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North River Resources plc ('North River' or 'the Company)
Preliminary Results

North River Resources plc, the AIM listed southern African multi commodity resource company, announces its results for the year ended 30 June 2009.

CHAIRMAN'S STATEMENT

Since the last Report and Accounts for year ended 30 June 2008, North River has been active in seeking new opportunities in the resource sector, with a specific emphasis on Africa. In this regard, North River has completed the acquisition of various licences in Mozambique prospective for various commodities and undertaken a fund raising for the acquisition of those assets. It has also announced a potential major acquisition of an exciting portfolio of copper, lead, zinc and gold assets in Namibia from Kalahari Minerals plc ('Kalahari').

As a result of the proposed acquisition, Kalahari will emerge as North River's largest shareholder and a strategic partner of the Company. Furthermore, Kalahari's highly experienced Chairman and Non-executive Director, Mr. Mark Hohnen and Professor Glyn Tonge, will be appointed to the Board of North River as Non-executive Chairman and Non-executive Director respectively.

The combination of the assets in Mozambique, Kalahari's Namibian assets as well as the strengthened management team and board, gives the Company an excellent foundation for rapid future growth over the coming years. In line with this, the Company intends to continue its growth by the acquisition of, or investment in, projects, assets and companies in southern Africa.

The transaction with Kalahari will be a reverse transaction under the AIM rules. The Company's shares have been suspended pending publication of an AIM admission document to shareholders detailing the assets acquired and the strategic direction of the Company going forward. Shareholders will then have the opportunity to vote on the transaction at an upcoming General Meeting and we look forward to their support of this transaction.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

Australian Assets

North River is the holding company of North River Resources Pty Ltd ('NRRPL'). NRRPL is party to a Farm-In Agreement with Segue Resources Limited ('Segue'), the holder of EL10004 (the 'Coronet Hill Tenement') and ELA27332 (the 'New Tenement') (collectively the 'Tenements'). Under the Farm-In Agreement, as amended by the parties on 24 July 2009, NRRPL is entitled to earn a 20% interest in the Tenements by expending such amount as the parties may agree (currently being £200,000) up to a maximum of £500,000 on the Tenements on or before 18 August 2010 and a further 31% interest by expending a further amount equal to £1,800,000 on the Tenements on or before 18 August 2012.

Details of the Tenements are as follows:

Asset	Holder	Interest (%)	Status	License Expiry Date	License Area
EL10004	Segue	100	Exploration	18/08/2010	6 sq Km
ELA27332	Segue	100	Application pending		

The Tenements are situated in the southern part of the Pine Creek Inlier, 220 kilometres south east of Darwin in the Northern Territory of Australia. This major mineral province of the Northern Territory covers about 66,000 square kilometres and is centred 170 kilometres south of Darwin.

The Company, through NRRPL, has to date spent £127,700 (2008: £100,000) under the Farm-In Agreement as its contribution to exploration on the Coronet Hill Tenement. It has also incurred approximately £15,000 in further expenditure on the Coronet Hill Tenements since 30 June 2009, but is yet to be billed for this expenditure.

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

- Soil sampling in the southern and most prospective part of the Coronet Hill Tenement. This demonstrated multi-element anomalism in the main Coronet Hill fault zone in the area tested. Field visits and grab sampling highlighted the abundance of massive and disseminated sulphide material in historical workings along the fault that gave values up to 20% copper but also significant arsenic.

- A gradient-array induced polarisation (IP) geophysical survey over the most prospective area to locate electromagnetic conductors that may be indicative of sulphide accumulations for drill testing. Five priority drilling targets have been selected out of information gathered from this survey.

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

As a result of the exploration work undertaken on the Coronet Hill Tenement, the Company, in conjunction with the Tenement holder, Segue, has decided to focus its exploration on areas of existing workings with outcropping mineralisation. 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).

The re-interpretation of IP geophysics, geochemistry and available structural information has enabled Segue to refine prospective targets. Accordingly the Company and Segue agreed to reduce the Coronet Hill Tenement by five 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 £65,000.

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.

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

Other Initiatives

During the year to 30 June 2009, the Company identified and reviewed a number of potential investments in the resources sector and subsequent to the year ended 30 June 2009 announced a number of initiatives as follows:

1. On 24 July 2009, the Company agreed to acquire OmegaCorp Minerais Ltda's Mozambique Gold and Uranium Projects, comprising 32 Licences covering 628,400 HA in five discrete project areas, for a consideration of US$100,000 and 10,000,000 ordinary shares. The Company subsequently conducted a data acquisition and review exercise and has rationalised certain licences. A work programme for the five remaining licence areas is currently being developed.

2. On 12 August, the Company entered into a Convertible Loan Agreement with Clarion Finanz AZ to provide a £500,000 facility ('Clarion Facility'). The full amount of the Clarion Facility was drawn down on 19 October 2009.

3. On 26 August 2009, the Company's share capital was consolidated on the basis of 1 new ordinary share of £0.002 each for every two existing ordinary shares of £0.01 each and following this, the Company carried out a placing of 40,000,000 ordinary shares of £0.002 each in the capital of the Company at a price of £0.01 each to raise £400,000 ('Placing').

4. On 5 October 2009, the Company announced a conditional agreement with Kalahari Minerals plc to acquire companies from Kalahari with gold and base metals assets in Namibia ('Namibian Acquisition'). The purchase consideration is 266,666,667 ordinary shares at a price of 3 pence per ordinary share.

The Board of North River believes that the Namibian Acquisition is an attractive acquisition target for a number of reasons. It is confident that the key assets, namely the heap leach copper projects and the Namib lead/zinc project (at which Kalahari has spent over £8 million on to date) all warrant further work and that upside potential exists from upgrading the current resources through further exploration and drilling. It is intended that feasibility studies will bring one or more projects into production in the mid term. Additionally, by having a foothold within Namibia's resource rich country, the Board believes that other opportunities will present themselves to add further value to the current portfolio of assets. Finally, and most importantly, on completion of the acquisition, Kalahari will become a major shareholder in North River and has indicated its intention to support the Company as the assets are developed.

The Namibian Acquisition is conditional on a number of items which includes a capital raising of not less than £5 million. The acquisition is a reverse transaction under the AIM rules and is subject to shareholder approval and an AIM admission document being issued. The Company's Ordinary Shares were suspended from trading on AIM on 5 October 2009 as a result of the announcement and will be readmitted to trading once the AIM admission document is published.

In the event that the Namibian Acquisition proceeds the Company will incur significant transaction costs over the next three months. In these circumstances and after due consideration of potential transaction costs, the Company required a further £100,000 in addition to the funds to be provided pursuant to the Placing and Clarion Facility. These funds were raised by issuing convertible loan notes to non-related parties, each with an attaching option. The convertible loan notes were subsequently converted into 10,000,000 new Ordinary Shares at £0.01 per share and will be admitted to trading on AIM once the suspension from trading has been lifted. The options have an exercise price of no less than £0.05 and an exercise date of no later than 30 June 2014.

Board Changes

On 18 December 2008, the Company announced the appointment of new Directors and a Chief Operating Officer in order to accelerate the identification of new project and/or acquisitions. The Company sought to restructure the Board, adding personnel with track records in sourcing, developing and managing resource projects. As such, Glenn Whiddon and Martin French joined the Board as Non-executive Directors with Robert Downey stepping down.

In addition, Luke Bryan was appointed as Chief Operating Officer. Luke will be based out of London to assist the sourcing of new projects. Mr Whiddon was subsequently appointed Non-executive Chairman and Mr Steinepreis as Managing Director of the Company.

Furthermore, it is proposed that following the Namibian Acquisition, Kalahari will appoint nominees to the board of North River. The nominees are Mark Hohnen who is the Chairman of Kalahari and Professor Glyn Tonge, who is a Non-executive Director of Kalahari.

Financial Overview

The Group results for the year are set out in the Financial Statements. The Group made a loss of £299,220 (2008: £250,525) for the year to 30 June 2009. The Directors do not propose to recommend any dividends for the year ended 30 June 2009.

On 24 November 2008 the Company entered into an agreement with Lagral scp, a company associated with the Chairman Glenn Whiddon, and Ascent Capital, a company associated with the Managing Director David Steinepreis, whereby these companies made available a £300,000 convertible loan facility to the Company. As at 30 June 2009, £150,000 has been advanced by way of convertible note (Lagral scp £75,000 and Ascent Capital £75,000).

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

Glenn Whiddon
Non-executive Chairman
21 October 2009

GROUP INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Year ended 30 June 2009 £	**Year ended 30 June 2008 £**
Exploration expenditure	(27,700)	-
Administrative expenses	(267,750)	(260,059)
Loss on operating activities	**(295,450)**	(260,059)
Interest paid	(4,783)	(118)
Interest received	1,013	9,652
Loss on ordinary activities before taxation	**(299,220)**	(250,525)
Taxation	-	-
Loss on ordinary activities after taxation	(299,220)	(250,525)
Total recognised loss for the year	**(299,220)**	(250,525)
Loss per share	**Pence**	**Pence**
Basic and diluted	(0.88)	(0.74)

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

GROUP AND COMPANY BALANCE SHEETS AS AT 30 JUNE 2009

	Group 30 June 2009 £	Company 30 June 2009 £	Restated Group 30 June 2008 £	Restated Company 30 June 2008 £
Non Current Assets				
Investment in subsidiary	-	-	-	-
Current Assets				
Cash and cash equivalents	35,078	35,078	121,693	121,693
	35,078	35,078	121,693	121,693
Total Assets	**35,078**	**35,078**	121,693	121,693
Current Liabilities				
Convertible notes	(150,000)	(150,000)	-	-
Creditors:amounts falling due within one year	(82,764)	(82,764)	(20,159)	(20,159)
	(232,764)	(232,764)	(20,159)	(20,159)
Total Liabilities	**(232,764)**	**(232,764)**	(20,159)	(20,159)
Net (Liabilities) / Assets	**(197,686)**	**(197,686)**	101,534	101,534
Capital and Reserves Attributable to Equity Holders				
Called up share capital	68,000	68,000	68,000	68,000
Share premium account	481,238	481,238	481,238	481,238
Option premium reserve	154,775	154,775	154,775	154,775
Retained losses	(901,699)	(901,699)	(602,479)	(602,479)
Total Equity	**(197,686)**	**(197,686)**	101,534	101,534

GROUP AND COMPANY CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	Group year ended 30 June 2009 £	Company year ended 30 June 2009 £	Group year ended 30 June 2008 £	Company year ended 30 June 2008 £
Net cash outflow from operating activities	**(237,510)**	**(237,510)**	(275,638)	(275,638)
Returns on investments and servicing of finance				
Interest paid	(118)	(118)	(118)	(118)

Interest received	1,013	1,013	9,652	9,652
Net cash inflow from returns on investment and servicing of finance	**895**	**895**	9,534	9,534
Financing				
Proceeds from issue of convertible notes	150,000	150,000	-	-
Net cash inflow from financing	**150,000**	**150,000**	-	-
Increase/(decrease) in cash and cash equivalents	(86,615)	(86,615)	(266,104)	(266,104)
Cash and cash equivalents at the beginning of the year	121,693	121,693	387,797	387,797
Cash and cash equivalents at the end of the year	**35,078**	**35,078**	121,693	121,693

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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 year unless otherwise stated.

1.1 Basis of preparation

The financial statements are prepared in accordance with the historical cost convention and in accordance with the International Financial Reporting Standards ("IFRSs") including IFRS 6, Exploration for and Evaluation of Mineral Resources, as adopted by the European Union ("EU") and in accordance with the provisions of the Companies Act 2006.

The Group's financial statements for the year ended 30 June 2009 were authorised for issue by the board of directors on 14 October 2009 and the balance sheets were signed on the board's behalf by David Steinepreis. The Group financial statements are presented in UK pounds sterling.

In accordance with the provisions of section 408 of the Companies Act 2006, the Parent Company has not presented an income statement. A loss for the year ended 30 June 2009 of £299,220 (2008: £250,525) has been included in the income statement.

1.2 Prior Period Adjustments

The Group has reconsidered its accounting treatment of Exploration Expenditure. The Group accounting policy was to capitalise the cost of licences and exploration expenses. As a result of the expected transaction with Kalahari Minerals plc and Kalahari Minerals plc's expected shareholding in the Company the Company has decided to harmonise its accounting policies with Kalahari Minerals plc. As such it has decided to capitalise the cost of licences and expense exploration costs in the year incurred in accordance with Notes 1.10 and 1.11. To this effect previously capitalised costs have been transferred to the Retained Losses Reserve and loans made to subsidiaries to fund the previously capitalised costs have been transferred to the Retained Loss Reserve by the Company.

1.3 Going Concern

On 5 October 2009, the Company announced a conditional agreement to acquire various assets in Namibia. The agreement is conditional on a number of items which include a capital raising of not less than £5,000,000. At this stage it appears likely that this transaction and fund raising will occur with completion expected by the end of November 2009. This is expected to enable the Company as a going concern in the foreseeable future. If the transaction and fund raising do not proceed the Company has obtained assurance from the Directors that they will continue to support the Company with working capital via debt and/or equity, if required.

1.4 Basis of consolidation

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

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

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

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

1.5 Revenue

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

Interest Income
Revenue is recognised as the interest accrues.

1.6 Foreign currency transactions

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in pounds sterling ("£"), which is the functional and presentational currency of the 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 balance sheet date and the gains or losses on translation are included in the profit and loss account.

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

1.7 Cash and cash equivalents

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

1.8 Trade and other payables

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

1.9 Deferred taxation

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

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

1.10 Exploration and evaluation expenditure

Expenditure for exploration activities is charged against income until the viability of the mining venture has been proven.

Intangible assets, exploration licences

Exploration rights and licences are recorded at cost of acquisition and are depreciated on a straight-line basis over the license period. When there is little likelihood of a mineral right being exploited, or the value of mineral rights have diminished below carrying value, a write down is effected against income in the period that such determination is made.

1.12 Contributed equity

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

1.13 Significant accounting estimates and assumptions

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

1.14 Share based payments

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

1.15 Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes a part to the contractual provisions of the instrument.

The Company classified its financial assets in the following categories: at fair value through profit and loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit and loss
Financial assets at fair value through profit and loss are financial assets held for trading which is principally for the purpose of selling in the short term. Derivatives are also categorised in this category unless designated as hedges. Assets in this category are classified as current assets.

b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current and non current assets. The Company's loans and receivables comprise of 'loans to subsidiary' and 'cash and cash equivalents'. Loans and receivables are recognised initially at cost and subsequently amortised costs less provision for impairment.

c) Available-for-sale financial assets
Available-for-sales financial assets are non derivatives that are either designated to this category or not classified in any other categories.

The Company classifies its financial liabilities as trade and other payables which are recognised initially at fair value and subsequently measured at amortised cost.

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

1.16 Earnings per share

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

Diluted earnings per share is calculated as net profit / (loss) attributable to members of the parent, adjusted for:
- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares.

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

As disclosed in the Directors' Report, the Company's shares capital was consolidated on a two for one basis on 26 August 2009. As such, the current and comparative basic and diluted earnings per share disclosures have been prepared on the basis of the consolidated share capital.

1.17 New standards and interpretations not applied

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

IAS 1 (Revised) Presentation of Financial Statements- effective years beginning 1 January 2009
IFRS 2 (Revised) Share based payments- amendments to vesting conditions and cancellations- effective 1 January 2009
IFRS 3 (Revised) Business Combinations- effective years beginning 1 July 2009
IAS 27 (Revised) Consolidated and separate financial statements- effective 1 July 2009

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

2 Segment Reporting

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

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

Geographical Segment - Group 2009	**United Kingdom £**	**Australia £**	**Total £**
Exploration expenditure	-	(27,700)	(27,700)
Administration expenses	(295,449)	27,700	(267,749)
Interest paid	(4,784)	-	(4,784)
Interest received	1,013	-	1,013
Loss before taxation	**(299,220)**	**-**	**(299,220)**
Cash and cash equivalents	34,666	412	35,078
Accrued expenditure and provisions	(82,764)	-	(82,764)
Convertible loan notes	(150,000)	-	(150,000)
Net Assets	**(198,098)**	**412**	**(197,686)**

At the end of the year to 30 June 2009, the Group had not commenced commercial production from its exploration sites and therefore had no turnover in the year.

Geographical Segment - Group 2008 Restated	**United Kingdom £**	**Australia £**	**Total £**
Administration expenses	(207,340)	(52,719)	(260,059)
Interest paid	(118)	-	(118)
Interest received	9,524	128	9,652
Loss before taxation	(197,934)	(52,591)	(250,525)
Cash and cash equivalents	120,886	807	121,693
Accrued expenditure and provisions	(18,989)	(1,170)	(20,159)
Net Assets	101,897	(363)	101,534

3 Group Operating Loss	**Year ended 30 June 2009**	**Year ended 30 June 2008**
The Group's operating loss is stated after charging:	**£**	**£**
Exploration expenditure	27,700	-
Auditors' remuneration		
Group and parent company audit services	9,500	8,600
Group and parent company non audit services	-	-
	9,500	8,600

4 Creditors	**Group 30 June 2009**	**Company 30 June 2009**	**Group 30 June 2008**	**Company 30 June 2008**

	£	**£**	**£**	**£**
Accruals	82,764	82,764	20,159	20,159
Convertible notes	150,000	150,000	-	-
	232,764	**232,764**	20,159	20,159

On 24 November 2008 the Company entered into an agreement with Lagral scp, a company associated with Glenn Whiddon, and Ascent Capital, a company associated with David Steinepreis, whereby these companies made available a £300,000 convertible loan facility to the Company. As at 30 June 2009, £150,000 has been advanced by way of convertible note (Lagral scp £75,000 and Ascent Capital £75,000). The loan facility was issued for a period being the earlier of one year, or to the date which the Company undertakes any capital raising. The convertible loan notes bear interest of 8% per annum, calculated monthly and are unsecured.

5 Share Capital

Group and Company	**30 June 2009 Number of Shares**	**30 June 2009 £**	**30 June 2008 Number of Shares**	**30 June 2008 £**
Authorised				
10,000,000,000 Ordinary shares of 0.1p each	**10,000,000,000**	**10,000,000**	10,000,000,000	10,000,000
Issued and Fully Paid				
Ordinary shares of 0.1p each	**68,000,000**	**68,000**	68,000,000	68,000

As documented in the Directors' Report the share capital was consolidated on a two for one basis on 26 August 2009.

6 Share options outstanding

Number of options	**Year ended 30 June 2009**	**Year ended 30 June 2008**
At 1 July	6,000,000	6,000,000
Issued in the year	-	-
At 30 June	**6,000,000**	6,000,000

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

Share price	£0.05
Exercise price	£0.05
Expected volatility	50%
Option life	5 years

Expected dividend	Nil
Risk free interest rate	6.385%

No options were issued, exercised, forfeited or expired during the year.

As documented in the Directors' Report, the share capital was consolidated on a two for one basis on 26 August 2009.

7 Taxation	**Group 30 June 2009 £**	**Group 30 June 2008 £**
Factors affecting the tax charge for the year:		
Loss from continuing operations before income tax expense	(299,220)	(250,525)
Tax at the Company rate of 28% (2008: 30%)	(83,782)	(75,157)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Income tax benefit not brought to account	83,782	75,157
Income tax expense	-	-

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

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

8 Reconciliation of operating loss to net cash outflow from operating activities

	Group 30 June 2009 £	**Company 30 June 2009 £**	**Group 30 June 2008 £**	**Company 30 June 2008 £**
Loss on operating activities	(295,450)	(295,450)	(260,059)	(260,059)
Changes in assets and liabilities:				
Increase / (decrease) in trade and other payables	57,940	57,940	(15,579)	(15,579)
Net cash outflow used in operating activities	**(237,510)**	**(237,510)**	(275,638)	(275,638)

9 Expenditure Commitments	Group 30 June 2009 £	Company 30 June 2009 £	Group 30 June 2008 £	Company 30 June 2008 £
Commitments contracted for at reporting date but not recognised as liabilities are as follows:				
Between one and two years	72,300	72,300	-	-
Between two and five years	1,600,000	1,600,000	300,000	300,000
Total	**1,672,300**	**1,672,300**	300,000	300,000

Under the terms and conditions of the Farm-In Agreement, the Company has a commitment to contribute a percentage of the cost of exploration expenditure to earn its interest in the project. The Company shall be entitled to earn a 20% interest in both the Coronet Hill Tenement and the New Tenement ELA 27332 by expending £200,000 (spent to date £127,700) on the Tenements on or before 18 August 2010 and a further 31% interest by expending a further amount equal to £1,800,000 on the Tenements on or before 18 August 2012. The Company can however withdraw from the Farm-in Agreement at any time by giving notice in writing to Segue of its intention to withdraw and upon withdrawal the Farm-in Agreement shall terminate.

10 Earnings Per Share	Group 30 June 2009	Group 30 June 2008
) Basic and diluted earnings per share	£	£
Loss from continuing operations attributable to the ordinary equity holders	(**299,220**)	(250,525)
Basic earnings per share		
Loss from continuing operations attributable to the ordinary equity holders	(0.88) pence	(0.74) pence
) Weighted Average Number of Shares Used as the Denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	34,000,000	34,000,000

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

11 Related Party Transactions

Ascent Capital Holdings Pty Ltd, a company associated with David Steinepreis, was paid fees in the amount of £Nil (2008: £2,000) for the provision of services provided by David Steinepreis.

Ord Street Services, an entity associated with David Steinepreis was paid £Nil (2008: £2,000) for the provision of services provided by David Steinepreis.

Ord Street Services, an entity associated with David Steinepreis, was reimbursed office costs incurred and paid by Ord Street Services on behalf of North River Resources in the amount of £5,937 (2008: £2,000).

Quantum Vis Pty Ltd, a company associated with Robert Downey, had fees, pursuant to a services agreement between Mr Downey and the Company, of £5,355 (2008: £12,000).

Full details of directors' option holdings are included in the Directors' Report.

For further information please visit www.northriverresources.com or contact:

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William Vandyk	Astaire Securities Plc	Tel: 020 7448 4400
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