

4 July 2014

North River Resources plc
("North River" or the "Company")

\$12.0 million project equity agreement with Greenstone Resources

Highlights:

- **Binding Investment Agreement signed with Greenstone Resources LP ("Greenstone"), a long term strategic investor, for \$12.0 million of equity funding**
- **Greenstone has subscribed for an initial tranche of \$2,784,680 of ordinary shares of 0.2 pence each in the capital of the Company ("Ordinary Shares") at 0.6 pence.**
- **In addition, Greenstone to provide up to \$8.875 million of equity in three further tranches at increasing prices to underpin growth in shareholder value:**
 - **\$2.875 million at 0.7 pence**
 - **\$5.0 million at 0.9 pence**
 - **\$1.0 million at 1.0 pence**
 - **Drawdown of these tranches is subject to certain project milestones being achieved (the most salient of which are set out at the end of this announcement)**
- **The funding package provides the equity capital for North River to re-open the Namib mine. Site preparation and advanced construction planning will begin immediately.**
- **Strategy to build North River by acquisition during the sector downturn to become a high-growth enterprise.**

Martin French, Managing Director commented: "I am extremely pleased to welcome Greenstone as a corner-stone shareholder in North River. This is a major step in the Company's transition to become a revenue-generating concern.

"Greenstone has conducted extensive due diligence on the Company and specifically the Namib project, so this investment represents a great vote of confidence in the project. It allows us to fast-track the development of the mine and provides a clear pathway to production in 2015.

"North River is an ambitious Company. It is our objective to use the Namib project as a platform to capitalise on numerous other opportunities in Namibia and elsewhere to build a larger business."

Mark Sawyer, Senior Partner of Greenstone, said "We are delighted to become a major shareholder in North River and look forward to supporting Martin and his team in delivering both the Namib mine restart and the Company's broader growth strategy."

Key Transaction Details:

North River today announced the signing of a binding Investment Agreement with Greenstone, whereby Greenstone will invest up to \$12.0 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 (the "Convertible Debenture") (the "Transaction").

The Transaction will provide North River funding to complete the study and approval process for the Company's Namib Lead and Zinc Project ("Namib") mine restart, accelerate development through early works and the placing of long-lead item orders, as well as providing construction equity funding.

Greenstone has made an initial investment of \$3.125 million being a subscription for 303,921,797 Ordinary Shares at 0.6p per share, of which \$340,320 (33,333,333 Ordinary Shares) was raised in the private placement announced on 30 June 2014. The balance (\$2,784,680, 270,588,464 Ordinary Shares) is the first tranche under the Investment Agreement (the “Tranche One Shares”). Admission to trading on AIM of the Tranche One Shares is expected to take place on 16 July 2014. The Tranche One Shares will rank pari passu in all respects with the existing issued Ordinary Shares in the Company. Following the allotment of the Tranche One Shares, the total issued share capital of the Company is 1,654,938,661 Ordinary Shares and Greenstone has a relevant interest representing 18.36% of the Company’s total voting rights.

Under the terms of the Investment Agreement, Greenstone will provide a further \$8.875 million of funding in three tranches, subject to Greenstone being satisfied that certain milestones relating to the Namib mine restart have been satisfied.

The second tranche under the Investment Agreement is a \$2.875 million subscription for Ordinary Shares at a subscription price of 0.7 pence (“Tranche Two”). The third tranche under the Investment Agreement will be \$5.0 million of Ordinary Shares at a subscription price of 0.9 pence per share (“Tranche Three”) with the final tranche of under the Investment Agreement being \$1.0 million of Ordinary Shares at a subscription price of 1 pence per share (“Tranche Four”). Tranche Three and Tranche Four will be limited so that Greenstone’s maximum holding in the issued share capital of the Company from time to time will not exceed 29.99% (the “Maximum Percentage”). Funding the Maximum Percentage will be by way of one or more Convertible Debenture and the conversion price will be equal to the relevant subscription price for that tranche.

Any Convertible Debenture issued will be convertible into: i) Ordinary Shares up to the Maximum Percentage; and, thereafter ii) shares in a newly incorporated, wholly owned subsidiary of the Company which will hold all of its assets and interests (the “Subsidiary”), such that Greenstone has an economic interest in the Company and its group which is the same as if the investment had been made in the Company only. The Convertible Debenture carries zero interest. The Company can require that any Convertible Debenture, or shares in the Subsidiary, issued to Greenstone are converted into Ordinary Shares up to the Maximum Percentage.

North River and Greenstone have also entered into a Relationship Agreement pursuant to which Greenstone, for such time as it has a Significant Interest (as defined below), shall have the right to: i) nominate one director to board of North River; ii) maintain its percentage shareholding in the Company by participating in future equity issues; and iii) nominate customers for a proportion of the group’s mineral production equal to Greenstone’s interest in the Company’s issued share capital. The Relationship Agreement contains other standard terms, including (but not limited to) orderly market and corporate governance provisions. Greenstone is committed to maintaining the independence of North River and has agreed that at a majority of the board shall comprise independent directors.

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About North River Resources:

North River is a mineral exploration and development company centred on resource assets in Namibia. The Company is focussed on re-opening its flagship asset, the Namib Lead Zinc Project near Swakopmund in Namibia. Further details on North River can be found at www.northriverresources.com.

About Greenstone Resources:

Greenstone is a private equity fund specialising in the mining and metals sector. The Greenstone team has over 80 years of experience in the sector covering all aspects of mining project development. Further details on Greenstone can be found at www.greenstoneresources.com.

Details of the Transaction:

1. Pursuant to the Investment Agreement, Greenstone has subscribed for 270,588,464 Ordinary Shares at a price of 0.6 pence per Ordinary Share raising \$2,784,680 before expenses, increasing Greenstone's relevant interest in the Company from 2.41% to 18.36% of the Company's total voting rights.
2. Greenstone will, subject to the satisfaction of certain conditions which are primarily project development milestones, subscribe for \$2,875,000 of additional Ordinary Shares at a subscription price of 0.7 pence per share.
3. Greenstone will, subject to the satisfaction of certain conditions which are primarily project development milestones, subscribe for \$5,000,000 of additional Ordinary Shares at a subscription price of 0.9 pence per share. The number of Ordinary Shares issued to Greenstone taken together with Ordinary Shares already held by it shall be limited such that Greenstone's holding does not exceed the Maximum Percentage. To the extent to which the full amount of Tranche Three cannot be issued as a result of the application of the Maximum Percentage, Greenstone shall advance to the Company, by way of Convertible Debenture, an amount equal to the full amount of Tranche Three less the amount raised from the issue of Ordinary Shares on Tranche Three, the conversion price being equal to the Tranche Three subscription price of 0.9 pence per share.
4. Greenstone will, subject to certain conditions which are primarily project development milestones, subscribe for \$1,000,000 of additional Ordinary Shares at a subscription price of 0.9 pence per share. The number of Ordinary Shares issued to Greenstone taken together with Ordinary Shares already held by it shall be limited such that Greenstone's holding does not exceed the Maximum Percentage. To the extent to which the full amount of Tranche Four cannot be issued as a result of the application of the Maximum Percentage, Greenstone shall advance to the Company, by way of Convertible Debenture, an amount equal to the full amount of Tranche Four less the amount raised from the issue of Ordinary Shares in Tranche Four, the conversion price being equal to the Tranche Four subscription price of 1.0 pence per share.
5. In relation to each of Tranche Two, Tranche Three and Tranche Four, the exchange rate to be applied to calculate the relevant number of Ordinary Shares to be issued pursuant to Tranche

Two, Tranche Three and Tranche Four shall be 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 in accordance with the terms of the Investment Agreement.

6. Any Convertible Debentures issued in relation to Tranche Three and Tranche Four will be convertible as follows:
 - i) firstly into such number of Ordinary Shares at the relevant conversion price as will result (when aggregated with Ordinary Shares otherwise held by Greenstone, or persons acting in concert with Greenstone) in Greenstone (together with such persons) holding the Maximum Percentage; and
 - ii) thereafter, into shares in the Subsidiary.
7. The Convertible Debentures shall not be convertible into Ordinary Shares at any time where such conversion would cause Greenstone's interest in Ordinary Shares to exceed the Maximum Percentage.
8. Whenever Greenstone's interest in Ordinary Shares is lower than the Maximum Percentage, the Company can require:
 - i) firstly, the automatic conversion of any shares in the Subsidiary issued to Greenstone on conversion of the Convertible Debenture into Ordinary Shares up to the Maximum Percentage; and
 - ii) secondly, conversion of amounts outstanding under the Convertible Debenture into Ordinary Shares up to the Maximum Percentage.
9. The Convertible Debenture contains standard provisions dealing with the adjustment of conversion rights attaching thereto in the event of a change of control, reorganisation or other similar events.
10. The Company and Greenstone have entered into a relationship agreement (the "**Relationship Agreement**") to govern the relationship between the parties for such time as Greenstone, any member of its group which is a wholly-owned or managed associate or any permitted transferee (which, for the avoidance of doubt, shall be required to enter into a relationship agreement in substantially the same form as the Relationship Agreement prior to completion of any such transfer) has a Significant Interest. Pursuant to the Relationship Agreement, inter alia:
 - i) Greenstone has the right to appoint one director to the board of the Company and to certain operational board committees to be established. The Greenstone-appointed director will not receive director fees;
 - ii) Greenstone has the right to maintain its percentage shareholding in the Company by participating in future equity issues;
 - iii) Greenstone will have the right, from the third anniversary from the date of the Relationship Agreement, to nominate customers to purchase a proportion of the Company's mineral production, equal to its interest in the Company (including interests held through the Convertible Debenture or the Subsidiary); and
 - iv) the Company has agreed that it shall not, for so long as Greenstone holds a Significant Interest, issue any equity securities in consideration for equity securities or assets or otherwise raise cash in order to fund the acquisition of another company or project without

an ordinary resolution of the Company’s shareholders or, if required under law, a special resolution of shareholders to approve in each case the proposed acquisition. This obligation will not be owed by the Company to any permitted transferee which acquires a Significant Interest from Greenstone.

The Relationship Agreement contains other standard terms, including (but not limited to) orderly market and corporate governance provisions.

For the purposes of this announcement, “Significant Interest” means an interest in voting rights representing 15% or more of the rights to vote at a general meeting of the Company attaching to Ordinary Shares and taking into account the voting rights attaching to the Ordinary Shares which Greenstone holds and those which would attach to the Ordinary Shares that it would come to hold on conversion in full of the Convertible Debenture into Ordinary Shares.

Conditions Precedent

TRANCHE	SALIENT MILESTONES
Tranche Two	<ul style="list-style-type: none"> i) Completion of the Mine Development Plan and associated infrastructure ii) Approval of the environmental impact assessment and the environmental management plan for the Namib project and formal issue of the relevant environmental clearance certificate.
Tranche Three	<ul style="list-style-type: none"> i) Completion of all feasibility studies for the Namib mine restart including detailed engineering and project execution plan ii) Finalisation of all material contracts in relation to the Namib mine restart iii) Approval, and formal issue, of the mining lease over the Namib project site, currently covered by EPL2902. iv) Construction debt facility or any offtake related project finance facility approved for full drawdown and satisfaction of all conditions precedent on such debt or facility.
Tranche Four	<ul style="list-style-type: none"> i) Establishment of steady state mining operation ii) Commissioned process plant