the shareholder should be entitled to deduct from disposal proceeds the cost to him of the Ordinary Shares (together with incidental costs of acquisition and disposal) and may be able to deduct other amounts including all or part of his annual exemption (£8,800 for the year 2006/07) certain trading losses and any capital losses available to him. In certain circumstances, the shareholder's liability to capital gains tax may be reduced by taper relief.

Companies

A corporate shareholder which disposes of (or which is deemed to dispose of) its holding of Ordinary Shares may be liable to corporation tax on chargeable gains in relation thereto at the usual rates of corporation tax applicable to it (30 per cent. for the year 2006/07 for companies paying the full rate of corporation tax). In computing the chargeable gain liable to corporation tax the shareholder should be able to deduct from disposal proceeds the cost to it of the Ordinary Shares (together with incidental costs of acquisition and disposal), as increased by indexation allowance, and may be able to deduct

capital and certain income losses available to it. In some circumstances a shareholder may be exempt from corporation tax in relation to its disposal of Ordinary Shares under the substantial shareholding exemption.

Stamp duty and stamp duty reserve tax (“SDRT”)

Issue

No stamp duty, or SDRT, will be payable on the allotment or issue of the Ordinary Shares, provided that they are not issued to a nominee or agent whose business includes the provision of clearance services or the issuance of depository receipts.

Transfer

Transfers of Ordinary Shares outside the CREST system will generally be liable to stamp duty on the instrument of transfer at a rate of (currently) 0.5 per cent. of the amount or value of the consideration given for the shares (rounded up to the nearest £5). Stamp duty is normally the liability of the transferee of the shares. An agreement to transfer Ordinary Shares will generally be subject to SDRT at a rate of (currently) 0.5 per cent. of the agreed consideration. If, however, the agreement is subsequently perfected by an instrument of transfer which is duly stamped before the expiry of six years from the date of the agreement (or, if later, the date upon which it becomes unconditional) any SDRT will be cancelled or, to the extent already paid, will, upon a claim being made, be repaid. SDRT is normally paid by the person to whom the shares will be transferred under the agreement.

Entry into CREST

No stamp duty or SDRT should arise on the transfer of the Ordinary Shares to CREST for conversion into uncertificated form, unless the transfer is for consideration.

Transfers within CREST

Ordinary Shares may be transferred in a paperless form within CREST. Any such transfer will normally be subject to SDRT at a rate of (currently) 0.5 per cent. of the amount or value of the consideration paid for the Ordinary Shares. CREST is obliged to collect SDRT from the transferee in relation to transactions settled through the CREST system.

Persons who are not resident or ordinarily resident (or, if resident or ordinarily resident) are not domiciled, in the United Kingdom, including those individuals and companies which trade in the United Kingdom through a branch, agency or permanent establishment, and who subscribe for the Ordinary Shares in the course of that trade, are recommended to seek the advice of professional advisors in relation to their taxation obligations in both the United Kingdom and any other jurisdiction in which they may be liable to tax.

9.3 UK Inheritance and Gift Taxes

Ordinary Shares beneficially owned by an individual Shareholder will be subject to UK inheritance tax on the death of the Shareholder (even if the Shareholder is not domiciled or deemed domiciled in the UK), where the chargeable value of the Ordinary Shares along with any other assets subject to inheritance tax exceeds the chargeable transfer limit for the year. Under current legislation, the shares may qualify for business property relief such that if the Shareholder has held the Ordinary Shares for two years or more, the chargeable value of the Ordinary Shares will be nil. Various other exemptions may be available. For UK inheritance tax purposes a transfer of assets to another individual or trust could potentially be subject to UK inheritance tax, based on the loss of value to the donor, subject to business property relief. Particular rules apply to gifts where the donor reserves or retains some benefit. UK inheritance tax is not chargeable on gifts to individuals or certain trusts if the transfer is made more than seven complete years to death of the donor. Special rules apply to close companies and to trustees of settlements who hold Ordinary Shares, which could bring them within the charge to UK inheritance tax.

10 General

- 10.1 The accounting reference date of the Company is 30 June. No audited accounts have been prepared to date.
- 10.2 The expenses of and incidental to the Admission including registration and London Stock Exchange fees, professional fees and the costs of printing and distribution, are estimated to amount to approximately £137,500 (excluding VAT), all of which will be payable by the Company.
- 10.3 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers), has:
- (a) received, directly or indirectly, from the Company within 12 months preceding the date of this document; or
 - (b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:
 - fees totalling £10,000 or more; or
 - securities in the Company with a value of £10,000 or more; or
 - any other benefit with a value of £10,000 or more at the date of Admission.
- 10.4 The financial information contained in Part V of this document does not constitute full statutory accounts as referred to in section 240 of the Act.
- 10.5 UHY Hacker Young has given and not withdrawn its written consent to the issue of this document with the inclusion of its report and references to its name in the form and context in which it appears.
- 10.6 Corporate Synergy has given and not withdrawn its written consent to the inclusion in this document of its name and references to its name in the form and context in which it appears.
- 10.7 Al Maynard & Associates has given and not withdrawn their written consent to the issue of this document with the inclusion of their name and references to his name in the form and context in which it appears.
- 10.8 Save as set out in this document, the Directors are not aware of any exceptional factors that have influenced the Company's activities.
- 10.9 No commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this document relates or of his procuring or agreeing to procure subscriptions for such securities.
- 10.10 No paying agent has been appointed by the Company.
- 10.11 No payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.
- 10.12 Save as disclosed in Parts I, II and IV of this document, there are no patents or other intellectual property rights, licences or particular contracts which are, or may be, of fundamental importance to the business of the Company.
- 10.13 Save as disclosed in Part I of this document, there are no investments in progress which are significant.
- 10.14 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Company which has occurred since the date of the financial statements set out in Part V of this document.
- 10.15 The Ordinary Shares of the Company will also be subject to the compulsory acquisition procedures set out in Sections 428 to 430(F) (inclusive) of the Act. Under Section 429 of the Act, where an offeror makes a takeover offer (as defined in Section 428 of the Act) and receives valid acceptances in respect

of, or acquires, more than 90 per cent. of the shares to which the offer relates, that offeror is entitled to acquire compulsorily those shares not assented to the offer.

10.16 Other than the current application for Admission in respect of the Ordinary Shares, the Ordinary Shares and Options have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares or Options.

10.17 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

10.18 Save as disclosed in Parts I, II, IV and VI of this document, there has been no significant change in the financial or trading position of the North River Group since 30 September 2006, being the end of the last financial period for which financial information has been published. No audited accounts have been prepared to date

11 Availability of Admission Document

Copies of this document are available free of charge at the Company's registered office and at the offices of Corporate Synergy, during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission.

18 December 2006

