

North River

RESOURCES



ANNUAL REPORT DECEMBER 2014

NORTH RIVER RESOURCES PLC
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014
Registration number 05875525 (England and Wales)

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NORTH RIVER RESOURCES PLC

DIRECTORS, SECRETARY AND ADVISORS

DIRECTORS: Zuyuan He (*Non-Executive Chairman*)
Brett Richards (*Non-Executive Director*)
Mark Thompson (*Non-Executive Director*)
Mark Sawyer (*Non-Executive Director*)
Keith Marshall (*Non-Executive Director*)
Ken Sangster (*Non-Executive Director*)

SECRETARY: Ben Harber

COUNTRY OF INCORPORATION: England and Wales

REGISTERED NUMBER: 05875525

REGISTERED OFFICE: One America Square
Crosswall
London, EC3N 2SG

GROUP AUDITORS: UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London, E1W 1YW

NOMINATED ADVISER: Strand Hanson Limited
26 Mount Row
London, W1K 3SQ

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

BROKER: Pareto Securities Limited
8 Angel Court
London, EC2R 7HJ

It gives me great pleasure to provide my inaugural Managing Director's statement since being appointed Managing Director in January 2015.

My predecessor Martin French led the company as Managing Director during the year to 31 December 2014 and advanced the Namib Lead Zinc Mine in Namibia ("Namib") through a number of early development stages. Key milestones during the period included definition of the resource base, attracting a strategic cornerstone investment partner in Greenstone Resources LP ("Greenstone"), and completion of the project Definitive Feasibility Study ("DFS") which was announced late last year.

I believe the Company's priority asset, the Namib project, is a stand-out brownfield project opportunity particularly in the current market environment. Against a backdrop of global economic uncertainty and softer commodity prices generally, we have seen the mining sector shift away from riskier large, long lead time, greenfield projects, to opportunities that are more manageable in terms of size and time horizon through to revenue recognition. Project quality in terms of the orebody, up front capital intensity, the technical, environmental, social, permitting and construction risk profile, and then operating margin through the commodity price cycle, is paramount. Considering that we are re-opening a previously operated underground mine, the Namib project is a good opportunity at the right time; it has the potential to enter production relatively quickly, and a capital and operating cost structure that benefits from an excellent location and supporting infrastructure.

The project is located in a country with a very well established mining industry, and where responsible mining is recognised as being a critical long term contributor to the economy. Namibia was ranked recently by the Fraser Institute as having the most favourable mining investment climate in Africa. Collectively, I believe these attributes make for an excellent first step towards creating real sustainable value and a platform for further growth for North River shareholders.

The project also attracted the attention of Greenstone, a private equity fund specialising in the mining sector, which agreed in July 2014 to invest up to US\$12 million into the Company to progress Namib towards production subject to the achievement of certain milestones. This was a significant achievement for North River, and clearly differentiated us from many of our peers during this period of greater risk-averse investor sentiment. This cornerstone investment is testament to the potential of both the Namib project and, more broadly, North River building on this first project as a platform for future growth. This ambition is shared by Greenstone, and also our Board; recently strengthened through the appointment of two pre-eminent figures in the mining industry – Keith Marshall and Ken Sangster. With a uniquely qualified and experienced Board, a project-ready management team taking shape, and the support of a strategic investor such as Greenstone, I am confident that we are extremely well positioned to progress development of Namib and translate our exploration/development capital into production value in the near term.

Namib Lead Zinc Mine

The health and safety of our people is of paramount importance and is a key priority at Namib.

We recorded zero lost time injuries in 2014, and while this is very pleasing and testament to the importance already placed on safety, we remain committed to targeting a zero harm working environment with the workforce set to grow substantially as we transition through project construction and into full commercial production.

My first task on being appointed as Managing Director has been to gain a detailed understanding of the investment opportunity before us, and to ensure we have an optimal plant design and mine development plan and the right team in place. I am very impressed with the Namib mine site and how the site area and the underground mine have been cleaned up in anticipation of project development.

The constructive open dialogue between the Namibian authorities and the mining industry in the country is very pleasing to see, and we continue to engage with relevant authorities on the Mining Licence application for Namib. We remain confident that our licence application will be well received through this continued positive engagement. Additionally, by advancing the project technically, and actively recruiting and

NORTH RIVER RESOURCES PLC

MANAGING DIRECTOR'S STATEMENT

appointing key people on the Board and in management with significant mining, project and operations experience, the Company is demonstrating a serious intent on delivering its undertaking to construct and operate the Namib project as a first step to growing a business in Namibia.

As some long term shareholders may be aware, Namib was operated as the Deblin Mine between 1968 and 1991, and was abandoned by its owners in 1991 and it remained idle until its acquisition by Kalahari Minerals in 2007, apart from a small programme of tailings retreatment in 1996. In 2009, North River acquired Namib and commenced a technical and economic assessment of its potential reopening.

As previously mentioned, Namib benefits from well-established infrastructure. A 22kV power line extends to the mine site and only small refurbishments are required prior to re-energising the line. An 8km all-weather access road extends from the Trans Kalahari highway to the mine site. Water supply will come from the pre-existing take-off point of the pipeline administered by the Namibian parastatal, Namwater. A 7.5km HDP (high density polyethylene) pipeline is to be installed to replace the historic line and a tailings dam has also been constructed to support, initially, a six to seven year mine life.

Namib is also ideally situated 70km from Namibia's largest port, Walvis Bay, and 30km from the town of Swakopmund. The proximity of these towns, where mine services and suppliers are well established, reduces the requirement for reliance on auxiliary support from further afield in Namibia or from other nearby countries.

The Namib mine has been fully refurbished to allow access to all underground areas, which extend to 220m below surface. Pumping systems, primary ventilation and all services have been reinstalled, allowing exploration and development activities to recommence.

Geology

Namib is hosted within the thinly interbedded clastics and carbonates of the Arises Marble unit of the Karibib Formation of the Swakop Group, which in the vicinity of the mine displays complex folding and deformation. The mineralised massive "Mine Marble" unit within the Karibib Formation is a weakly banded and coarse grained marble.

Structurally, mineralisation occurs in NE-SW striking tabular lodes that occur in the axial zone and limbs of a ductile SW-plunging anticlinal fold closure. The lodes have similar orientation around the fold closure and are therefore not folded. They are stratabound within the host mine marble unit but are very oblique to this enclosing envelope. As a result, the lodes typically have short strike lengths but much greater down-plunge continuity. Lodes do occur which are elongated along the mine marble strike, but this is less common.

The lodes within the deposit are assigned to four zones relative to their position in the fold closure, the North, South, N20 and Junction.

In-situ Classified Mineral Resource Estimate (JORC 2012) for the Namib Lead and Zinc Mine, depleted, as at August 2014.

Minerals Resource Estimate as at 29 August 2014 Reported at a lower cut-off grade of 1% Pb% + Zn%

<i>Class</i>	<i>Area</i>	<i>Tonnes</i>	<i>Density t/m³</i>	<i>Pb%</i>	<i>Zn%</i>	<i>Ag g/t</i>
Indicated	North	730,000	3.65	2.8	6.2	45.1
	South	147,000	3.61	2.1	5.3	40.5
Inferred	North	121,000	3.63	0.7	9.3	29.6
	South	251,000	3.69	2.7	6.6	48.2
Total		1,250,000	3.65	2.5	6.5	43.7

Tonnages have been rounded to the nearest 1000t to reflect that this is an estimate. Apparent differences may occur due to rounding.

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Definitive Feasibility Study ('DFS')

The highlights of the DFS announced on 26 November 2014 include:

- Maiden Mineral Ore Reserve of 585,000 tonnes at 6.2% zinc, 2.9% lead, and 46ppm silver
- Robust project economics with an IRR >50% at consensus metal prices
- Annual throughput of 250,000 tonnes at an average grade of 9% (Pb+Zn) producing 19,100 tonnes of metal in concentrate
- 280,000 ounces per annum silver by-product
- Initial mine life of 3.5 years (including ramp up and ramp down) and resources equivalent to five years of mine life
- A life of mine ("LOM") plan, including some inferred resources, based on 814kt resources.

Project Optimisation and Resource Expansion

Following completion of the DFS in November 2014, a number of areas were identified where additional technical evaluation work was required to define a mine plan and processing plant design to a level of confidence to support a project investment decision. These issues have been actively addressed since the Board and management team were re-structured and we are now close to optimising a sustainable mine development plan and robust process flow sheet that will provide a sound basis from which to proceed to the design engineering phase. The project economics continue to look attractive and the market will be updated over the coming weeks as soon as this review has been completed.

The final investment decision by the Board remains subject to the economics of the final optimised project, and the granting of the Mining Licence by the Namibian Ministry of Mines and Energy. The application was submitted in April 2014 and we remain hopeful of its prompt issue, however there can be no guarantee of its approval within a specific timeframe.

In addition to the project development activities, the Company views the increase of the Mineral Resource at Namib as a key component to driving growth and overall shareholder value. Since January the Company has decided to bring the resource development and drilling programme in-house and pursue what the Board believes will be a much more time and cost efficient approach to increasing the classified Mineral Resource at Namib. In this regard, the priority now is to carry out the underground development required to create access for the next phases of drilling at depth in both the South and North sections of the orebody. In the North this involves completing the drive on level 5. This development will be incorporated into the overall mine development plan and timing and progress of drilling will depend on scheduling in this plan, and inevitably over time, receipt of the Mining Licence. Further updates will be shared with the market on a regular basis.

Post period end, the Company issued highly positive drill results that further increased management and Board confidence in the potential to significantly increase the resource/reserve base and consequently mine life.

Highlights included:

NLDD 054	8.6m @ 3.8% Pb, 15.9% Zn & 64 g/t Ag
NLDD 056	10.0m @ 5.9% Pb, 13.5% Zn & 105.3 g/t Ag, and 18.2m @ 3.7% Pb, 9.6% Zn & 96.7 g/t Ag
NLDD 061	13.0m @ 7.4% Pb, 18.0% Zn & 49.3 g/t Ag
NLDD 063	10.3m @ 2.6% Pb, 12.5% Zn (Ag Pending).

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A full table of recent drilling results is shown in the following:

<i>Drill Hole ID</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Interval (m)</i>	<i>Pb %</i>	<i>Zn %</i>	<i>Ag g/t</i>
NLDD054	42.6	51.1	8.6	3.8	15.9	64.0
NLDD055	27.8	37.5	9.7	1.5	10.5	28.7
NLDD056	55.6	65.6	10.0	5.9	13.5	105.3
NLDD056	98.7	116.9	18.2	3.7	9.6	96.7
NLDD057	105.2	110.2	5.0	0.0	11.2	14.5
NLDD058	60.0	78.2	18.2	0.5	6.8	18.4
NLDD059	38.7	43.7	5.1	0.1	5.0	4.6
NLDD059	91.8	93.8	2.0	4.2	7.8	59.2
NLDD060	7.2	17.8	10.6	7.8	6.5	90.3
NLDD061	116.7	129.7	13.0	7.4	18.0	49.3
NLDD062	146.2	157.4	11.2	8.7	10.9	145.2
NLDD063	39.0	49.3	10.3	2.6	12.5	46.9
NLDD063	57.4	61.3	3.9	0.5	8.3	34.3
NLDDK038			No Significant Intercepts			
NLDDK039			No Significant Intercepts			
NLDDK041			No Significant Intercepts			
NLDDK043	26.1	29.8	3.7	0.0	21.6	38.6

Notes on drilling:

All intervals are reported as down hole lengths and are not corrected to true widths for the mineralised intervals, as drill holes typically cut mineralisation at variable angles and geometries of mineralised zones remain speculative until further drilling is completed.

Holes NLDD056, NLDD061 and NLDD062, have intersected mineralisation that has not previously been identified or modelled, and lies between the known Central and Junction ore bodies.

Corporate Overview & Financial Highlights

Board & Management Team

The Chairman, Mr Zuyuan He, a representative of Taurus Mineral Limited, brings significant Namibian experience through his role at CGNPC-URC, the company involved in the development of the Husab Uranium Project, one of the largest Chinese investments in Africa.

Mr Brett Richards as the Senior Independent Non-Executive Director brings extensive experience of developing mining projects and mining M&A. Mr Mark Thompson also an Independent Non-Executive Director has significant experience in project evaluation and risk assessment in the junior mining sector.

During the year under review, the Company accepted the resignation of two of its Non-Executive Directors, Mr Zhiping Yu and Ms Qi Yu, both representatives of Taurus Mineral Limited and appointed Mark Sawyer, a representative from its new strategic investor, Greenstone Resources LP. Mark is one of two Senior Partners at Greenstone Capital LLP and has amassed an 18 year career in the mining sector, previously as co-head of group business development at Xstrata plc, and has held senior roles at Rio Tinto plc and Cutfield Freeman & Co Ltd. Mark brings a rigorous approach to corporate governance, mining investment evaluation and a strong strategic perspective of the sector to support the Company to meet its growth ambitions.

In January 2015, the Board had a further injection of high calibre expertise through the appointment of Keith Marshall and Ken Sangster as Independent Non-Executive Directors, both pre-eminent figures in the mining industry with extensive tracks records in the sector.

Keith is a mining engineer and has over 35 years' experience in the mining industry and has worked for extended periods of time in every continent specialising in underground mining. Keith has developed a wealth of technical and managerial experience and has spent the last 15 years in senior mine leadership roles

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with Rio Tinto plc as Managing Director of the Palabora Mining Company (copper) in South Africa, and President of the Oyu Tolgoi Project in Mongolia (copper/gold). Keith will play a critical role in reviewing the mine development plan.

Ken was trained as a metallurgist and has 49 years' experience in the mining industry in a number of highly successful project development and project management roles ranging in project size from US\$20M to US\$600M. He previously worked in numerous senior roles for Rio Tinto plc for over 15 years, as well having metallurgy focused project development roles for Anglo American plc, Consolidated Gold Fields, Outokumpu Metals and Resources, TVX Gold and Ivernia plc. Ken is actively involved in the review and optimisation of the processing plant flowsheet and recommending improvements to the Board. Ken's experience in the sector will also have him playing an important corporate governance role.

The profile of the senior management team also changed in January 2015 with Martin French stepping down from his position as Managing Director, and me being appointed as the incumbent Managing Director, although not on the Board. For the time being the Board has decided not have any executive representation on the Board. As Managing Director, I report directly to the Board and am responsible for execution of the Board's strategy. The Board intends to review this decision in due course following the award of the Mining Licence and securing project finance ready for construction of the mine.

We also appointed Andrew Little as Project Director for Namib. Andy is a graduate HNC Mechanical Engineer from the Bell College of Technology (Scotland), and is a Fellow of the Institute Of Mining, Minerals & Materials (UK) and a Registered Professional Engineer with the European Engineering Council. Andy has over thirty years' experience in Project Development, Field Engineering, Construction Management, Project Engineering, and Design Management, predominantly in the base metals sector. He has previously held senior project and operating roles with FLUOR (at Oyu Tolgoi); Kazakhmys Project LLC, Sino Mining and Freeport McMoRan. As well, Andy has been an independent consultant on project construction roles with: Caijiaying Zinc/Gold Mine in China; Wardrop Engineering; AngloGold Ashanti; and Griffin Mining. Andy is based in Swakopmund and will take responsibility for overall project execution.

Dominic Claridge has been appointed as Head of Business Development, and is tasked with identifying and assessing new opportunities in Namibia to build on the first phase Namib project in line with the strategy to grow the business in Namibia and regionally.

I believe that the Board and management team we now have in place is very well equipped to drive development of both Namib and then leverage this operating platform to explore and identify subsequent growth opportunities.

Corporate Communications

As we transition from our status as an exploration company to developer and mining operator, I am cognisant of the on-going need to keep investors abreast of developments. Over recent months, against a backdrop of a new management team engaged in detailed technical review of all aspects of the Namib project, from mine development plan to plant design and resource expansion drilling programme, there have been only limited opportunities to provide updates to shareholders. Going forward, the Board and I are keen to enhance our general shareholder communication so that investors have clear expectations of what news they can expect and when, and also provide shareholders with regular structured access to the management of North River.

As shareholders may well be aware, our first objective to fulfil this obligation is to hold regular conference calls for all shareholders. These conference calls will be announced in advance via RNS, and interested parties will be invited to submit questions before the call providing me and the Board and with an agenda for the call and an insight into what particular concerns or feedback our shareholder base has.

We also plan to supplement these calls with regular market updates on the revised project definition and economics, the development plan for increasing the Namib resource base, and funding plans.

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Financial Review

The Company is reporting a loss before taxation for the year of £3,320,477 (2013: loss of £ 2,195,891). The increase in the loss reflects the ramping up of work carried out to progress the Namib project towards development.

The Group continues to focus on minimising administrative overheads.

As announced on 4 July 2014, North River has in place an investment agreement with Greenstone, whereby Greenstone committed to invest up to US\$12 million in the Company in a series of tranches by way of equity subscriptions and one or more non-secured, non-redeemable, zero coupon convertible debentures. To date the Company has received two funding tranches from Greenstone, equating to total funds of US\$6 million. The outstanding third and fourth tranches, equating to a further US\$6 million, remain subject to completion of a number of project milestones. While the Company had previously anticipated having completed all preparations in readiness for the final investment decision on the Namib project by the end of the second quarter 2015, it is taking longer than expected to secure the mining licence, adding uncertainty to project implementation planning. In addition, and as already noted, further technical evaluation work has been required to define a mine plan and processing plant design to a level of confidence to support a project investment decision. As a consequence of the additional work performed and the ongoing costs incurred in anticipation of the mining licence (which will benefit the project in the longer term), the Company has not been able to fully apply the proceeds of the second investment tranche received to all prescribed uses of that tranche under the investment agreement and so may not be able to satisfy all the conditions precedent for the next tranche before further funding is required, or within the agreed investment period which comes to an end on 4 October 2015, being 15 months following the date of the agreement. The Company is considering funding solutions from new and/or existing investors (both institutional and private where appropriate) to cover project development, resource expansion, and corporate costs under multiple scenarios as to when the mining licence will be received. The Company is also seeking to push ahead in the meantime with underground mine development work and potentially start sourcing second hand equipment, neither of which is contemplated at this pre-construction stage in the Greenstone agreement.

The Group's cash position as at 31 December 2014 was £1,904,860 (2013: £577,551).

Outlook

While 2014 was a difficult year for most commodity prices, zinc rose to a 35-month high mid-year before easing in the second half on the back of downward revisions to economic growth in China, the EU and Japan. The refined zinc market remained in deficit in 2014, with improving demand and falling exchange warehouse stock levels. The average lead price for the year was marginally up on 2013 as the market remained in balance, with limited warehouse stock movements.

Looking ahead, both zinc and lead prices have recovered in the early part of 2015 and continue to demonstrate robust long-term fundamentals. The zinc market is expected to remain in deficit with forecast continued demand growth, while announced closures of the large Century and Lisheen mines, and no significant new sources of production scheduled to come on stream, will constrain supply. Market commentators point to potential production growth in China in reaction to higher zinc prices, but this potential is facing rising labour and other costs, falling ore grades and small operating scale.

Namib will very much continue to be our primary focus over the coming months as we look to secure our Mining Licence, finalise our mine optimisation studies and work on enhancing the Resource/Reserve base of the asset.

As mentioned earlier, North River is an ambitious company, and I see Namib as a first step in a longer term growth plan. By demonstrating our ability to unlock value at Namib, we will be well positioned to turn our attentions to identifying additional opportunities, in a country with excellent resource potential.

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In Mozambique, where North River holds an effective 40% interest in the iron and phosphate Monte Muande project, we continue in discussion with our joint venture partner, Baobab Resources, on the best way forward. Baobab, who entered into the joint venture with North River in 2010 and has earned an effective 60% interest through exploration expenditure, continue in progress with technical studies on project options.

I would like to take this opportunity to thank our valued shareholders, the Board and the North River team for their continued support and dedication over recent years and during my short tenure as Managing Director, and I look forward to providing further news updates in due course as we look to deliver on our business strategy.



James Beams

Managing Director

29 May 2015

NORTH RIVER RESOURCES PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors of the Company and its subsidiary undertakings (which together comprise 'the Group') present their Strategic Report for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES AND STRATEGY

The principal activity of the Company is that of a holding company for its subsidiaries. The principal activity of the Group is the identification, acquisition, exploration and development of mineral projects with a principal focus on base metals particularly zinc and lead.

The North River Group is engaged in the exploration and development of mineral resources. The Group's activities are focussed in Africa and its main project, the Namib lead zinc mine is located in Namibia.

The Namib lead/zinc deposit has been mined successfully in the past and the Group has completed a feasibility study into the restart of commercial mining operations. The Group, as well as continuing exploration drilling, will focus on raising funding to redevelop the mine. The objective is to restore Namib to a profitable and cash generative operation which in turn will fund the Group's further exploration and expansion plans.

Further discussions on the Group's activities during the year and future outlook are included in the Managing Director's Statement.

FINANCIAL RESULTS

During the year, the Company invested considerably in its Namibian portfolio. In light of this, the Group is reporting a loss of £3,320,477 (2013: £2,195,891) for the year ended 31 December 2014. This loss is in line with the Directors' expectations and includes exploration and administrative expenditure of £3,326,325 (2013: £2,203,184) with the exploration and evaluation costs being £2,178,666 (2013: £1,235,192).

The Group's primary activity remains mineral exploration, consequently there has been no production revenue.

Cash balances at the year-end were at £1,904,860 (2013: £577,551).

Due to the early stage of development of the Group, it is not meaningful to consider a further review of key financial performance indicators.

ORGANISATION OVERVIEW

The Group's management is based in London, but it operates in Namibia and elsewhere through UK and foreign subsidiaries. The corporate structure of the Group reflects the historical pattern of acquisition by the Group and the need where appropriate, for fiscal and other reasons, to have incorporated entities in particular territories.

The Group's main exploration and development activity is managed through a Namibian subsidiary North River Resources Namibia (Pty) Limited but carried out by Namib Lead and Zinc Mining (Pty) Limited. Exploration in Mozambique is carried out through a local subsidiary North River Resources (Murrapula) Limitada.

The Board of Directors comprises four independent Non-Executive Directors, a Non-Executive Director appointed by Greenstone Resources LLP and a Non-Executive Director who is a representative of Taurus Mineral Limited. Their profiles are provided on page 20.

The Group is run on a very low cost base with expenditure tightly controlled and targeted on preparing the Company for the transition into full development of the Namib project.

PRINCIPAL RISKS AND UNCERTAINTIES

Mining and exploration have inherent risks and the main risks to which the Group could be exposed are listed below:

Exploration Risk

The Company's business includes mineral exploration and evaluation which are speculative activities and whilst the directors are satisfied that good progress is being made, there is no certainty that the Group will be successful in the definition of new or additional economic mineral deposits, or that it will successfully proceed into development of any of its projects or otherwise realise their potential value.

Resource Risk

All mineral deposits have risk associated with their defined grade and continuity. Mineral Reserves and Resources are calculated by the Group in accordance with accepted industry standards and codes but are always subject to uncertainties in the underlying assumptions which include geological projection and metal price assumptions.

Development Risk

Delays in permitting, financing, constructing and commissioning a project may result in delays to the Group meeting future production targets.

Commodity Price Risk

Lower metal prices can affect the economic viability of mining projects and affect decisions on continuing exploration activity. The Group has no metal price hedging in place.

Mining and Processing Technical Risk

Notwithstanding the completion of metallurgical testwork, test mining and pilot studies indicating the technical viability of a mining operation, variations in mineralogy, mineral continuity, ground stability, groundwater conditions and other geological conditions may still render a mining and processing operation economically or technically non-viable.

Licences Risk

Exploration and mining licences are issued by government and though the Group ensures that the applications and renewals are applied for in a timely manner and that all conditions have been met, there is a risk that licences will not be granted or renewed.

Environmental Risk

Exploration and development of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.

Financing & Liquidity Risk Liquidity

This is the risk that the Company will not be able to raise working capital for its ongoing activities. The Group's goal is to finance its exploration and evaluation activities from future cash flows but until that point is reached the Company is reliant on raising working capital from equity markets or from industry sources. There is no certainty such funds will be available when needed.

Political Risk

All countries carry political risk that can lead to interruption of activity. Politically stable countries can, for example, have enhanced environmental and social permitting risks, risks of strikes and changes to taxation

whereas less developed countries have enhanced risks in areas such as changes to the legal framework, civil unrest and government expropriation of assets.

Partner Risk

The Group's activities could be adversely affected if joint venture partners are unable or unwilling to perform their obligations or fund their share of future developments.

Financial Instruments and financial risk management

Details of risks associated with the Group's Financial Instruments and financial risk management disclosures are given in Note 18 to the financial statements.

Internal Controls and Risk Management

The directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system of internal controls and risk management is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

In carrying out their responsibilities, the directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control.

The Board, subject to delegated authority, reviews capital investment, property sales and purchases, and all borrowing decisions.

By order of the Board



Mark Thompson
Director

29 May 2015

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their report, together with the audited financial statements for North River Resources plc ('North River' or 'the Company') and its subsidiary undertakings (together 'the Group') for the year ended 31 December 2014.

The Company is registered in England and Wales, having been incorporated on 13 July 2006 under the Companies Act with registration number 05875525 as a public company limited by shares.

The Company was first admitted to trading on the AIM Market of the London Stock Exchange plc on 27 December 2006.

Directors

The following Directors held office during the year and remain in office as at the date of this report unless stated otherwise:

Martin French	Resigned 20.01.2015
Zuyuan He	
Zhiping Yu	Resigned 25.06.2014
Brett Richards	
Ms. Qi Yu	Resigned 1.11.2014
Mark Thompson	
Mark Sawyer	Appointed 27.07.2014
Keith Marshall	Appointed 20.01.2015
Ken Sangster	Appointed 20.01.2015

Directors' interests

The beneficial and non-beneficial interests in the Company's shares and share options of the current Directors and their families, as at 31 December 2014 are as follows:

	<i>Ordinary shares 31 December 2014</i>	<i>Ordinary shares 31 December 2013</i>	<i>Share options 31 December 2014</i>	<i>Share options 31 December 2013</i>
<i>Directors</i>				
Martin French ^(Note 1)	90,261,919	90,261,919	500,000	10,500,000
Brett Richards	22,619,047	22,619,047	—	—
Mark Thompson	28,571,429	28,571,429	—	—

Note:

1. The shares are held by Morstan Nominees Limited and the share options are held directly by the Director.

Martin French's interest in share options are as follows:

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Share options 31 December 2014</i>	<i>Share options 31 December 2013</i>
24 September 2009	30 June 2014	£0.05	—	10,000,000
3 February 2010	1 February 2015	£0.10	250,000	250,000
3 February 2010	1 February 2015	£0.10	250,000	250,000
			<u>500,000</u>	<u>10,500,000</u>

During the year there were no changes in the Directors' shareholdings.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Directors' remuneration and service contracts

Directors' remuneration for the year to 31 December 2014 is set out below:

	<i>Directors' salary</i> <i>Year to</i> <i>31 December</i> <i>2014</i>	<i>Directors' bonus</i> <i>Year to</i> <i>31 December</i> <i>2014</i>	<i>Directors' fee</i> <i>Year to</i> <i>31 December</i> <i>2014</i>	<i>Employers' NI</i> <i>Year to</i> <i>31 December</i> <i>2014</i>	<i>Total</i> <i>Year to</i> <i>31 December</i> <i>2014</i>	<i>Fees and salary</i> <i>Year ended</i> <i>31 December</i> <i>2013</i>	
<i>Directors</i>	£	£	£	£	£	£	<i>Notes</i>
Martin French	150,000	150,000	(14,000)	38,311	324,311	146,956	1,5
Zuyuan He	–	–	(8,000)	–	(8,000)	52,933	2,5
Zhiping Yu	–	–	(4,000)	–	(4,000)	26,467	2,5
Ms. Qi Yu	–	–	(4,000)	–	(4,000)	22,387	2,5
Brett Richards	–	–	24,000	–	24,000	23,097	3
Mark Thompson	–	–	24,000	2,766	26,766	6,800	3
Mark Sawyer	–	–	–	–	–	–	4
Total	150,000	150,000	18,000	41,077	359,077	278,640	

Notes:

- 1 Martin French was appointed Managing Director on 20 May 2013 and was paid an annual salary of £150,000. He also received a bonus of £150,000 for work carried out in the years 2013 and 2014.
- 2 No agreements have been entered into with Zuyuan He, Zhiping Yu or Qi Yu for the provision of their services.
- 3 Brett Richards and Mark Thompson are independent non-executive directors receiving a fee of £24,000 per annum.
- 4 Mark Sawyer, being a representative of Greenstone Resources LLP, does not receive a fee for non-executive director services.
- 5 The amounts within brackets are the reversal of accruals made in 2013 that have not become payable.

Pensions

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

Substantial shareholders

In accordance with Chapter 5 of the FCA Disclosure and Transparency Rules, the Company has been notified that as at 26 May 2015 the following interests of 3% or more existed in its Ordinary share capital:

	<i>Number of</i> <i>Ordinary shares</i>	<i>%</i>
Greenstone Resources LP	564,858,446	29.48
Taurus Mineral Limited ^(Note 1)	266,666,667	13.92
Martin French ^(Note 2)	82,000,000	4.28
Imperial Minerals Limited ^(Note 3)	70,383,333	3.67
Barclayshare Nominees Limited	75,484,572	3.94
TD Direct Investing Nominees (Europe) Limited	71,720,781	3.74
Hargreaves Lansdown (Nominees) Limited	66,746,184	3.48

Notes:

- 1 Taurus Mineral Limited, a company formed at the direction of CGNPC Uranium Resources Co Ltd and the China-Africa Development Fund, acquired the shareholdings of both Kalahari Gold Limited and Kalahari Diamonds Limited, as a result of their acquisition of Kalahari Minerals on 28 February 2012. Through these two subsidiaries, Taurus had a total shareholding of 13.92% as at 26 May 2015.
- 2 Mr French holds these shares through Morstan Nominees Limited.
- 3 Imperial Minerals Limited holds these shares through WB Nominees Limited.

The Company has no Ordinary Shares held in treasury.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

Subsequent events

On 20 January 2015 the Board appointed key directors and senior management to support the next phase of development at the flagship Namib Lead-Zinc Project. Appointing Keith Marshall and Ken Sangster as Non-Executive Directors. Martin French resigned as a Director and as Managing Director. James Beams was appointed as Managing Director and Andrew Little as Project Director, but not as Directors of the Company.

Very positive drill results were also announced further increasing management's confidence in the potential to significantly extend the mine life, with drilling continuing to increase the Mineral Resource.

These events are discussed in more detail in the Managing Director's Statement.

Going concern

During the year ended 31 December 2014 the Group made a loss of £3,320,477 (2013: a loss of £2,195,891). At the year end date the Group had net assets of £10,083,685 (2013: net assets of £8,473,236) of which £1,904,860 (2013: £577,551) was cash at bank. The operations of the Group are currently being financed from funds which the Parent Company raised from private and public share placings.

The Group's capital management policy is to raise sufficient funding to finance the Group's near term exploration and development objectives. Upon completion of objectives, or identification of new projects, the Directors will seek new funding to finance the next stage of the development programme or the new projects.

The Group had a cash balance of £1,047,658 at 30 April 2015.

As set out in Note 22, the Group has estimated possible exploration expenditure of up to £1.5 million for its Namibian licences through 2015 and into 2016. Total capital cost, that is still under review, for the life of the mine, as announced on 26 November 2014 in the Definitive Feasibility Study on Namib, is estimated as \$27.8 million (£17.9 million). The Group will therefore need to raise or obtain additional cash funding to support both working capital requirements and the next stage of its exploration and development programme.

As set out in Note 5, applications for the Namib Lead Zinc Mining Licence (submitted in April 2014) and the renewal of several EPLs in the Licence Areas have been made and are awaiting confirmation. If the Mining Licence is not received or the EPLs are not renewed, the Directors would have to reconsider the position of the Group and the resulting ability to continue operations as planned. The Directors believe that all outstanding licence confirmations will be received within the normal timeframe for these applications.

Subject to receiving the Namib Mining Licence, the Directors believe that the Group will be able to raise as required, sufficient cash to enable it to continue its operations, and continue to meet, as and when they fall due, its planned and committed exploration and development activities and liabilities for at least the next twelve months from the date of approval of these financial statements. For this reason the Directors continue to adopt the going concern basis in preparing the accounts.

However, there can be no guarantee that the required funds will be raised within the necessary timeframe or that the mining and EPL licences will be renewed. Consequently a material uncertainty exists that may cast doubt on the Group's ability to continue to operate as planned and to be able to meet its commitments and discharge its liabilities in the normal course of business for a period not less than twelve months from the date of this report.

The financial statements do not include the adjustments that would result if the Group was unable to continue in operation.

Corporate Governance

Significant progress is being made in developing the Company's corporate governance structure and culture. The Board is aware of the importance of good corporate governance and is committed to following the

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies ("QCA Code"), to the full extent considered appropriate at the current size and stage of maturity of the Company.

The Board has not formally adopted performance evaluation procedures for Directors. However, the Board takes the effectiveness and efficiency of its Directors seriously and will continue to review its own performance and effectiveness.

Attendance at Board and Committee Meetings in 2014:

	<i>Board Meetings</i>	<i>Audit Committee</i>	<i>Remuneration</i>
	<i>Attended/</i>	<i>Meetings</i>	<i>Committee</i>
	<i>Eligible to attend</i>	<i>Attended/</i>	<i>Meetings</i>
	<i>Eligible to attend</i>	<i>Eligible to attend</i>	<i>Attended/</i>
	<i>Eligible to attend</i>	<i>Eligible to attend</i>	<i>Eligible to attend</i>
Martin French	6/6	1/1	–
Zuyuan He	2/6	1/1	–
Zhiping Yu	1/2	–	–
Qi Yu	5/5	–	–
Brett Richards	4/6	1/1	1/1
Mark Thompson	4/6	1/1	1/1
Mark Sawyer	3/3	1/1	1/1
Total No. of meetings	6	2	1

A Governance and Nominating Committee and a Health, Safety and Environment Committee were formally formed by the Board on 15 October 2014. The Board will continue to review the composition of the Committees annually.

Internal controls

As a fundamental step in the process of defining the business strategy, the Board is responsible for identifying and evaluating the major business risks faced by the Group and for determining and monitoring the appropriate course of action to manage these risks through effective internal controls. The internal controls systems are designed to safeguard the assets of the Group, ensure compliance with applicable laws and regulations and internal policies with respect to the conduct of business and the reliability of financial information for both internal and external publication.

A budgeting process is in place for all material items of expenditure, with an annual budget approved by the Board and cashflow forecasts reviewed regularly. All expenditure requires senior management approval in line with the appropriate Board approved delegations of authority.

Actual versus budgeted levels of expenditure, the Group's cash position, and the projected cashflow forecast are all monitored on a monthly basis.

Audit committee

The Audit Committee meets to discuss the half yearly and annual results. For the annual results, the independent auditors, UHY Hacker Young LLP, are invited to discuss the results and their assessment of internal controls. The Chairman of the Audit Committee is Mark Thompson and following changes to the Board the other participating members of the Committee are Brett Richards, Mark Sawyer and Ken Sangster.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Audit Committee is responsible for:

- a) considering the appointment of the auditors of the Group, their fees, any questions relating to the resignation or removal of the auditors and their objectivity and independence in the conduct of the audit;
- b) agreement with the auditors on the nature and scope of the audit and subsequently reviewing the audit process;
- c) monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them, including reviewing the interim and annual financial statements before submission to the Board;
- d) reviewing the Company's internal control systems; and
- e) an ongoing review of the risks that the Group is exposed to and how best to monitor and mitigate them;
- f) considering such other matters that the Board may from time to time refer to it.

The Audit Committee circulates meetings minutes and reports its findings including identifying any matters which it considers that action or improvement is required to the Board.

Remuneration committee

The Remuneration Committee meets on an "as required" basis and met once during the year. The Chairman of the Remuneration Committee is Brett Richards and the other participating members are Mark Thompson, Mark Sawyer and Keith Marshall.

The Remuneration Committee seeks to align the interests of senior management with the interests of shareholders through evaluation of the scale and structure of remuneration for senior management and where appropriate overview of the broad issues of salary levels for all employees. The Company's Remuneration policy is to facilitate the recruitment, retention and motivation of employees through appropriate remuneration in line with those prevailing in the market of similar positions and responsibilities taking into consideration qualifications and skills possessed in order to implement the Company's strategy and effective risk management. The Committee also considers and recommends to the Board employee incentives and rewards with respect to any share incentive schemes.

The committee also reviews and recommends a framework for the remuneration of Directors. Currently £24,000 per annum is paid on a monthly basis for the services of each Independent Non-Executive Director, where as the Non-Executive Directors who are a shareholder representative receive no fees. See Note 20 for further information.

Governance and nominating committee

The Governance and Nominating Committee regularly reviews the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and makes recommendations to the Board with regard to any changes. In addition, it gives full consideration to succession planning for Directors and other senior executives, and is responsible for identifying, evaluating and nominating Board candidates. It also reviews annually the time required from non-executive directors. The Governance and Nominating Committee is comprised of Mark Thompson, Mark Sawyer, Keith Marshall, Ken Sangster and Brett Richards as Chairman.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Health safety and environment committee

The Board established the Health Safety and Environment Committee, which is comprised of Mark Sawyer, Keith Marshall and Ken Sangster for the following purposes:

- a) assist the Board's assessment of the Company's health, safety, environment and sustainability programmes and initiatives;
- b) assist the Board's oversight of matters relating to protecting and/ or enhancing the Company's reputation of responsible corporate stewardship, conscientious corporate social responsibility and sustainability.

Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company, and the profit and loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Statement of disclosure to the auditors

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

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution proposing that UHY Hacker Young LLP be re-appointed as auditors of the Company and that the Directors be authorised to determine their remuneration will be put to the Annual General Meeting.

By order of the Board



Mark Thompson

Director

29 May 2015

Zuyuan He (Non-Executive Chairman) (Age 49)

Zuyuan has over 21 years of experience in uranium exploration and financial management and is Deputy General Manager of CGNPC-URC. He is also currently a Director of the following companies: Taurus; Kalahari; Beijing Sino-Kaz Uranium Resources Investment Company Limited; China Uranium Development Company Limited; CGN Mining Company Limited; Energy Metals Limited; and 'Semizbay-U' LLP. Previously, Zuyuan has also held the following positions: Finance Controller and Manager of the department of capital operation of Beijing Changxin state-owned assets investment and operation Company; Manager of the financial and planning department at CGNPC-URC; and Chief Financial Officer of CGNPC-URC. He has not held any other directorships in the past five years.

Brett Allan Richards (Senior Independent Non-Executive Director) (Age 50)

Brett is an entrepreneurial mining and metals executive with a unique background in mining M&A, mine development and senior level operations experience. He brings publicly listed CEO experience in the mining sector, as well as business development, mine financing and operational experience including Africa to North River Resources. Brett has led greenfield / brownfield start-ups, turnarounds and mergers / acquisitions, and has world-wide business experience. Under Richards Enterprises Inc., Brett is currently advising BSG as the CEO of BSG Resources and CEO of Octéa Limited. He was formerly the transition CEO of Roxgold (TSX:ROG) through a proxy battle and CEO of Avocet Mining plc (LSE & AIM), and Brett has held other executive management positions at a variety of publicly traded companies – Katanga Mining Limited (TSX:KAT), Kinross Gold (TSX:K) and Co-Steel Inc. (TSX:CEI). Mr. Richards has an MBA and a degree in mechanical engineering and also sits on the Board of Directors of Octéa Limited and Octéa Diamonds Limited and is the principal of Richards Enterprises Inc. (CI).

Mark Edward Thompson (Independent Non-Executive Director) (Age 42)

Mark is the executive Chairman of Treliver Minerals Ltd, a UK company developing Tin mining projects in England and Germany. He is a non-executive Director of TSX-V listed Margaret Lake Diamonds Inc as well as holding a number of other directorships in private companies engaged in mineral exploration. He is a former Chief Investment Officer and co-founder of Galena Asset Management Ltd, the fund management arm of Trafigura Beheer b.v., and partner at Apollo Management, one of the world's largest alternative asset managers. Mark holds a masters degree in Physics from Oxford University.

Mark Raymond Sawyer (Non-Executive Director) (Age 46)

Mark is a Senior Partner at Greenstone Capital LLP and a co-founder of Greenstone Resources LP ('Greenstone'), the private equity fund. Mark co-founded Greenstone in 2013 after a 18 year career in the mining sector including as co-head of group business development at Xstrata plc, and senior roles at Rio Tinto plc and Cutfield Freeman & Co Ltd. Together with Greenstone's co-founder, Mark oversees all aspects of the management of the business. He serves as a director of Greenstone Management Ltd, the fund's General Partner, and is a member, and co-Chairman, of the Investment Committee.

Keith Marshall (Independent Non-Executive Director) (Age 56)

Keith is a mining engineer and has over 35 years' experience in the mining industry and has worked for extended periods of time in every continent specialising in underground mining. Keith has developed a wealth of technical and managerial experience and has spent the last 15 years in senior mine leadership roles with Rio Tinto PLC as Managing Director of the Palabora Mining Company (copper) in South Africa, and President of the Oyu Tolgoi Project in Mongolia (copper/gold).

Kenneth John Sangster (Independent Non-Executive Director) (Age 71)

Ken was trained as a metallurgist and has 49 years' experience in the mining industry in a number of highly successful project development / project management roles ranging in project size from US\$20M to US\$600M. He previously worked in numerous senior roles for Rio Tinto plc for over 15 years, as well having metallurgy focused project development roles for Anglo American PLC, Consolidated Gold Fields, Outokumpu Metals and Resources, TVX Gold and Ivernia plc. He is also a Fellow of the Institute of Directors.

**NORTH RIVER RESOURCES PLC
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NORTH RIVER RESOURCES PLC
FOR THE YEAR ENDED 31 DECEMBER 2014**

We have audited the financial statements of North River Resources plc for the year ended 31 December 2014 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Cash Flow, the Group and Parent Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out in the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2014 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern and licence renewals

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the Group's ability to continue as a going concern. The Group incurred a loss of £3.3 million during the year ended 31 December 2014 and is still incurring losses. Along with similar sized exploration and mining companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. As discussed in note 1.2 the Company will need to raise further funds in order to meet its budgeted operating, exploration and planned project development costs for the next year.

The Group has also applied for the Namib Lead Mining Licence and the renewal of several exploration licences where the Group operates and is awaiting confirmation of the renewals and issue of the Mining

**NORTH RIVER RESOURCES PLC
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NORTH RIVER RESOURCES PLC
FOR THE YEAR ENDED 31 DECEMBER 2014**

Licence. If the Mining Licence is not received or the EPLs are not renewed then the Directors would have to reconsider the position of the Group and the resulting ability or otherwise to continue operations as planned.

These conditions, along with other matters disclosed in note 1.2 indicate the existence of a material uncertainty which may cast doubt about the Group's and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result (such as impairment of assets) if the Group and Company were unable to continue as a going concern or if licences were not renewed.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Colin Wright

(Senior Statutory Auditor)

For and on behalf of

UHY Hacker Young LLP

Chartered Accountants and Statutory Auditor

29 May 2015

UHY Hacker Young LLP

Quadrant House
4 Thomas More Square
London, E1W 1YW

NORTH RIVER RESOURCES PLC**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

	<i>Notes</i>	<i>2014</i> £	<i>2013</i> £
Continuing operations			
Revenue		–	–
Other operating income		189	126
Exploration & evaluation expenditure		(2,178,666)	(1,235,192)
Administrative expenses		(1,147,659)	(967,992)
GROUP OPERATING LOSS	3	(3,326,136)	(2,203,058)
Interest payable on short term borrowings		(267)	–
Interest received on bank deposits		5,926	7,167
LOSS BEFORE TAX		(3,320,477)	(2,195,891)
Taxation	12	–	–
LOSS FOR THE YEAR		(3,320,477)	(2,195,891)
OTHER COMPREHENSIVE LOSS:			
Exchange differences on translating foreign operations		(43,570)	(143,018)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(3,364,047)</u>	<u>(2,338,909)</u>
Loss per share			
Basic and diluted – pence per share	4	<u>(0.22p)</u>	<u>(0.23p)</u>

The results for 2014 and 2013 relate entirely to continuing operations. The loss for the current and prior years and the total comprehensive loss for the current and the prior years are wholly attributable to equity holders of the parent company.

NORTH RIVER RESOURCES PLC**CONSOLIDATED AND PARENT COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	<i>Notes</i>	<i>Group 31 December 2014 £</i>	<i>Company 31 December 2014 £</i>	<i>Group 31 December 2013 £</i>	<i>Company 31 December 2013 £</i>
ASSETS					
NON-CURRENT ASSETS					
Goodwill	5	7,738,986	–	7,738,986	–
Intangible assets	6	64,938	73,755	72,422	78,111
Plant and equipment	7	143,857	2,754	126,841	6,156
Amounts due from subsidiaries	8	–	15,630,388	–	13,173,886
Investment in joint venture	13	–	–	–	–
Investment in associated company	14	113,182	56,591	113,182	56,591
Investments in subsidiaries	15	–	472,991	–	472,991
		<u>8,060,963</u>	<u>16,236,479</u>	<u>8,051,431</u>	<u>13,787,735</u>
CURRENT ASSETS					
Trade and other receivables	8	444,817	217,988	157,534	30,783
Cash and cash equivalents	9	1,904,860	1,762,632	577,551	520,697
		<u>2,349,677</u>	<u>1,980,620</u>	<u>735,085</u>	<u>551,480</u>
TOTAL ASSETS		<u>10,410,640</u>	<u>18,217,099</u>	<u>8,786,516</u>	<u>14,339,215</u>
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10	326,955	220,409	313,280	273,050
TOTAL LIABILITIES		<u>326,955</u>	<u>220,409</u>	<u>313,280</u>	<u>273,050</u>
NET ASSETS		<u>10,083,685</u>	<u>17,996,690</u>	<u>8,473,236</u>	<u>14,066,165</u>
EQUITY					
Share capital	11	3,831,750	3,831,750	2,240,495	2,240,495
Share premium	11	21,258,590	21,258,590	17,875,349	17,875,349
Share-based payments reserve		115,645	115,645	4,444,445	4,444,445
Translation reserve		(146,503)	–	(102,933)	–
Retained losses		(14,975,797)	(7,209,295)	(15,984,120)	(10,494,124)
TOTAL EQUITY		<u>10,083,685</u>	<u>17,996,690</u>	<u>8,473,236</u>	<u>14,066,165</u>

These financial statements were approved by the Board of Directors on 29 May 2015 and signed on its behalf by:



Mark Thompson

Director

Company Registration Number: 05875525

NORTH RIVER RESOURCES PLC

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	<i>Share capital £</i>	<i>Share premium £</i>	<i>Retained losses £</i>	<i>Share-based payment reserve £</i>	<i>Translation reserve £</i>	<i>Total equity £</i>
CONSOLIDATED						
At 1 January 2013	1,402,400	16,968,767	(13,874,224)	4,530,440	40,085	9,067,468
Loss for 2013	–	–	(2,195,891)	–	–	(2,195,891)
Other comprehensive income:						
Currency translation gains	–	–	–	–	(143,018)	(143,018)
Total comprehensive loss	–	–	(2,195,891)	–	(143,018)	(2,338,909)
Transactions with shareholders:						
Shares issued	838,095	961,905	–	–	–	1,800,000
Share issue expenses	–	(55,323)	–	–	–	(55,323)
Transfer of expired share options	–	–	85,995	(85,995)	–	–
At 31 December 2013	2,240,495	17,875,349	(15,984,120)	4,444,445	(102,933)	8,473,236
Loss for 2014	–	–	(3,320,477)	–	–	(3,320,477)
Other comprehensive income:						
Currency translation losses	–	–	–	–	(43,570)	(43,570)
Total comprehensive loss	–	–	(3,320,477)	–	(43,570)	(3,364,047)
Transactions with shareholders:						
Shares issued	1,591,255	3,458,832	–	–	–	5,050,087
Share issue expenses	–	(75,591)	–	–	–	(75,591)
Transfer of expired share options	–	–	4,328,800	(4,328,800)	–	–
At 31 December 2014	3,831,750	21,258,590	(14,975,797)	115,645	(146,503)	10,083,685

NORTH RIVER RESOURCES PLC

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	<i>Share capital £</i>	<i>Share premium £</i>	<i>Retained losses £</i>	<i>Share-based payment reserve £</i>	<i>Total equity £</i>
COMPANY					
At 1 January 2013	1,402,400	16,968,767	(9,594,136)	4,530,440	13,307,471
Loss for 2013	–	–	(985,983)	–	(985,983)
Other comprehensive income	–	–	–	–	–
Total comprehensive loss	–	–	(985,983)	–	(985,983)
Transactions with shareholders:					
Shares issued	838,095	961,905	–	–	1,800,000
Share issue expenses	–	(55,323)	–	–	(55,323)
Transfer on expired share options	–	–	85,995	(85,995)	–
At 31 December 2013	2,240,495	17,875,349	(10,494,124)	4,444,445	14,066,165
Loss for 2014	–	–	(1,043,971)	–	(1,043,971)
Other comprehensive income	–	–	–	–	–
Total comprehensive loss	–	–	(1,043,971)	–	(1,043,971)
Transactions with shareholders:					
Shares issued	1,591,255	3,458,832	–	–	5,050,087
Share issue expenses	–	(75,591)	–	–	(75,591)
Transfer on expired share options	–	–	4,328,800	(4,328,800)	–
At 31 December 2014	3,831,750	21,258,590	(7,209,295)	115,645	17,996,690

NORTH RIVER RESOURCES PLC

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	<i>Notes</i>	<i>Group 2014 £</i>	<i>Company 2014 £</i>	<i>Group 2012 £</i>	<i>Company 2012 £</i>
Cash flows from operating activities					
Group operating loss		(3,326,136)	(1,045,594)	(2,203,058)	(989,185)
Adjustments for non-cash items:					
Depreciation and amortisation charges	6&7	62,551	9,090	67,186	5,607
		(3,263,585)	(1,036,504)	(2,135,872)	(983,578)
Movements in working capital:					
(Increase)/decrease in receivables		(287,284)	(187,205)	168,161	52,535
Increase/(decrease) in payables		13,675	(52,641)	(60,551)	(41,379)
Net cash used in operating activities		(3,537,194)	(1,276,350)	(2,028,262)	(972,422)
Investing activities					
Purchase of intangible assets	6	–	–	(13,200)	(13,200)
Loans to subsidiaries	8	–	(2,456,502)	–	(967,064)
Distribution from/(investment in) joint venture	13	–	–	154,868	–
Purchase of plant and equipment	7	(77,462)	(1,332)	(40,872)	(833)
Net cash (used in)/from investing activities		(77,462)	(2,457,834)	100,796	(981,097)
Financing activities					
Issued shares	11	5,050,087	5,050,087	1,800,000	1,800,000
Issue expenses	11	(75,591)	(75,591)	(55,323)	(55,323)
Interest paid		(267)	–	–	–
Interest received		5,926	1,623	7,167	3,201
Net cash from financing activities		4,980,155	4,976,119	1,751,844	1,747,878
Increase/(decrease) in cash and cash equivalents		1,365,499	1,241,935	(175,622)	(205,641)
Cash and cash equivalents at beginning of year	9	577,551	520,697	858,677	726,338
Exchange differences		(38,190)	–	(105,504)	–
Cash and cash equivalents at end of year	9	1,904,860	1,762,632	577,551	520,697

Cash and cash equivalents comprise cash on hand and bank balances.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation

The financial statements are prepared in accordance with the historical cost convention and in accordance with the International Financial Reporting Standards (“IFRS”) including IFRS 6 ‘Exploration for and Evaluation of Mineral Resources’ as adopted by the European Union (“EU”) and in accordance with the provisions of the Companies Act 2006. The parent Company’s financial statements have also been prepared in accordance with IFRS and Companies Act 2006.

The Group and Company financial statements are presented in UK pounds sterling.

In accordance with the provisions of Section 408 of the Companies Act 2006, the Parent Company has not presented a Statement of Comprehensive Income. The Parent Company’s loss for the year ended 31 December 2014 of £1,043,971 (2013: loss of £985,983) has been included in the Group’s Statement of Comprehensive Income.

1.2 Going concern

During the year ended 31 December 2014 the Group made a loss of £3,320,477 (2013: a loss of £2,195,891). At the year end date the Group had net assets of £10,083,685 (2013: net assets of £8,473,236) of which £1,904,860 (2013: £577,551) was cash at bank. The operations of the Group are currently being financed from funds which the Parent Company raised from private and public share placings.

The Group’s capital management policy is to raise sufficient funding to finance the Group’s near term exploration and development objectives. Upon completion of objectives, or identification of new projects, the Directors will seek new funding to finance the next stage of the development programme or the new projects.

The Group had a cash balance of £1,047,658 at 30 April 2015.

As set out in Note 22, the Group has estimated possible exploration expenditure of up to £1.5 million for its Namibian licences through 2015 and into 2016. Total capital cost, that is still under review, for the life of the mine, as announced on 26 November 2014 in the Definitive Feasibility Study on Namib, is estimated as \$27.8 million (£17.9 million). The Group will therefore need to raise or obtain additional cash funding to support both working capital requirements and the next stage of its exploration and project development programme.

As set out in Note 5, applications for the Namib Lead Mining Licence (submitted in April 2014) and the renewal of several exploration and prospective licences (“EPLs”) in the Licence Areas have been made and are awaiting confirmation. If the Mining Licence is not received or the EPLs are not renewed then the Directors would have to reconsider the position of the Group and the resulting ability to continue operations as planned. The Directors believe that all outstanding licence confirmations will be received within the normal timeframe for these applications.

Subject to receiving the Mining Licence, the Directors believe that the Group will be able to raise as required, sufficient cash to enable it to continue its operations, and continue to meet, as and when they fall due, its planned and committed exploration and development activities and liabilities for at least the next twelve months from the date of approval of these financial statements. For this reason the Directors continue to adopt the going concern basis in preparing the accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

However, there can be no guarantee that the required funds will be raised within the necessary timeframe or that the mining and EPL licences will be renewed. Consequently a material uncertainty exists that may cast doubt on the Group's ability to continue to operate as planned and to be able to meet its commitments and discharge its liabilities in the normal course of business for a period not less than twelve months from the date of this report.

The financial statements do not include the adjustments that would result if the Group was unable to continue in operation.

1.3 Basis of consolidation

The consolidated financial statements incorporate the accounts of the Company and its subsidiaries and have been prepared by using the principles of acquisition accounting ("the purchase method") which includes the results of the subsidiaries from their date of acquisition. Intra-group sales, profits and balances are eliminated fully on consolidation.

1.4 Goodwill

Goodwill is the difference between the amount paid on the acquisition of the subsidiary undertakings and the aggregate fair value of their separable net assets. Goodwill is capitalised as an intangible asset and in accordance with IAS 36 'Impairments of Assets' is not amortised but tested for impairment annually and when there are any indications that its carrying value is not recoverable. As such, goodwill is stated at cost less any provision for impairment in value. If a subsidiary undertaking is subsequently sold, goodwill arising on acquisition is taken into account in determining the profit or loss on sale.

1.5 Impairment of assets

Where appropriate the Group reviews the carrying amounts of its goodwill, plant and equipment, intangible assets and investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

1. ACCOUNTING POLICIES (continued)

1.6 *Plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the costs of assets, over their estimated useful lives, using the straight line method, on the following basis:

Plant and machinery	4 years
Motor vehicles	4 years
Fixtures, fittings and equipment	4 years
Computers and software	3 years

1.7 *Exploration and evaluation expenditure*

The Group capitalises the fair value of the consideration paid for acquiring exploration and prospecting rights as intangible assets. All other exploration and evaluation costs incurred are expensed as they are incurred. The Group has taken into consideration the degree to which expenditure can be associated with finding specific mineral resources. The intangible assets are amortised over the length of the mining licences and the amortisation expense is included within the administration expenses in the statement of comprehensive income.

1.8 *Revenue recognition*

Revenue is measured at the fair value of consideration received or receivable from the sale of goods and services from the Group's ordinary business activities. Revenue is stated net of discounts, sales and other taxes. There was no revenue received in the current or prior year.

1.9 *Interest income and expense*

Interest income and expense are reported on an accrual basis.

1.10 *Expenses*

Operating expenses are recognised in the statement of comprehensive income upon utilisation of the service or at the date of their origin.

1.11 *Investments in subsidiaries*

The Parent Company's investments in subsidiary companies are stated at cost less provision for impairment in the Parent Company's Statement of Financial Position.

1.12 *Associates*

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. The Group's share of post-acquisition profits and losses is recognised in the consolidated statement of comprehensive income, except that losses in excess of the Group's investment in the associate are not recognised unless there is an obligation to make good those losses. The Parent Company's investments in associated companies are stated at cost less provision for impairment in the Parent Company's Statement of Financial Position.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investors' share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

1.13 *Interests in joint ventures*

The Group had an interest in a joint venture, which is a jointly controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The arrangement requires unanimous agreement for financial and operating decisions among the venturers. The Group recognises its interest in the joint venture company using the equity method.

Under the equity method, the investment in the venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in the joint venture company. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture company is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the venture and its carrying value, then recognises the loss as "Impairment of investment in joint venture" in the income statement.

Upon loss of significant influence over the venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the statement of comprehensive income.

1.14 *Foreign currency translation*

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

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the Statement of Financial Position date and the gains or losses on translation are included in the Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the original transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the Statement of Financial Position date. Income and expenses are translated at weighted average exchange rates for the period. The resulting exchange differences are recognised in other comprehensive income.

1. ACCOUNTING POLICIES (continued)

1.15 *Deferred taxation*

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

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

No deferred tax assets are recognised in the financial statements.

1.16 *Cash and cash equivalents*

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

1.17 *Receivables*

Receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. Provisions for impairment of receivables are included in the Statement of Comprehensive Income.

1.18 *Trade and other payables*

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

1.19 *Share capital*

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

1.20 *Share-based payments*

The Parent Company has granted equity settled options. The cost of equity settled transactions with employees is measured by reference to the fair value at the date on which they were granted and is recognised as an expense over the vesting period, which ends on the date the employee becomes fully entitled to the award. Fair value is determined by using the Black-Scholes option pricing model. In valuing equity settled transactions, no account is taken of any service and performance (vesting conditions), other than performance conditions linked to the price of the shares of the Parent Company (market conditions). Any other conditions which are required to be met in order for an employee to become fully entitled to an award are considered to be non-vesting conditions. Like market performance conditions, non-vesting conditions are taken into account in determining the grant value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance or service conditions are satisfied.

At each Statement of Financial Position before vesting, the cumulative expense is calculated; representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in the cumulative expense since the previous Statement of Financial Position date is recognised in the Statement of Comprehensive Income, with a corresponding entry in equity.

When the exercise period for an option expires, the amount that has been charged through the Statement of Comprehensive Income is transferred from the share-based payments reserve to retained losses.

Where the terms of the equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if the difference is negative.

Where an equity based award is cancelled (including when a non-vesting condition within the control of the entity or employee is not met), it is treated as if it had vested on the date of the cancellation, and the cost not yet recognised in the Statement of Comprehensive Income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the Statement of Comprehensive Income.

1.21 Critical accounting judgements and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRSs also require management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

Impairment of goodwill and investments in and loans to subsidiaries

Management assess whether goodwill and investments in and loans to subsidiaries after taking into account potential ore reserves, and cash flows generated by estimated future production, sales and costs. If the assumed factors vary from actual occurrence, this will impact on the amount at which the assets should be carried on the Statement of Financial Position.

Factors which could impact the future recoverability of these assets include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

Further detailed analysis of the critical judgements and estimates relating to goodwill and investments in and loans to subsidiaries is addressed in Notes 5, 8 and 15.

Share-based payments

The Group records charges for share-based payments. For option based share-based payments management estimate certain factors used in the option pricing model, including volatility, exercise date of options and number of options likely to be exercised. If these estimates vary from actual occurrence, this will impact on the value of the equity carried in the reserves.

Further detailed analysis of the critical judgements and estimates relating to share based payments is addressed in Note 16.

1.22 Financial instruments

IFRS7 requires information to be disclosed about the impact of financial instruments on the Group's risk profile, how the risks arising from financial instruments might affect the entity's performance, and how these risks are being managed.

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

The Group's policies include that no trading in derivative financial instruments shall be undertaken.

The required disclosures have been made in Note 18 to the accounts.

1.23 Adoption of new and revised International Financial Reporting Standards

There were no IFRS standards or IFRIC interpretations adopted for the first time in these financial statements that had a material impact on the Group. The following standards have been adopted for the first time in this financial year.

<i>Standard</i>	<i>Description</i>	<i>Effective date</i>
IFRS 10	Consolidated financial statements	1 January 2014
IFRS 11	Joint arrangements	1 January 2014
IFRS 12	Disclosure of interest in other entities	1 January 2014
IAS 27 (Amendment 2011)	Separate financial statements	1 January 2014
IAS 28 (Amendment 2011)	Investments in associates and joint ventures	1 January 2014
IAS 32 (Amendment 2011)	Offsetting financial assets and financial liabilities	1 January 2014

The following standards, amendments and interpretations are not yet effective and have not been early adopted by the Group. The adoption of these standards, amendments and interpretations is not expected to have a material impact on the Group's financial statements in the periods of initial application.

<i>Standard</i>	<i>Description</i>	<i>Effective date</i>
IFRS11 (Amendment 2014)	Acquisition of interests in Joint Operations	1 January 2016
IFRS 9	Financial Instruments – classification and measurement of financial assets	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2017

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. SEGMENTAL REPORTING

For the purposes of segmental reporting, the operations and assets of the Group are focused in the United Kingdom, Namibia and Mozambique and comprise one class of business: the exploration and evaluation of mineral resources. The Parent Company acts as a holding company. At the end of 31 December 2014, the Group had not commenced commercial production from its exploration sites and therefore had no revenue for the year.

Group 31 December 2014

	<i>United Kingdom</i>	<i>Namibia</i>	<i>Mozambique</i>	<i>Total</i>
	£	£	£	£
Other income	–	189	–	189
Exploration & evaluation expenditure	–	(2,178,666)	–	(2,178,666)
Administration expenses	(940,861)	(206,798)	–	(1,147,659)
Interest paid	–	(267)	–	(267)
Interest received	1,623	4,303	–	5,926
Loss before taxation	(939,238)	(2,381,239)	–	(3,320,477)
Trade and other receivables	217,988	201,715	25,114	444,817
Cash and cash equivalents	1,762,632	129,947	12,281	1,904,860
Accrued expenditure and provisions	(220,409)	(106,546)	–	(326,955)
Goodwill	–	7,738,986	–	7,738,986
Investment in associate company	–	–	113,182	113,182
Intangible assets	7,755	688	56,495	64,938
Plant and equipment	2,755	141,102	–	143,857
Net assets	1,770,721	8,105,892	207,072	10,083,685

Group 31 December 2013

	<i>United Kingdom</i>	<i>Namibia</i>	<i>Mozambique</i>	<i>Total</i>
	£	£	£	£
Other income	–	126	–	126
Exploration & evaluation expenditure	–	(1,235,192)	–	(1,235,192)
Administration expenses	(855,544)	(112,448)	–	(967,992)
Interest received	3,201	3,966	–	7,167
Loss before taxation	(852,343)	(1,343,548)	–	(2,195,891)
Trade and other receivables	30,783	101,637	25,114	157,534
Cash and cash equivalents	520,697	44,573	12,281	577,551
Accrued expenditure and provisions	(273,050)	(40,230)	–	(313,280)
Goodwill	–	7,738,986	–	7,738,986
Investment in associate company	–	–	113,182	113,182
Intangible assets	12,112	3,815	56,495	72,422
Plant and equipment	6,156	120,685	–	126,841
Net assets	296,698	7,969,466	207,072	8,473,236

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

3. GROUP OPERATING LOSS

The Group's operating loss before tax is stated after charging:

	<i>Year ended 31 December 2014 £</i>	<i>Year ended 31 December 2013 £</i>
Depreciation and amortisation – owned assets	62,551	67,186
Parent Company auditor's remuneration	22,000	22,000
Parent Company auditor's remuneration for non-audit work – tax services	–	2,920
Subsidiary auditor's remuneration	8,000	14,689
Employee costs	605,528	324,278
Exploration & evaluation costs	2,178,666	1,235,192

4. LOSS PER SHARE

	<i>Loss for the period from continuing operations £</i>	<i>Weighted average number of shares</i>	<i>Loss per share Basic – Pence per share</i>
Year ended 31 December 2014	(3,320,477)	1,499,075,167	(0.22) pence
Year ended 31 December 2013	(2,195,891)	928,727,733	(0.23) pence

The diluted loss per share has been calculated using a weighted average number of shares in issue and to be issued and has been kept the same as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

5. GOODWILL AND IMPAIRMENT REVIEW

The Company acquired, on 20 November 2009, the entire issued share capital in, and the shareholder loans to, West Africa Gold Exploration (Namibia) (Pty) Ltd ("WAGE") and Namib Lead and Zinc Mining (Pty) Ltd ("Namib Lead"). The consideration paid by the Company for these two Namibian entities and the shareholder loans was satisfied by the allotment of 266,666,667 Ordinary shares of £0.002 each at 3 pence per share. Goodwill arising on the acquisition was:

Group	<i>31 December 2014 £</i>	<i>31 December 2013 £</i>
Goodwill arising on acquisition of WAGE and Namib Lead	7,738,986	7,738,986

Goodwill impairment review

The Directors are of the opinion that the Goodwill acquired in respect of WAGE and Namib Lead in November 2009 represents the value of the Licence Areas held by WAGE and Namib Lead at 31 December 2014 with the exception of EPL 3139 in the Ubib area which was relinquished in April 2013 with a carrying value at 31 December 2012 of £92,782. A goodwill impairment charge of £92,782 was made as at 31 December 2012.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. GOODWILL AND IMPAIRMENT REVIEW (continued)

At the time of the acquisition of WAGE and Namib Lead, the Licence Areas were subject to an external review by MSA Geosciences of South Africa whose employee, Mike Venter, acted as a Competent Person, as disclosed in the AIM re-admission document dated 28 November 2009.

The goodwill has not been impaired as commercial reserves have not yet been established or the determination of the evaluation process is incomplete at the year end. The continued exploration and development work within the Licence Areas since acquisition has not revealed anything that would suggest that there has been a further impairment to the carrying value of the goodwill.

In reviewing the Goodwill value, it is noted that the commodity prices for the commodities that WAGE and Namib Lead are exploring for in Namibia have changed since November 2009. Market consensus copper prices have moved from approximately US\$6,500 per tonne in November 2009 to an industry consensus long term price of approximately US\$6,600 per tonne in January 2015.

It is further noted that the following EPLs in the Licence Areas have been renewed, or are awaiting confirmation of renewal, since acquisition thus providing additional security of tenure. As discussed in note 1.2, the renewal of two EPLs (3257 and 3258) and the application of the Mining Licence (2902) have not yet been confirmed which indicates an uncertainty over their renewal. If the pending EPLs are not renewed, or if the Mining Licence is not granted then the Directors would have to reconsider the position of the Group and the resulting ability to continue operations as planned. The Directors believe that all outstanding licence confirmations will be received within the normal timeframe for these applications and therefore this does not constitute an indication of impairment of the goodwill and associated assets.

<i>Project</i>	<i>Application name</i>	<i>Type</i>	<i>Number</i>	<i>Surface area (km²)</i>	<i>Annual licence fees (N\$)</i>	<i>Current status</i>	<i>Expiry date</i>
Namib Lead	Namib Lead	EPL	2902	45.2340	2,000	Renewed	17/04/2016
Namib Lead South	Namib Lead South	EPL	5075	123.9515	2,000	Renewed	06/05/2016
Dordabis	Kupferberg	EPL	3257	473.0690	5,000	Submitted	01/06/2014
Witvlei	Christiadore	EPL	3258	214.6016	3,000	Submitted	15/05/2014
Witvlei	Okatjirute	EPL	3261	266.2760	3,000	Renewed	25/07/2015
Outjo	Ekotoweni	EPL	4560	692.1918	3,000	Renewed	01/08/2015
Outjo	Hopewell	EPL	4561	197.9399	3,000	Renewed	01/08/2015

In accordance with the Group's accounting policies the Directors review their opinion on impairments of goodwill annually, or sooner, where information comes to light that clarifies the size, quality and economics of the licences and ore bodies held/owned by WAGE and Namib Lead. In the opinion of the Directors, taking into account the expiry dates of those licences, the likelihood of their renewal, the availability of further funds, and the intention to continue exploration and evaluation in the licence areas, no indication of impairment of the current carrying value of the goodwill currently exists. No impairment of the goodwill has therefore been made in the year ended 31 December 2014. No such indications of impairment are evident up to the date of approval of these financial statements.

On the date the Licence Areas were acquired, the Goodwill was allocated to the exploration areas in proportion to the historic exploration costs associated with the areas, as shown below. Management consider this to be an appropriate basis on which to recognise the goodwill purchased and the continued carrying values.

NORTH RIVER RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
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5. GOODWILL AND IMPAIRMENT REVIEW (continued)

Goodwill ascribed to areas:

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
WAGE		
Witvlei Copper	4,719,300	4,719,300
Dordabis Copper	1,983,634	1,983,634
	<u>6,702,934</u>	<u>6,702,934</u>
Namib Lead		
Namib Lead – mine	1,036,052	1,036,052
	<u>1,036,052</u>	<u>1,036,052</u>
Goodwill carrying values	<u>7,738,986</u>	<u>7,738,986</u>

**6. INTANGIBLE ASSETS
GROUP**

	<i>Exploration licences £</i>	<i>Software £</i>	<i>Total £</i>
COST			
At 1 January 2014	137,605	38,021	175,626
Effects of foreign exchange	(3,141)	(870)	(4,011)
At 31 December 2014	<u>134,464</u>	<u>37,151</u>	<u>171,615</u>
AMORTISATION			
At 1 January 2014	81,110	22,094	103,204
Charge for the year	–	7,366	7,366
Effects of foreign exchange	(3,141)	(752)	(3,893)
At 31 December 2014	<u>77,969</u>	<u>28,708</u>	<u>106,677</u>
NET BOOK VALUES			
At 31 December 2014	<u>56,495</u>	<u>8,443</u>	<u>64,938</u>
At 31 December 2013	<u>56,495</u>	<u>15,927</u>	<u>72,422</u>
COMPANY	<i>Royalty contracts £</i>	<i>Software £</i>	<i>Total £</i>
COST			
At 1 January 2014 and 31 December 2013	<u>66,000</u>	<u>15,568</u>	<u>81,568</u>
AMORTISATION			
At 1 January 2014	–	3,457	3,457
Charge for the year	–	4,356	4,356
At 31 December 2014	<u>–</u>	<u>7,813</u>	<u>7,813</u>
NET BOOK VALUES			
At 31 December 2014	<u>66,000</u>	<u>7,755</u>	<u>73,755</u>
At 31 December 2013	<u>66,000</u>	<u>12,111</u>	<u>78,111</u>

NORTH RIVER RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

6. INTANGIBLE ASSETS (continued)

GROUP

	<i>Exploration licences £</i>	<i>Software £</i>	<i>Total £</i>
COST			
At 1 January 2013	159,017	30,747	189,764
Additions in the year	–	13,200	13,200
Effects of foreign exchange	(21,412)	(5,926)	(27,338)
At 31 December 2013	<u>137,605</u>	<u>38,021</u>	<u>175,626</u>
AMORTISATION			
At 1 January 2013	102,407	18,191	120,598
Charge for the year	507	8,163	8,670
Effects of foreign exchange	(21,804)	(4,260)	(26,064)
At 31 December 2013	<u>81,110</u>	<u>22,094</u>	<u>103,204</u>
NET BOOK VALUES			
At 31 December 2013	<u>56,495</u>	<u>15,927</u>	<u>72,422</u>
At 31 December 2012	<u>56,610</u>	<u>12,556</u>	<u>69,166</u>

COMPANY

	<i>Royalty contracts £</i>	<i>Software £</i>	<i>Total £</i>
COST			
At 1 January 2013	66,000	2,368	68,368
Additions in the year	–	13,200	13,200
At 31 December 2013	<u>66,000</u>	<u>15,568</u>	<u>81,568</u>
AMORTISATION			
At 1 January 2013	–	2,190	2,190
Charge for the year	–	1,267	1,267
At 31 December 2013	<u>–</u>	<u>3,457</u>	<u>3,457</u>
NET BOOK VALUES			
At 31 December 2013	<u>66,000</u>	<u>12,111</u>	<u>78,111</u>
At 31 December 2012	<u>66,000</u>	<u>178</u>	<u>66,178</u>

NORTH RIVER RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
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7. PLANT AND EQUIPMENT

GROUP	<i>Plant & machinery</i> £	<i>Fixtures & fittings</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
COST				
At 1 January 2014	94,511	36,137	179,681	310,329
Additions in year	73,328	4,134	–	77,462
Effects of foreign exchange	(4,387)	(788)	(6,957)	(12,132)
At 31 December 2014	163,452	39,483	172,724	375,659
DEPRECIATION				
At 1 January 2014	50,565	24,830	108,093	183,488
Charge for the year	24,683	9,076	21,426	55,185
Effects of foreign exchange	(2,203)	(604)	(4,064)	(6,871)
At 31 December 2014	73,045	33,302	125,455	231,802
NET BOOK VALUE				
At 31 December 2014	90,407	6,181	47,269	143,857
At 31 December 2013	43,946	11,307	71,588	126,841
COMPANY	<i>Plant & machinery</i> £	<i>Fixtures & fittings</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
COST				
At 1 January 2014	–	16,507	–	16,507
Additions in the year	–	1,332	–	1,332
At 31 December 2014	–	17,839	–	17,839
DEPRECIATION				
At 1 January 2014	–	10,351	–	10,351
Charge for the year	–	4,734	–	4,734
At 31 December 2014	–	15,085	–	15,085
NET BOOK VALUE				
At 31 December 2014	–	2,754	–	2,754
At 31 December 2013	–	6,156	–	6,156

NORTH RIVER RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

7. PROPERTY, PLANT AND EQUIPMENT (continued)

GROUP	<i>Plant & machinery</i> £	<i>Fixtures & fittings</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
COST				
At 1 January 2013	94,013	40,487	211,280	345,780
Additions in year	26,746	833	13,293	40,872
Effects of foreign exchange	(26,248)	(5,183)	(44,892)	(76,323)
At 31 December 2013	94,511	36,137	179,681	310,329
DEPRECIATION				
At 1 January 2013	39,069	18,119	107,868	165,056
Charge for the year	22,676	9,993	25,847	58,516
Effects of foreign exchange	(11,180)	(3,282)	(25,622)	(40,084)
At 31 December 2013	50,565	24,830	108,093	183,488
NET BOOK VALUE				
At 31 December 2013	43,946	11,307	71,588	126,841
At 31 December 2012	54,944	22,368	103,412	180,724
COMPANY	<i>Plant & machinery</i> £	<i>Fixtures & fittings</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
COST				
At 1 January 2013	–	15,674	–	15,674
Additions in the year	–	833	–	833
At 31 December 2013	–	16,507	–	16,507
DEPRECIATION				
At 1 January 2013	–	6,011	–	6,011
Charge for the year	–	4,340	–	4,340
At 31 December 2013	–	10,351	–	10,351
NET BOOK VALUE				
At 31 December 2013	–	6,156	–	6,156
At 31 December 2012	–	9,663	–	9,663

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

8. TRADE AND OTHER RECEIVABLES

	<i>Group</i> <i>31 December</i> <i>2014</i> £	<i>Company</i> <i>31 December</i> <i>2014</i> £	<i>Group</i> <i>31 December</i> <i>2013</i> £	<i>Company</i> <i>31 December</i> <i>2013</i> £
Amounts falling due within one year:				
Prepayments	32,273	25,445	20,329	13,734
Other receivables	412,544	192,543	137,205	17,049
	<u>444,817</u>	<u>217,988</u>	<u>157,534</u>	<u>30,783</u>
Amounts falling due after more than one year:				
Amounts due from subsidiary undertakings	–	15,630,388	–	13,173,886

The Parent Company has receivables from Group companies, namely, from WAGE and Namib Lead, which are interest free, unsecured and with no fixed repayment terms.

The Directors are of the opinion that the reasons for not impairing Goodwill (see Note 5) supports their decision not to impair the loans due from WAGE and Namib Lead as at 31 December 2014.

On the acquisition of WAGE and Namib Lead the Parent Company paid £8,000,000 for the loans in WAGE and Namib Lead. Since the acquisition date further amounts have been granted to the subsidiaries as working capital to carry out the Group's exploration and development activities.

9. CASH AND CASH EQUIVALENTS

	<i>Group</i> <i>31 December</i> <i>2014</i> £	<i>Company</i> <i>31 December</i> <i>2014</i> £	<i>Group</i> <i>31 December</i> <i>2013</i> £	<i>Company</i> <i>31 December</i> <i>2013</i> £
Cash at bank and in hand	1,904,860	1,762,632	577,551	520,697
	<u>1,904,860</u>	<u>1,762,632</u>	<u>577,551</u>	<u>520,697</u>

10. TRADE AND OTHER PAYABLES

	<i>Group</i> <i>31 December</i> <i>2014</i> £	<i>Company</i> <i>31 December</i> <i>2014</i> £	<i>Group</i> <i>31 December</i> <i>2013</i> £	<i>Company</i> <i>31 December</i> <i>2013</i> £
Trade payables	148,537	72,889	143,827	109,987
Other payables	178,418	147,520	169,453	163,063
	<u>326,955</u>	<u>220,409</u>	<u>313,280</u>	<u>273,050</u>

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

11. SHARE CAPITAL

Allotted, issued and fully paid:

<i>Number</i>	<i>Class</i>	<i>Nominal value</i>	<i>31 December 2014 £</i>	<i>31 December 2013 £</i>
1,915,875,310	Ordinary	0.2p	<u>3,831,750</u>	<u>2,240,495</u>

<i>Date of issue</i>	<i>Detail of issue</i>	<i>Number of Ordinary shares</i>	<i>Share capital £</i>	<i>Share premium £</i>
At 1 January 2014		1,120,247,632	2,240,495	17,875,349
29 January 2014	Drill-for-equity agreement	29,166,667	58,333	116,667
29 January 2014	Placement to provide funds for the completion of the DFS and general working capital	170,833,333	341,667	683,333
21 March 2014	Placement to provide funds for the completion of the DFS and general working capital	30,769,232	61,538	138,462
15 July 2014	Placement to Greenstone Resources LP	33,333,333	66,667	133,333
17 July 2014	Placement to Greenstone Resources LP	270,588,464	541,177	1,082,354
17 November 2014	Placement to Greenstone Resources LP	260,936,649	521,873	1,304,683
	Issue costs	—	—	(75,591)
As at 31 December 2014		<u>1,915,875,310</u>	<u>3,831,750</u>	<u>21,258,590</u>

In the period from 1 January 2014 to 31 December 2014 the following Ordinary share issues occurred:

On 29 January 2014 the Company entered into a drill-for-equity agreement with Mr Wilhelm Shali, the owner of the drilling and mining contractor operating at the Company's flagship Namib Lead-Zinc Project in Namibia. The agreement covered the first £175,000 worth of invoicing for drilling activities. 29,166,667 new Ordinary Shares were issued at an equivalent of 0.6 pence each.

Also on 29 January 2014 the Company raised gross proceeds of £1,025,000 through a placing of 170,833,333 new Ordinary Shares through its brokers, Pareto Securities, at a price of 0.6 pence per Ordinary Share.

On 21 March 2014 gross proceeds of £200,000 was raised through a placing of 30,769,232 new Ordinary Shares at a price of 0.65 pence per Ordinary Share.

The net proceeds of the placings were applied towards the completion of the Definitive Feasibility Study on the Company's Namib Lead-Zinc Project and for general working capital purposes.

On 15 July 2014 gross proceeds of £200,000 was raised through a placing of 33,333,333 new Ordinary Shares at a price of 0.6 pence per Ordinary Share. Followed on 17 July 2014 gross proceeds of £1,623,531 was raised through a placing of 270,588,464 new Ordinary Shares at a price of 0.6 pence per Ordinary Share. These placings completed Tranche 1 of the Greenstone Resources LP investment agreement of \$3,125,000.

On 17 November 2014 gross proceeds of £1,826,556 was raised through a placing of 260,936,649 new Ordinary Shares at a price of 0.7 pence per Ordinary Share issued to Greenstone Resources LP completing Tranche 2 of the investment agreement of \$2,875,000.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

12. TAXATION

	<i>Group</i> <i>31 December</i> <i>2014</i> £	<i>Group</i> <i>31 December</i> <i>2013</i> £
Tax charge for year	—	—
Factors affecting the tax charge for the year		
Loss from continuing operations before income tax expenses	(3,320,477)	(2,195,891)
Tax at 21.5% (2013: 23.25%)	(713,903)	(510,545)
Expenses not deductible	13,156	2,784
Overseas rate differences	(364,241)	(172,411)
Excess / (shortfall) of fiscal depreciation over accounting depreciation	20,250	228
Other timing differences not recognised (exploration costs, leave pay)	788,035	397,948
Losses carried forward not recognised	256,702	281,996
Income tax expense	—	—

The Group has tax losses of £6.4m (2013: £5.3m) and exploration costs of £12.4m (2013: £11.0m) which will be available for offset against future income. No deferred tax has been reflected on these assets as the timing of their utilisation is uncertain at this stage.

The total amounts of deferred tax are:

	<i>Group</i> <i>31 December</i> <i>2014</i> £	<i>Group</i> <i>31 December</i> <i>2013</i> £
Total provided for	—	—
Un-provided for		
Accelerated capital allowances	(63,847)	47,620
Exploration costs	(4,655,584)	(4,122,271)
Unutilised losses	(1,382,246)	(1,146,874)
Total un-provided deferred tax asset	(6,101,677)	(5,221,525)

13. INVESTMENT IN JOINT VENTURE

Brandberg Energy (Proprietary) Limited ('Brandberg'), a Namibian company, was a 50:50 joint venture ("JV") with Extract Resources Ltd ('Extract') and NRR Energy Minerals Limited ("NRR Energy"), a 100% owned subsidiary. In January 2012, NRR Energy transferred US\$800,000 (£509,635) to Brandberg to acquire 50% of its share capital. The principal assets of Brandberg were exploration licences, EPL 3327 and EPL 3328, pursuant to which, Brandberg had the rights to explore for nuclear fuel minerals in western Namibia. The Subscription Funds were used by Brandberg to explore for uranium on these licences.

The exploration activity to discover uranium was unsuccessful and in January 2013 the licences were relinquished. The absence of continuing exploration licences in Brandberg resulted in the Company's Directors taking the view to impair the investment in Brandberg to its share of the net asset value as at 31 December 2012, being £154,868. The resulting impairment charge of £354,767 was included in the 2012 consolidated income statement of the Company.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

13. INVESTMENT IN JOINT VENTURE (continued)

During 2013, the decision was made to close Brandberg and return any remaining assets to its shareholders by way of a dividend. During the year ended 31 December 2013 Brandberg paid a dividend £154,868 to North River Resources Namibia (Pty) Ltd as a final disbursement of funds before deregistering. Following the receipt of the distribution, the Group's carrying value of the associate is £Nil.

The joint venture had no contingent liabilities or capital commitments as at 31 December 2014 and 31 December 2013.

14. INVESTMENT IN ASSOCIATED COMPANY

The following entity meets the definition of an associate and has been equity accounted in the consolidated financial statements:

<i>Company</i>	<i>Country of Incorporation</i>	<i>Group interest 31 December 2014</i>	<i>Group interest 31 December 2013</i>
North River Resources (Murrupula) Limitada	Mozambique	40%	40%

North River Resources (Murrupula) Limitada ('Murrupula') is a company that was registered in Mozambique on 27 January 2011. The Group's interest in Murrupula is jointly held by North River Resources plc and NRR Mozambique Limited. It is also the beneficial owner of an exploration licence in Mozambique. The licence and Murrupula are the subject of a Heads of Agreement between Baobab Resources Limited ("Baobab") and North River Resources plc. Under this agreement Baobab is entitled to a 60% participation interest in Murrupula. Baobab have completed the agreed level of exploration work. Legal control over Murrupula has not yet passed to Baobab, however, effective control has passed. Accordingly, these consolidated financial statements have been prepared on the basis that control has passed and that Murrupula is treated as an associate as from 1 October 2011.

Aggregated amounts relating to the associate are as follows:

	<i>31 December 2014 £</i>	<i>31 December 2013 £</i>
Total assets	138,678	138,678
Total liabilities	(25,208)	(25,208)
Net assets/(liabilities)	113,470	113,470
Share of net assets/(liabilities)	45,388	45,388
Goodwill on acquisition	67,794	67,794
The group's share of net assets representing the group's carrying value of investments in associate	113,182	113,182
Revenues	—	—
Losses	—	—
The Group's share of loss	—	—

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

14. INVESTMENT IN ASSOCIATED COMPANY (continued)

Carrying value of investment in associate

	<i>Group</i> <i>31 December</i> <i>2014</i> £	<i>Company</i> <i>31 December</i> <i>2014</i> £	<i>Group</i> <i>31 December</i> <i>2013</i> £	<i>Company</i> <i>31 December</i> <i>2013</i> £
Cost and carrying value of investment	113,182	56,591	113,182	56,591

The financial statements as at 31 December 2011 were prepared on the assumption that Murrupula incurred exploration expenditure directly. Subsequent to the release of the 31 December 2011 financial statements, the JV partners agreed that they would account for the respective costs individually. Accordingly, Murrupula has no income or expense either at 31 December 2013 or 31 December 2014, and the disclosure above reflects this.

15. SUBSIDIARY ENTITIES

The financial statements include the following subsidiary companies:

<i>Company</i>	<i>Country of</i> <i>Incorporation</i>	<i>Equity</i> <i>holding</i>	<i>Nature of</i> <i>business</i>
NRR Energy Minerals Limited	United Kingdom	100%	Exploration and mining
NRR Mozambique Limited	United Kingdom	100%	Exploration and mining
West Africa Gold Exploration (Namibia) (Pty) Ltd	Namibia	100%	Exploration and mining
Namib Lead and Zinc Mining (Pty) Ltd	Namibia	100%	Exploration and mining
North River Resources Namibia (Pty) Ltd	Namibia	100%	Administration
North River Resources (Mavuzi) Limitada	Mozambique	100%	Inactive

NRR Energy Minerals Limited and NRR Mozambique Limited were established in October and December 2010 respectively as wholly owned subsidiaries of North River Resources plc. NRR Energy Minerals Limited has not traded during the year. NRR Mozambique Limited has not traded however, it has provided financial support to its subsidiary, North River Resources (Mavuzi) Limitada and to its associate North River Resources (Murrupula) Limitada (see note 14).

The acquisition of West Africa Gold Exploration (Namibia) (Pty) Ltd ('WAGE') and Namib Lead is covered in detail under Note 5 'Goodwill and Impairment Review'.

North River Resources Namibia (Pty) Limited was established in December 2009 and acts as the administration company for the Group's activities in Namibia leaving the other subsidiaries to concentrate on exploration activity.

Carrying value of investments in subsidiaries

	<i>31 December</i> <i>2013</i> £	<i>31 December</i> <i>2012</i> £
At 1 January and 31 December	472,991	472,991

During the year ended 31 December 2011 North River Resources plc capitalised £472,749 of an outstanding loan due from WAGE into share capital by obtaining a further 600,000 shares in WAGE. The capitalisation was undertaken to improve the relative weighting between the share capital and loan value invested by North River Resources plc in its Namibian subsidiary to comply with exchange control requirements in Namibia.

The Directors are of the opinion that the reasons for not impairing Goodwill (see Note 5) supports their decision not to impair the investments in subsidiaries as at 31 December 2014.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

16. SHARE-BASED PAYMENTS

	<i>31 December 2014 Number</i>	<i>31 December 2013 Number</i>
Share options outstanding		
Opening balance	105,100,000	114,200,000
Granted in the year	–	–
Expired/cancelled during the year ^{Note 1}	(96,000,000)	(9,100,000)
Closing balance	<u>9,100,000</u>	<u>105,100,000</u>

Note 1:

61,000,000 options granted on 24 September 2009 with an exercise price of 5p expired on 30 June 2014.

10,000,000 options granted on 24 September 2009 with an exercise price of 10p expired on 30 June 2014.

10,000,000 options granted on 12 October 2009 with an exercise price of 5p expired on 30 June 2014.

15,000,000 options granted on 23 November 2009 with an exercise price of 5p expired on 23 November 2014.

These options were fully expensed in prior periods. The prior period cost of these options of £4,328,800 was transferred to retained losses from the share-based payment reserve during the year ended 31 December 2014.

Details of share options outstanding at 31 December 2014:

<i>Date of grant</i>	<i>Number of options</i>	<i>Option price</i>	<i>Exercisable between</i>
3 February 2010	4,725,000	10p	03/02/10 – 01/02/15
3 February 2010	4,375,000	10p	01/02/11 – 01/02/15

Weighted average exercise price of share options:

– outstanding at the beginning of the period	6 pence
– granted during the period	Nil
– outstanding at the end of the period	10 pence
– exercisable at the end of the period	10 pence
Weighted average remaining contractual life of share options	
outstanding at the end of the period	0.09 years

All share options outstanding at 31 December 2014 expired on 1 February 2015.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

17. FAIR VALUES OF FINANCIAL INSTRUMENTS

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the Group's financial statements.

	<i>Book Values</i>		<i>Fair Values</i>	
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	£	£	£	£
Financial Assets				
Trade and other receivables	444,817	157,534	444,817	157,534
Cash and cash equivalents	1,904,860	577,551	1,904,860	577,551
Total	<u>2,349,677</u>	<u>735,085</u>	<u>2,349,677</u>	<u>735,085</u>
Financial Liabilities				
Trade and other payables	326,955	313,280	326,955	313,280
Total	<u>326,955</u>	<u>313,280</u>	<u>326,955</u>	<u>313,280</u>

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying value amounts largely due to the short-term maturities of these instruments.

18. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables.

The main purpose of cash and cash equivalents financial instruments is to finance the Group's operations.

The Group's other financial assets and liabilities such as trade receivables and trade payables, arise directly from its operations. It is, and has been throughout the entire period, the Group's policy that no trading in financial instruments shall be undertaken.

Greenstone funding

The Group entered into an Investment Agreement with Greenstone Resources LP ("Greenstone"), as announced on 14 July 2014.

Under the Investment Agreement certain project milestones (the Conditions Precedent) have to be achieved prior to the drawdown of each tranche. The Group having met the Conditions Precedent have fully drawn down Tranches One and Two. There is a material risk that the Company will not meet all of the Conditions Precedent required for the drawing down of Tranches 3 and 4, or that they are not met by the long-stop date, within the agreement, of 4 October 2015.

Tranche Three is for the Greenstone to subscribe for \$5,000,000 of additional Ordinary Shares at 0.9 pence per share and Tranche Four for \$1,000,000 of additional Ordinary Shares at 1.0 pence per share. The number of Ordinary Shares and equivalent Convertible Debentures, this relates to, is dependent on the exchange rate from Sterling to US Dollars quoted in the Financial Times on the business day immediately prior to the date on which payment is made following completion of that tranche. Therefore this number cannot be calculated with complete certainty, but if we take the exchange rate at 31 December 2014 of 1.5532 USD/GBP these tranches would be the equivalent to 422,067,703 Ordinary Shares raising £3,862,993.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

18. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

For Tranches Three and Four the number of Ordinary Shares issued to Greenstone taken together with the Ordinary Shares already held by it shall be limited such that their holding does not exceed 29.99%. To the extent to which the full amount of Ordinary Shares cannot be issued with respect to Tranches Three and Four, this will be fulfilled by way of Convertible Debentures with their conversion prices being equal to their subscription prices of 0.9 and 1.0 pence respectively.

The Board reviews and agrees policies for managing key risks to the business and these are summarised below.

Market risk

Market risk is the risk that changes in market prices, and market factors such as foreign exchange rates and interest rates will affect the entity's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The Group does not use derivative products to hedge foreign exchange risk and has exposure to foreign exchange rates prevailing at the dates when funds are transferred into different currencies.

Cash flow interest rate risk

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's cash and cash equivalents with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates. The Group has no policy as to maximum or minimum level of fixed or floating instruments.

Interest rate risk is measured as the value of assets and liabilities at fixed rate compared to those at variable rate.

	<i>Weighted average effective interest rate %</i>	<i>Floating interest rate maturing in 1 year or less £</i>	<i>Fixed interest rate 2014 £</i>	<i>Non-interest bearing 2014 £</i>	<i>Total £</i>
Year ended 31 December 2014					
Financial assets					
Trade and other receivables	0.00	–	–	444,817	444,817
Cash on deposit	0.54	1,904,860	–	–	1,904,860
Total financial assets		<u>1,904,860</u>	<u>–</u>	<u>444,817</u>	<u>2,349,677</u>
Financial liabilities					
Trade and other payables	0.00	–	–	326,955	326,955
Total financial liabilities		<u>–</u>	<u>–</u>	<u>326,955</u>	<u>326,955</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

18. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

	<i>Weighted average effective interest rate %</i>	<i>Floating interest rate maturing in 1 year or less £</i>	<i>Fixed interest rate 2014 £</i>	<i>Non-interest bearing 2014 £</i>	<i>Total £</i>
Year ended 31 December 2013					
Financial assets					
Trade and other receivables	0.00	–	–	157,534	157,534
Cash on deposit	0.94	577,551	–	–	577,551
Total financial assets		<u>577,551</u>	<u>–</u>	<u>157,534</u>	<u>735,085</u>
Financial liabilities					
Trade and other payables	0.00	–	–	313,280	313,280
Total financial liabilities		<u>–</u>	<u>–</u>	<u>313,280</u>	<u>313,280</u>

Net fair value

The net fair value of financial assets and financial liabilities approximates to their carrying amount as disclosed in the Statement of Financial Position and in the related notes.

Currency risk

The functional currency for the Group's operating activities is the Pound Sterling and for exploration activities the Namibian Dollar. The Group has not hedged against currency depreciation but continues to keep the matter under review.

Financial risk management

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

Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due.

The objective of managing liquidity risk is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions.

The entity has established a number of policies and processes for managing liquidity risk. These include:

- Continuously monitoring actual and budgeted cash flows and longer term forecasting cash flows;
- Monitoring the maturity profiles of financial assets and liabilities in order to match inflows and outflows; and
- Monitoring liquidity ratios (working capital).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

18. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's main counterparties are the operators of the respective projects. Funds are normally only remitted on a prepayment basis a short period before the expected commencement of exploration activities. The Group has adopted a policy of only dealing with what it believes to be creditworthy counterparties and would consider obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables at 31 December 2014 consist primarily of prepayments and other sundry receivables. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Capital management

The Group's objective when managing capital is to ensure that adequate funding and resources are obtained to enable it to develop its projects through to profitable production, while in the meantime safeguarding the Group's ability to continue as a going concern. This is aimed at enabling it, once the projects come to fruition, to provide appropriate returns for shareholders and benefits for other stakeholders. Capital will continue to be sourced from equity and from borrowings as appropriate.

19. RELATED PARTY TRANSACTIONS

Full details of Directors' share options and remuneration are included in the Directors' Report.

20. EMPLOYEES' AND DIRECTORS' REMUNERATION

The employee costs of the Group (including Directors' remuneration) are as follows:

	<i>Year ended 31 December 2014</i>	<i>Year ended 31 December 2013</i>
<i>Group</i>	<i>£</i>	<i>£</i>
Employee remuneration	564,840	312,348
Employee social security costs	40,688	11,930
Total	<u>605,528</u>	<u>324,278</u>
<i>Average employee numbers</i>	<i>Number</i>	<i>Number</i>
Exploration and expenditure	20	10
Administration and management	4	4
Total	<u>24</u>	<u>14</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

20. EMPLOYEES' AND DIRECTORS' REMUNERATION (continued)

Directors' remuneration (excluding employer's national insurance) for the year was as follows:

	<i>Directors' salary</i>	<i>Directors' bonus</i>	<i>Directors' fees</i>	<i>Total</i>
	<i>Year to</i>	<i>Year to</i>	<i>Year to</i>	<i>Year to</i>
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
<i>2014</i>	<i>2014</i>	<i>2014</i>	<i>2014</i>	<i>2014</i>
<i>Directors</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Martin French	150,000	150,000	(14,000)	286,000
Zuyuan He	–	–	(8,000)	(8,000)
Zhiping Yu	–	–	(4,000)	(4,000)
Ms. Qi Yu	–	–	(4,000)	(4,000)
Brett Richards	–	–	24,000	24,000
Mark Thompson	–	–	24,000	24,000
	<u>150,000</u>	<u>150,000</u>	<u>18,000</u>	<u>318,000</u>
	<i>Directors' salary</i>	<i>Directors' bonus</i>	<i>Directors' fees</i>	<i>Total</i>
	<i>Year to</i>	<i>Year to</i>	<i>Year to</i>	<i>Year to</i>
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
<i>2013</i>	<i>2013</i>	<i>2013</i>	<i>2013</i>	<i>2013</i>
<i>Directors</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Martin French	87,500	–	48,000	135,500
Zuyuan He	–	–	52,933	52,933
Zhiping Yu	–	–	26,467	26,467
Ms. Qi Yu	–	–	22,387	22,387
Brett Richards	–	–	23,097	23,097
Mark Thompson	–	–	6,800	6,800
	<u>87,500</u>	<u>–</u>	<u>179,684</u>	<u>267,184</u>

Full details of Directors' emoluments are disclosed in the Directors' Report.

21. CONTROL

No one party is identified as controlling the Group.

22. EXPLORATION EXPENDITURE AND RESTORATION COMMITMENTS***Restoration commitments***

The Group has no obligations at 31 December 2014 to undertake any rehabilitation or restoration activity on the licences currently held.

Existing Exploration Licences in Namibia

The Group has a number of exploration licences in Namibia (see Note 5). The Group plans to carry out further exploration work on the licences, the amount of work being dependant on success at each stage. Estimated exploration expenditure, based on success, could be up to £1.5 million on these licences through 2015 and into 2016. There is scope in the Mines and Minerals Act for expenditure to be altered by the Group and still keep the licences in good standing. It should also be noted that if the project has negative results in the first 6 months of the licence tenure – then the project can be terminated without further expenditure.

22. EXPLORATION EXPENDITURE AND RESTORATION COMMITMENTS (continued)

Existing Exploration Licences in Mozambique

The Group has an effective 40% interest in a licence in Mozambique, through its associated company North River Resources (Murrupula) Limitada. The cost of maintaining this licence is not significant to the Group and will be borne by North River Resources plc (see Note 14).

23. SUBSEQUENT EVENTS

On 20 January 2015 the Board appointed key directors and senior management to support the next phase of development at the flagship Namib Lead-Zinc Project. Keith Marshall and Ken Sangster were appointed as Non-Executive Directors. James Beams was appointed as Managing Director with Martin French stepping down, and Andrew Little was appointed as Project Director.

Very positive drill results were also announced further increasing management's confidence in the potential to significantly extend the mine life, with drilling continuing to increase the Mineral Resource.

All share options outstanding at 31 December 2014 expired on 1 February 2015.

The Mining Licence for the Namib Lead Zinc Silver mine was submitted in April 2014 and all renewals for EPLs, that have not been relinquished, have been submitted. The Group is currently awaiting confirmation of the EPLs renewals and the granting of the Mining Licence.

These events are discussed in more detail in the Managing Director's Statement.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of North River Resources plc, a company incorporated in England & Wales under the Companies Act 1985 with registered number 5875525 (the “Company”) will be held at the offices of SGH Martineau LLP, 5th Floor, One America Square, Crosswall, London EC3N 2SG on Thursday 25th June 2015 at 11.00 am for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the financial statements and reports of the directors and auditors thereon for the year ended 31st December 2014.
2. To re-elect, as a director of the Company, Mr Brett Allan Richards, who retires in accordance with Article 25.2 of the Company’s Articles of Association and offers himself for re-election.
3. To re-elect, as a director of the Company, Mr Mark Raymond Sawyer, who retires in accordance with Article 20.2 of the Company’s Articles of Association and offers himself for re-election.
4. To re-elect, as a director of the Company, Mr Keith Marshall, who retires in accordance with Article 20.2 of the Company’s Articles of Association and offers himself for re-election.
5. To re-elect, as a director of the Company, Mr Kenneth John Sangster, who retires in accordance with Article 20.2 of the Company’s Articles of Association and offers himself for re-election.
6. To re-appoint UHY Hacker Young LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and that their remuneration be determined by the directors.

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions, of which Resolution 7 will be proposed as an Ordinary Resolution and Resolution 8 be proposed as a Special Resolution:

7. THAT the directors be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (“the Act”), in substitution for all previous powers granted to them, to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company (“Rights”) up to an aggregate nominal amount of £6,000,000 such authority shall, unless previously revoked or varied by the Company in general meeting, expire on the conclusion of the Annual General Meeting of the Company to be held in 2016 provided that the Company may, at any time before such expiry, make an offer or enter into an agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or grant Rights pursuant to any such offer or agreement as if the authority conferred hereby had not expired.
8. THAT the directors be and they are hereby empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 7 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:-
 - (a) the allotment of equity securities in connection with an issue in favour of shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (or as nearly as may be practicable) to the respective number of ordinary shares in the capital of the Company held by them on the record date for such allotment, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange, in any territory; and

NORTH RIVER RESOURCES PLC
NOTICE OF ANNUAL GENERAL MEETING

- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of further equity securities:
- (i) arising from the exercise of options or the conversion of any other convertible securities outstanding at the date of this resolution, and
- (ii) other than pursuant to (b)(i) above, up to an aggregate nominal amount of £6,000,000;

and this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire at the conclusion of the Annual General Meeting of the Company to be held in 2016. The Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

By Order of the Board

Ben Harber
Company Secretary
1st June 2015

Registered Office:

One America Square
Crosswall
London EC3N 2SG

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's registrars, **Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU** by hand, or sent by post to **FREEPOST CAPITA PXS**, so as to be received not less than 48 hours before the time fixed for the holding of the meeting (excluding any part of a day which is not a working day) or any adjournment thereof (as the case may be).
2. Any member entitled to attend, speak and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a member.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
4. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
5. The completion and return of a form of proxy will not preclude a member from attending in person at the meeting and voting should he wish to do so.
6. The Company has specified that only those members entered on the register of members at 6.00 pm on 23rd June 2015 shall be entitled to attend, speak and vote at the meeting in respect of the number of ordinary shares of 0.2p each in the capital of the Company ("Ordinary Shares") held in their name at that time. Changes to the register after 6.00 pm on 23rd June 2015 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. To direct your proxy how to vote on the resolutions mark the appropriate box with an "X". To abstain from voting on a resolution, select the relevant "withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
8. **Resolution 2** – Article 25.2 of the Company's Articles of Association require that one third of the directors of the Company who have held office since the last AGM, must retire by rotation and, if they are eligible, may offer themselves for re-election.
9. **Resolution 3** – Having been appointed since the last Annual General Meeting Mark Raymond Sawyer must retire in accordance with Article 20.2 of the Company's Articles of Association, and being eligible is offering himself for re-election.

NORTH RIVER RESOURCES PLC

NOTICE OF ANNUAL GENERAL MEETING

10. **Resolution 4** – Having been appointed since the last Annual General Meeting Keith Marshall must retire in accordance with Article 20.2 of the Company’s Articles of Association, and being eligible is offering himself for re-election.
11. **Resolution 5** – Having been appointed since the last Annual General Meeting Kenneth John Sangster must retire in accordance with Article 20.2 of the Company’s Articles of Association, and being eligible is offering himself for re-election.
12. **Resolution 7** – As required by the Act, this resolution, to be proposed as an Ordinary Resolution, relates to the grant to the directors of authority to allot unissued Ordinary Shares and grant rights to subscribe for or convert securities into Ordinary Shares until the conclusion of the Annual General Meeting to be held in 2016, unless the authority is renewed or revoked prior to such time. This authority is limited to a maximum of 3,000,000,000 Ordinary Shares.
13. **Resolution 8** – The Act requires that if the directors decide to allot unissued Ordinary Shares in the Company, the shares proposed to be issued be first offered to existing shareholders in proportion to their existing holdings. This is known as shareholders’ pre-emption rights. However, to act in the best interests of the Company the directors may require flexibility to allot shares for cash without regard to the provisions of Section 561(1) of the Act. Therefore this resolution, to be proposed as a Special Resolution, seeks authority to enable the directors to allot equity securities up to a maximum of 3,000,000,000 Ordinary Shares. This authority expires at the conclusion of the Annual General Meeting to be held in 2016.

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