

30 September 2014

North River Resources plc
(‘North River’ or ‘the Company’)

Interim Results for the six months ended 30 June 2014

North River Resources plc, the AIM listed resource company focussed on Namibia, is pleased to announce its unaudited interim results for the six months ended 30 June 2014.

Overview:

- The Company has made significant progress towards first production at its flagship Namib Lead-Zinc-Silver Project, this includes:
 - a 36% increase in the underground Mineral Resources from 0.92Mt to 1.25Mt
 - an increase in the reported zinc and lead head grades from 5.2% and 2.4% to 6.5% and 2.5% respectively
 - Completion of the Mine Development Plan (‘MDP’)
 - Multiple high grade drill intercepts (up to 9.76% Zn and 2.73% Pb over 46.3m) below known existing mineralisation
- Engaged CSA Global (UK) Ltd and Bara Consulting to elevate the MDP to a full Definitive Feasibility Study
- Namibian Government clearance for Environmental Impact Assessment (“EIA”) and Environmental Management Plan (‘EMP’)
- Application for a Mining Licence submitted
- \$12.0m project equity funding secured from Greenstone Resources LP (subject to meeting project milestones)
- Detailed implementation planning and site preparation underway:
 - construction of site offices
 - surface and underground communications installed
 - mine access road upgraded
 - long lead-time equipment procurement process started
- Loss before taxation of £1,726,901 for the period (30 June 2013: loss of £772,515) as the Company continues its development of the flagship Namib Lead-Zinc-Silver Mine

Managing Director’s Statement

Our core strategy for the Namib-Lead-Zinc-Silver Mine in Namibia (‘Namib’ or ‘the Project’) is focussed on achieving commercial, low-cost production in the near term and I am pleased to report that we met a number of key objectives towards this goal during the period and in the subsequent months.

Having defined a resource of 917,000 tonnes at 2.4% lead ('Pb'), 5.7% zinc ('Zn') and 44.8g/t silver ('Ag') in December 2013, we commenced further drilling at the beginning of the year, targeting both new extensions of known mineralised shoots, as well as infill drilling to convert Inferred Resources into the higher confidence Indicated category. A total of 45 new diamond drill holes were completed (4,090 m). On the back of this programme, which recovered significant quantities of high grade mineralisation, we recently announced a 36% increase in our JORC Mineral Resource to 1,250,000 tonnes. Within this, Indicated Resources have increased by 33% to 877,000 tonnes, at 2.7% Pb, 6.0% Zn and 44.4 g/t Ag. Notably, the average zinc grade has increased by 13% and the average lead grade by 4%.

The resource increase at Namib was undertaken in connection with the Company's plan to complete a forthcoming Feasibility Study for the project. Having already demonstrated that the Project has good economics based on the previous Mineral Resource by way of a Mine Development Plan ('MDP'), we appointed CSA Global (UK) Ltd (CSA) and Bara Consulting (Bara) to elevate this to feasibility status. With the new Resource, published on 19 September 2014, we believe that this has the potential to increase the economics of the project and further to the completion of metallurgical studies, verification and mine design work, we will have all the pre-requisites in place to deliver initial JORC Reserves and a Definitive Feasibility Study.

A milestone for the Company was our entry into a Binding Investment Agreement with Greenstone Resources for \$12.0 million of new equity funding subject to completion of a number of project milestones, announced on 4 July 2014. The agreement will provide funding to complete the Definitive Feasibility Study, the approval process for the mine restart, and full development equity funding.

We have also proactively progressed the permitting process to re-commission Namib during the period. As a result of this, we have been granted environmental clearance for our Environmental Assessment and Environmental Management Plan for the project by the Ministry of Environment and Tourism of the Republic of Namibia, as announced on 30 June 2014. Further to this, detailed implementation planning and site preparation is underway at Namib with site offices being installed and heavy equipment procurement being evaluated. In April, we also made an application for a Mining Licence for Namib with the Ministry of Mines and Energy in Namibia.

Financial Review

The Company is reporting a loss before taxation of £1,726,901 (30 June 2013: loss of £772,515). Due to the Group's heightened focus on Namib, its expenditure on its additional assets has been substantially reduced, and the Group focussed primarily on the Feasibility Study at Namib during the period. The Group has worked hard to minimise administrative overhead.

The Company's cash position at the end of the period was £528,796 (31 December 2013: £577,551). On 4 July 2014, North River 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, which significantly reduces the near term financing risks associated with the Company. The first tranche of \$3.125 million was received in July 2014. In addition to significantly de-risking the development phase of Namib, by providing North River with the construction equity funding, it also enables the Company to complete the study and approval process for Namib, accelerate development through early works and to place long-lead item orders. The full details of the agreement can be found in the announcement dated 4 July 2014.

During the period, the Company also conducted placings which saw a total of £1,225,000 raised successfully to continue the current drilling programme, feasibility study and for general working capital purposes.

Outlook

I believe that Namib distinguishes itself as a rare, and attractive project: a brownfield asset with modest capital expenditure, established infrastructure and robust economic fundamentals. With this in mind it continues to be prioritised in the North River portfolio of assets, due to its potential to generate meaningful revenues in the near term and a highly attractive IRR of 38 per cent based on the MDP announced in June 2014. The coming months will see this potential value translated into more tangible terms following the publication of the Feasibility Study and the achievement of additional components required in our journey to production, including the grant of a Mining Licence.

I continue to be highly encouraged by the progress being made operationally at Namib, and corporately with our partners and other stakeholders. I look forward to providing further updates regarding our advancement towards production in due course. In the meantime, I would like to take this opportunity to thank our valued shareholders again for their support as we look forward to another year of progress at North River.

Martin French
Managing Director
30 September 2014

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014

	Unaudited Period from 1 January to 30 June 2014	Unaudited Period from 1 January to 30 June 2013	Audited Year to 31 Dec 2013
Note	£	£	£
CONTINUING OPERATIONS			
Other operating income	-	133	126
Exploration and evaluation expenditure	(1,128,187)	(371,882)	(1,235,192)
Administrative expenses	(601,164)	(404,759)	(967,992)

OPERATING LOSS	<u>(1,729,351)</u>	<u>(776,508)</u>	<u>(2,203,058)</u>
Interest payable on short term borrowings	(14)	-	-
Interest receivable on bank deposits	<u>2,464</u>	<u>3,993</u>	<u>7,167</u>
LOSS BEFORE TAX	<u>(1,726,901)</u>	<u>(772,515)</u>	<u>(2,195,891)</u>
Taxation	<u>-</u>	<u>-</u>	<u>-</u>
LOSS FOR THE PERIOD	<u>(1,726,901)</u>	<u>(772,515)</u>	<u>(2,195,891)</u>
OTHER COMPREHENSIVE INCOME:			
Exchange differences on foreign operations	<u>(6,475)</u>	<u>(40,574)</u>	<u>(143,018)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u><u>(1,733,376)</u></u>	<u><u>(813,089)</u></u>	<u><u>(2,338,909)</u></u>
Loss per share			
Basic and diluted – pence per share	3 <u><u>(0.13p)</u></u>	<u><u>(0.10p)</u></u>	<u><u>(0.23p)</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Note	Unaudited 30 June 2014 £	Unaudited 30 June 2013 £	Audited 31 Dec 2013 £
NON-CURRENT ASSETS				
Goodwill	4	7,738,986	7,738,986	7,738,986
Intangible assets	5	68,377	64,287	72,422
Property, plant and equipment	6	98,844	137,343	126,841
Investment in joint venture	7	-	15,082	-
Investment in associated company	8	113,182	113,182	113,182
		<u>8,019,389</u>	<u>8,068,880</u>	<u>8,051,431</u>
CURRENT ASSETS				
Trade and other receivables		581,072	308,450	157,534
Cash and cash equivalents		<u>528,796</u>	<u>1,089,843</u>	<u>577,551</u>
		<u>1,109,868</u>	<u>1,398,293</u>	<u>735,085</u>
TOTAL ASSETS		<u>9,129,257</u>	<u>9,467,173</u>	<u>8,786,516</u>
CURRENT LIABILITIES				
Trade and other payables		<u>1,064,988</u>	<u>251,504</u>	<u>313,280</u>
TOTAL LIABILITIES		<u>1,064,988</u>	<u>251,504</u>	<u>313,280</u>
NET ASSETS		<u>8,064,269</u>	<u>9,215,669</u>	<u>8,473,236</u>
EQUITY				
Share capital	9	2,702,034	1,973,829	2,240,495
Share premium	9	18,738,219	17,358,628	17,875,349
Share-based payments reserve		466,645	4,444,445	4,444,445
Translation reserve		(109,408)	(489)	(102,933)
Retained losses		<u>(13,733,221)</u>	<u>(14,560,744)</u>	<u>(15,984,120)</u>

TOTAL EQUITY8,064,2699,215,6698,473,236**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014**

	Share capital £	Share premium £	Retained losses £	Share-based payments reserve £	Translation reserve £	Total equity £
PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014 (UNAUDITED)						
At 1 January 2014			(15,984,120)	4,444,445	(102,933)	8,473,236
	2,240,495	17,875,349				
Loss for the period	-	-	(1,726,901)	-	-	(1,726,901)
Other comprehensive income						
Currency translation losses	-	-	-	-	(6,475)	(6,475)
Total comprehensive income for the period	-	-	(1,726,901)	-	(6,475)	(1,733,376)
Shares issued	461,539	938,461	-	-	-	1,400,000
Share issue expenses	-	(75,591)	-	-	-	(75,591)
Transfer of expired share options	-	-	3,977,800	(3,977,800)	-	-
At 30 June 2014	<u>2,702,034</u>	<u>18,738,219</u>	<u>(13,733,221)</u>	<u>466,645</u>	<u>(109,408)</u>	<u>8,064,269</u>

PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013 (UNAUDITED)

At 1 January 2013			(13,874,224)	4,530,440	40,085	9,067,468
	1,402,400	16,968,767				
Loss for the period	-	-	(772,515)	-	-	(772,515)
Other comprehensive income						
Currency translation losses	-	-	-	-	(40,574)	(40,574)
Total comprehensive income for the period	-	-	(772,515)	-	(40,574)	(813,089)
Shares issued	571,429	428,571	-	-	-	1,000,000
Share issue expenses	-	(38,710)	-	-	-	(38,710)
Transfer of expired share options	-	-	85,995	(85,995)	-	-
At 30 June 2013	<u>1,973,829</u>	<u>17,358,628</u>	<u>(14,560,744)</u>	<u>4,444,445</u>	<u>(489)</u>	<u>9,215,669</u>

PERIOD FROM 1 JANUARY 2013 TO 31 DECEMBER 2013 (AUDITED)

At 1 January 2013	1,402,400	16,968,767	(13,874,224)	4,530,440	40,085	9,067,468
Loss for the period	-	-	(2,195,891)	-	-	(2,195,891)
Other comprehensive income						
Currency translation losses	-	-	-	-	(143,018)	(143,018)
Total comprehensive loss for the period	-	-	(2,195,891)	-	(143,018)	(2,338,909)

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	<u>2,240,495</u>	<u>17,875,349</u>	<u>(15,984,120)</u>	<u>4,444,445</u>	<u>(102,933)</u>	<u>8,473,236</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014**

	Unaudited Period from January 2014 to 30 June 2014	Unaudited period from 1 January 2013 to 30 June 2013	Audited Year to 31 Dec 2013
	£	£	£
Cash flows from operating activities			
Operating loss	(1,729,351)	(776,508)	(2,203,058)
Adjustments:			
Depreciation and amortisation charges	<u>29,084</u>	<u>33,579</u>	<u>67,186</u>
	<u>(1,700,267)</u>	<u>(742,929)</u>	<u>(2,135,872)</u>
Movement in working capital			
(Increase) / decrease in receivables	(423,538)	17,245	168,161
Increase / (decrease) in payables	<u>751,708</u>	<u>(122,326)</u>	<u>(60,551)</u>
Net movements in working capital	<u>328,170</u>	<u>(105,081)</u>	<u>107,610</u>
Net cash outflow from operating activities	<u>(1,372,097)</u>	<u>(848,010)</u>	<u>(2,028,262)</u>
Cash flows from investing activities			
Purchase of intangible assets	(1,899)	-	(13,200)
Distribution from joint venture	-	139,786	154,868
Purchase of plant and equipment	<u>-</u>	<u>-</u>	<u>(40,872)</u>
Net cash (outflow) / inflow from investing activities	<u>(1,899)</u>	<u>139,786</u>	<u>100,796</u>
Cash flow from financing activities			
Issued shares	1,400,000	1,000,000	1,800,000
Issue expenses	(75,591)	(38,710)	(55,323)
Interest paid	(14)	-	-
Interest received	<u>2,464</u>	<u>3,993</u>	<u>7,167</u>
Net cash inflow from financing activities	<u>1,326,859</u>	<u>965,283</u>	<u>1,751,844</u>
(Decrease) / increase in cash and cash equivalents	<u>(47,137)</u>	<u>257,059</u>	<u>(175,622)</u>
Cash and cash equivalents at beginning of the year	<u>577,551</u>	<u>858,677</u>	<u>858,677</u>
Exchange loss on cash	<u>(1,618)</u>	<u>(25,893)</u>	<u>(105,504)</u>
Cash and cash equivalents at end of the period	<u>528,796</u>	<u>1,089,843</u>	<u>577,551</u>

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

**NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

1. BASIS OF PREPARATION

The condensed half year accounts have been prepared using accounting policies based on International Financial Reporting Standards (IFRS and IFRIC Interpretations) issued by the International Accounting Standards Board ("IASB") as adopted by the European Union, including IAS 34 'Interim Financial Reporting' and IFRS 6 'Exploration for and Evaluation of Mineral Resources' and on the historical cost basis.

The Group's financial risk management objectives and policies are consistent with those disclosed in the 2013 annual report.

These interim results for the six months ended 30 June 2014 are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. They have been prepared using accounting bases and policies consistent with those used in the preparation of the financial statements of the Company and the Group for the year ended 31 December 2013 and expected to be adopted in the financial year ending 31 December 2014. The financial statements for the year ended 31 December 2013 have been delivered to the Registrar of Companies and the auditor's report on those financial statements was unqualified and did not contain a statement made under Section 498(2) or Section 498(3) of the Companies Act 2006. The auditors' report included an 'emphasis of matter' in connection with the Group's going concern and licence renewal position.

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 condensed half year accounts. For this reason the Directors continue to adopt the going concern basis in preparing the accounts.

Applications for the Namib Lead Mining Licence and the renewal of several exploration 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 time duration for these applications.

The condensed half year accounts include unaudited comparative figures for the half year ended 30 June 2013 and comparatives for the year ended 31 December 2013 that have been extracted from the audited financial statements for that year.

No new IFRS standards, amendments or interpretations became effective in the six months to the 30 June 2014 which had a material effect on this consolidated interim financial information.

2. SEGMENT REPORTING

For the purposes of segmental information, the operations of the Group are focussed in the United Kingdom, Namibia and Mozambique and comprise one class of business: the exploration and evaluation of mineral resources.

The Company acts as a holding company.

The Group's operating loss for the period arose from its operations in the United Kingdom, Namibia and Mozambique. In addition, all of the Group's assets are based in the United Kingdom, Namibia and Mozambique.

Geographical Segment – Group 30 June 2014 (UNAUDITED)

	United Kingdom	Namibia	Mozambique	Total
	£	£	£	£
Exploration expenditure	-	(1,128,187)	-	(1,128,187)
Administration expenses	(486,771)	(114,393)	-	(601,164)
Interest paid	-	(14)	-	(14)
Interest received	963	1,501	-	2,464
Loss before taxation	(485,808)	(1,241,093)	-	(1,726,901)
Trade and other receivables	259,705	256,808	12,281	581,072
Cash and cash equivalents	265,261	290,699	25,114	528,796
Accrued expenditure and provisions	(593,219)	(471,768)	-	(1,064,988)
Goodwill	7,738,986	-	-	7,738,986
Investment in associate	-	-	113,182	113,182
Intangible assets	9,933	1,949	56,495	68,377
Property plant and equipment	5,140	93,704	-	98,844
Net assets	7,685,806	171,392	207,071	8,064,269

At the end of June 2014, the Group had not yet commenced commercial production from its exploration sites and therefore had no turnover for the period.

Geographical Segment – Group 30 June 2013 (UNAUDITED)

	United Kingdom	Namibia	Mozambique	Total
	£	£	£	£
Other income	-	133	-	133
Exploration expenditure		(371,882)	-	(371,882)
Administration expenses	(341,241)	(63,518)	-	(404,759)
Interest received	2,093	1,900	-	3,993
Loss before taxation	(339,148)	(433,367)	-	(772,515)
Trade and other receivables	94,979	75,273	138,198	308,450
Cash and cash equivalents	889,571	187,991	12,281	1,089,843
Accrued expenditure and provisions	(195,099)	(56,405)	-	(251,504)
Goodwill	7,738,986	-	-	7,738,986
Investment in joint venture	-	15,082	-	15,082
Investment in associate	-	-	113,182	113,182
Intangible assets	-	7,792	56,495	64,287
Property plant and equipment	7,557	129,786	-	137,343
Net assets	8,535,994	359,519	320,156	9,215,669

Geographical Segment – Group 31 December 2013 (Audited)

	United Kingdom	Namibia	Mozambique	Total
	£	£	£	£
Other income	-	126	-	126
Exploration 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	-	-	113,182	113,182
Intangible assets	12,112	3,815	56,495	72,422
Property, plant and equipment	6,156	120,685	-	126,841
Net assets	8,035,684	230,480	207,072	8,473,236

3. LOSS PER SHARE

	Loss for the period from continuing operations	Weighted average number of shares	Loss per share
	£		Basic – pence per share
Six months ended 30 June 2014 (Unaudited)	(1,726,901)	1,302,298,915	(0.13) pence
Six months ended 30 June 2013 (Unaudited)	(772,515)	796,438,100	(0.10) pence
Year ended 31 December 2013 (Audited)	(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.

4. GOODWILL

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 (“Ordinary shares”) at a price of 3 pence per Ordinary share.

Name of company	Country	Holding	Portion held	Nature of business
West Africa Gold Exploration (Namibia) (Pty) Ltd	Namibia	Ordinary shares	100%	Exploration and mining
Namib Lead and Zinc Mining (Pty) Ltd	Namibia	Ordinary shares	100%	Exploration and mining
		Unaudited	Unaudited	Audited
		At 30 June 2014	At 30 June 2013	At 30 Dec 2013
		£	£	£
Goodwill		<u>7,738,986</u>	<u>7,738,986</u>	<u>7,738,986</u>

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 30 June 2014. However, this goodwill has been written down by £92,782 in prior years being the value of the Ubib Exclusive Prospecting Licences (EPL) 3139 which, was relinquished in April 2013.

5. INTANGIBLE ASSETS

	Exploration licences £	Software £	Total £
COST			
At 31 December 2012 (Audited)	159,017	30,747	189,764
Effects of movement in foreign exchange	(9,188)	(2,543)	(11,731)
At 30 June 2013 (Unaudited)	149,829	28,204	178,033
Additions in the period	-	13,200	13,200
Effects of movement in foreign exchange	(12,224)	(3,383)	(15,607)
At 31 December 2013 (Audited)	137,605	38,021	175,626
Effects of movement in foreign exchange	(3,109)	(861)	(3,970)
At 30 June 2014 (Unaudited)	<u>134,496</u>	<u>37,160</u>	<u>171,656</u>
AMORTISATION			
At 31 December 2012 (Audited)	102,407	18,191	120,598
Charge for the period	111	3,863	3,974
Effects of movement in foreign exchange	(9,184)	(1,642)	(10,826)
At 30 June 2013 (Unaudited)	93,334	20,412	113,746
Charge for the period	396	4,300	4,696
Effects of movement in foreign exchange	(12,620)	(2,618)	(15,238)
At 31 December 2013 (Audited)	81,110	22,094	103,204
Charge for the period	-	3,916	3,916
Effects of movement in foreign exchange	(3,109)	(732)	(3,841)
At 30 June 2014 (Unaudited)	<u>78,001</u>	<u>25,278</u>	<u>103,279</u>
NET BOOK VALUE			
At 30 June 2014 (Unaudited)	<u>56,495</u>	<u>11,882</u>	<u>68,377</u>
At 30 June 2013 (Unaudited)	<u>56,495</u>	<u>7,792</u>	<u>64,287</u>

At 31 December 2013 (Audited)

56,495

15,927

72,422

6. PROPERTY, PLANT AND EQUIPMENT

	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
COST				
At 31 December 2012 (Audited)	94,013	40,487	211,280	345,780
Effects of movement in foreign exchange	(8,426)	(2,224)	(18,936)	(29,586)
At 30 June 2013 (Unaudited)	85,587	38,263	192,344	316,194
Additions in the period	26,746	833	13,293	40,872
Effects of movement in foreign exchange	(17,822)	(2,959)	(25,956)	(46,737)
At 31 December 2013 (Audited)	94,511	36,137	179,681	310,329
Additions in the period	567	1,332	-	1,899
Effects of movement in foreign exchange	(3,623)	(752)	(6,887)	(11,263)
At 30 June 2014 (Unaudited)	91,454	36,717	172,794	300,965
DEPRECIATION				
At 31 December 2012 (Audited)	39,069	18,119	107,868	165,056
Charge for the period	11,277	5,099	13,224	29,600
Effects of movement in foreign exchange	(4,137)	(1,254)	(10,414)	(15,805)
At 30 June 2013 (Unaudited)	46,209	21,964	110,678	178,851
Charge for the period	11,399	4,894	12,623	29,417
Effects of movement in foreign exchange	(7,043)	(2,028)	(15,208)	(27,513)
At 31 December 2013 (Audited)	50,565	24,830	108,093	183,488
Charge for the period	10,528	4,509	10,132	25,169
Effects of movement in foreign exchange	(2,046)	(576)	(3,914)	(6,536)
At 30 June 2014 (Unaudited)	59,047	28,763	114,311	202,121
NET BOOK VALUE				
At 30 June 2014 (Unaudited)	32,407	7,954	58,483	98,844
At 30 June 2013 (Unaudited)	39,378	16,299	81,666	137,343
At 31 December 2013 (Audited)	43,946	11,307	71,588	126,841

7. INVESTMENT IN JOINT VENTURE

Brandberg Energy (Proprietary) Limited ('Brandberg') was a 50:50 joint venture with Extract Resources Ltd ('Extract') and NRR Energy Minerals Limited. NRR Energy Minerals Limited transferred US\$800,000 (£509,635) to Brandberg to acquire its share in the JV in January 2012. The principal assets of Brandberg were EPL 3327 and EPL 3328, pursuant to which Brandberg had the rights to explore for nuclear fuel minerals. Located west and north respectively of the historic tin mining centre of Uis in western Namibia, previous exploration activity undertaken by Brandberg has shown that these licences have the potential to host secondary uranium deposits associated with palaeodrainages of the Orawab and Ugab ephemeral river systems. The subscription funds were used by Brandberg to expedite further uranium exploration on these licences. The exploration activity to discover uranium was unsuccessful and in January 2013 the licences were relinquished. The decision was made to close Brandberg and return any assets to its shareholders by way of a dividend.

8. INVESTMENT IN ASSOCIATED COMPANY

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

Company	Country of Incorporation	Group interest at 30 June 13
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North River Resources (Murrupula) Limitada ('Murrupula') is a company that was registered in Mozambique on 27 January 2011. The Group's 40% interest in Murrupula is jointly held by North River Resources Plc (20%) and NRR Mozambique Limited (20%). It is the beneficial owner of two exploration licences, which are in the process of being registered in the name of the company by the Ministry of Mines in Mozambique. The licences and Murrupula are the subject of a joint venture ("JV") agreement between Baobab Resources Limited ("Baobab") and North River Resources Plc. Under the JV agreement Baobab was entitled to a 60% participation interest in Murrupula on completing an agreed level of exploration expenditure before 13 November 2011. Baobab has completed the agreed exploration work and is now entitled to 60% ownership of Murrupula. Due to the fact that the exploration licences have not yet been registered in the name of Murrupula, legal control over Murrupula has not yet passed to Baobab, however effective control has passed. Accordingly, this consolidated interim financial information has been prepared on the basis that control has passed and that Murrupula is treated as an associate as from 1 October 2011.

9. SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal value	Unaudited At 30 June 2014 £	Unaudited At 30 June 2013 £	Audited At 31 Dec 2013 £
1,351,016,864	Ordinary	0.2p	2,702,034	1,973,829	2,240,495

Date of issue	Detail of issue	Number of Ordinary shares	Share capital £	Share premium £
As at 31 Dec 2012		701,200,000	1,402,400	16,968,767
26 April 2013	Placing to provide working capital	285,714,300	571,429	428,571
	Cost of issuing capital in the period	-	-	(38,710)
As at 30 June 2013		986,914,300	1,973,829	17,358,628
23 September 2013	Placing to start feasibility study	133,333,332	266,666	533,334
	Cost of issuing capital in the period	-	-	(16,613)
As at 31 December 2013		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	Placing for feasibility study	170,833,333	341,667	683,333
21 March 2014	Placing to provide working capital	30,769,232	61,539	138,461
	Cost of issuing capital in the period	-	-	(75,591)
As at 30 June 2014		1,351,016,864	2,702,034	18,738,219

10. SUBSIDIARY ENTITIES

The consolidated interim financial information includes the following group companies:

Company	Country of Incorporation	Holding	Nature of business
NRR Energy Minerals Limited	United Kingdom	100%	Holding company
NRR Mozambique Limited	United Kingdom	100%	Holding company
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 act as holding companies to associates, joint venture companies and subsidiaries in Namibia and Mozambique respectively.

11. SHARE-BASED PAYMENTS

Share options outstanding

	Unaudited 6 months ended 30 June 2014	Unaudited 6 months ended 30 June 2013	Audited Year ended 31 Dec 2013
Opening balance	105,100,000	114,200,000	114,200,000
Expired in the period	(81,000,000)	(9,100,000)	(9,100,000)
Closing balance	<u>24,100,000</u>	<u>105,100,000</u>	<u>105,100,000</u>

Details of share options outstanding as at 30 June 2014:

Date of grant	Number of options	Option price	Exercisable between
23 November 2009	15,000,000	5p	23/11/09 – 23/11/14
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

All share options were fully expensed in prior periods.

Additional disclosure information

Weighted average exercise price of share options:

- outstanding at the beginning of the period	6.0 pence
- granted during the period	nil pence
- outstanding at the end of the period	6.9 pence
- exercisable at the end of the period	6.9 pence

Weighted average remaining contractual life of share options outstanding at the end of the period 0.47 years

12. CONTROL

No one party is identified as controlling the Group.

13. EXPLORATION EXPENDITURE COMMITMENTS

Restoration commitments

The Company has no obligations 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. There is a commitment to spend £1,860,000 on these licences through 2014 and into 2015. There is scope in the Mines and Minerals Act for expenditure to be altered by the Company and still keep the licences in good standing. The commitments are based on a positive outcome for all stages of work within the period of tenure of each licence. 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.

Existing Exploration Licences in Mozambique

The Group has a 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 8).

14. SUBSEQUENT EVENTS

\$12.0 million project equity agreement with Greenstone Resources and placing of \$3.125 million:

In July 2014 Greenstone Resources LP (“Greenstone”) completed a share placing totalling £1,823,531 (\$3.125 million) and signed a binding investment agreement, 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. This agreement will provide North River Resources with funding to complete the feasibility study and the approval process for Namib to accelerate development through early works and the placing of long-lead item orders, as well as providing construction equity funding.

Environmental Clearance for Namib:

At the end of July 2014 environmental clearance was granted for the Environmental Assessment and Environmental Management Plan for the re-commissioning of Namib. This is an important prerequisite for the granting of a Mining Licence.

Increase in underground Mineral Resources at Namib:

On 19 September 2014 the Company announced a 36% increase in total underground mineral resources to 1,250,000 tonnes. Made up of 877,000 tonnes indicated and 372,000 tonnes inferred, with increases in the reported zinc and lead grades to 6.5% and 2.5% respectively.

In September 2014 a number of engineering firms have been invited to tender for an Engineering, Procurement, Construction Management (“EPCM”) contract for the turn-key construction of a processing plant at Namib.

15. AVAILABILITY OF INTERIM REPORT

A copy of these results will be made available for inspection at the Company’s registered office during normal business hours on any week day. The Company’s registered office is at One America Square, Crosswall, London, EC3N 2SG.

A copy can also be downloaded from the Company’s website at www.northriverresources.com. North River is registered in England and Wales with registered number 05875525.