

## **North River Resources Plc**

### **Placing, Acquisition and Notice of General Meeting**

The Directors of North River Resources Plc ("North River" or "Company") are pleased to announce the proposed acquisition of gold and uranium exploration projects in Mozambique, a placing to raise £400,000, before expenses ("Placing"), and associated matters.

As part of the transaction, the Company is also undertaking a share consolidation on the basis of 1 new ordinary share of 0.2 pence each ("New Ordinary Shares") for every 2 existing ordinary shares of 0.1 pence each.

#### **Acquisition**

The Company has entered into an agreement with OmegaCorp Minerais Ltda ("OMS") to acquire OMS's Mozambique Gold and Uranium Projects ("the Acquisition").

The consideration for the Acquisition comprises US\$100,000 payable in cash and the issue of 10,000,000 New Ordinary Shares.

The Mozambique Gold and Uranium Projects comprise 32 Licences covering 628,400 Ha in 5 discrete project areas, details as follows:

1. Castro Project, 3 Licences, 54,580 Ha, located 30km north west of Tete. Targets, uranium, gold, coal

The Castro Project area contains a number of historic uranium workings and the significant Inatobue radiometric target developed by Omegacorp in 2006. Inatobue is the biggest radiometric anomaly in the area and is located adjacent to the previously producing Castro mine. The Boa Viseau gold anomaly is located in the Castro Project area. Soil sampling completed by OMS defined a continuous pattern over 2,400 metres including peak values of 2,090 ppb Au, 1,915ppb Au and 1,810 ppb Au.

The Rio Mafu coal prospect contains three Lignitic to Sub-Bitumous coal units. Total tonnage potential is thought to be under 20Mt.

2. Mucumbura Project, 2 Licences, 27,560 Ha, located 300 km due west of Tete. Targets, uranium

3. Murrupula Project. 3 Licences, 61,280 Ha, located 600 km due east of Tete. Targets, uranium, precious and base metals.

4. Niassa Project, 21 Licences, 424,060 Ha, located northern Mozambique to the east of lake Malawi.

Targets, uranium, gold, base metals.

5. Zumbu Project, 3 Licences, 60,920 Ha, located 350 km due west of Tete. Targets uranium, coal and precious metals.

The Company intends to conduct a data acquisition and review exercise covering all Mozambique licence areas. Following this exercise the licences will be rationalised as appropriate and any licence areas not considered prospective will be relinquished. A work program for the remaining licence areas will be developed following the review exercise.

#### Coronet Hill Update

As a result of the exploration work that it has undertaken on the Coronet Hill Tenement, the Company, in conjunction with the Tenement holder, Segue Resources Ltd ("Segue"), has decided to focus its exploration on areas of existing workings with outcropping mineralization. Sampling of dumps from historical workings have returned grades of up to 16.4% Copper (No.1 Adit Dump), 17% Lead (South Shaft Dump), and 1,126 g/t Silver (South Shaft Dump).

As a result of the re-interpretation of Induced Polarisation geophysics, geochemistry and available structural information, Segue has refined prospective targets. Accordingly the Company and Segue have agreed to reduce the Coronet Hill Tenement by 5 blocks, surrendering that part of the Tenement considered not to be prospective. The Company has designed a work programme focussing on a process of geochemical levelling of predominantly stream and soil geochemical data in order to adequately prioritise targets and establish areas that require further sampling and detailed geological mapping. It is estimated the work programme will cost approximately £50,000.

In addition to the focus on Coronet Hill, Segue has made application for an area proximal to granite plutonism within a favourable structural setting, ELA 27332 ("New Tenement"). The New Tenement which has been targeted lies structurally parallel directly to the east of the Coronet Hill Mineral Field and has received limited modern exploration. Exploration will focus initially on historical data acquisition and compilation. The information will form the basis for target generation and identification of areas requiring detailed geological mapping and geochemical sampling in order to effectively target mineralisation within the tenure.

By an amendment dated 24 July 2009, the New Tenement has been incorporated into the existing farm-in agreement. The Company shall be entitled to earn a 20% interest in both the Coronet Hill Tenement and the New Tenement ("Tenements") by expending £200,000 on the Tenements on or before 18 August 2010 and a further 31% interest by expending a further amount equal to £1,600,000 on the Tenements on or before 18 August 2012.

To date, the Company has expended approximately £125,000 on the Tenements.

#### Placing

The Placing comprises the issue of 40,000,000 New Ordinary Shares at a price of 1 penny per share, with the grant of a matching number of options to subscribe for New Ordinary Shares at a price of 5 pence per share. The management of the Company are participating in the Placing as follows:

Party	Number of New Ordinary Shares
Ascent Capital Pty Ltd (a company associated with David Steinepreis)	5,000,000
Lagral SCP (a company associated with Glenn Whiddon)	5,000,000
Martin French	5,000,000
Patrick Burke	2,000,000
Luke Bryan	2,000,000

Participation by the directors of the Company ("Directors") in the Placing is classified as a related party transaction under the AIM rules. As there are no independent Directors, due to all them participating in the Placing, the Company's nominated adviser, Astaire Securities Plc, has considered the participation by the Directors in the Placing and, having taken note of the Directors' commercial assessment, considers their participation to be fair and reasonable insofar as Shareholders are concerned.

The net proceeds of the Placing will be used as to US\$100,000 (approximately £61,000) for the Acquisition, £150,000 to the repayment of the existing debt facility and the balance for ongoing working capital, including investment in the Mozambique Gold and Uranium Projects and Coronet Hill.

#### Grant of Options

In addition to the 40,000,000 options to subscribe for New Ordinary Shares to be granted to the participants in the Placing, the Company is also proposing to grant an aggregate 21,000,000 options to subscribe for New Ordinary Shares to the Directors and management of the Company at an exercise price of 5 pence per share and to grant 10,000,000 options to subscribe for New Ordinary Shares at a price of 10 pence per share to Clarion Finanz AG as consideration for the provision of new debt facilities to the Company.

#### Issued Share Capital

Following admission of the New Ordinary Shares, including those shares to be issued pursuant to the Placing and Acquisition, to trading on AIM, the Company will have an issued share capital of 84,000,000 New Ordinary Shares with outstanding options to subscribe for in aggregate 74,000,000 New Ordinary Shares.

#### Board Update and Interests of Directors

The Company is also pleased to announce the appointment of Mr David Steinepreis, currently Executive Chairman, as Managing Director of North River. In addition, Mr Glenn Whiddon, currently a non-executive Director, will take over as the Non-Executive Chairman.

As a result of their participation in the Placing and the grant of options, the interests of the Directors and management of the Company immediately following Admission will be:

	Number of Ordinary Shares	New% Share Capital	Enlarged 5 pence per share	Number of options at 10 pence per share	Number of options at 10 pence per share
David Steinepreis	7,522,000	8.95	10,000,000	1,000,000	
Glenn Whiddon	6,375,000	7.59	10,000,000	1,000,000	
Martin French	5,000,000	5.95	10,000,000	Nil	
Patrick Burke	2,310,000	2.75	3,000,000	Nil	
Luke Bryan	2,000,000	2.38	7,000,000	Nil	

## Notice of Meeting and Timetable

The Company will shortly post to shareholders a circular convening a general meeting at which authority will be sought to carry out the consolidation of the share capital of the Company and issue the New Ordinary Shares in respect of the Placing and Acquisition.

The circular also contains details of the new debt facility being provided by Clarion Finanz AG which replaces, on matching terms, the existing facility available to the Company.

The general meeting will be held at 11.00a.m. on Wednesday 26 August 2009 at the offices of Sprecher Grier Halberstam LLP, 5th Floor, One America Square, Crosswall, London EC3N 2SG and application will be made for the New Ordinary Shares to be admitted to trading on AIM, conditional upon the passing of the resolutions to be proposed at the general meeting, on 27 August 2009

#### **Further Information**

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