

30 September 2015

North River Resources plc
(‘North River’ or ‘the Company’)
Interim Results for the six months ended 30 June 2015

North River Resources plc, the AIM quoted resource company focussed on the Namib Lead-Zinc Project (‘Namib Project’) in Namibia, is pleased to provide its unaudited interim results for the six months ended 30 June 2015.

Highlights:

- **Significant progress made in developing Namib into an economically robust and operationally efficient mining operation**
- **Strengthened Board through appointments of James Beams to Chief Executive Officer, and Keith Marshall and Ken Sangster as Non-Executive Directors to support the project through its next stage of development**
- **Further metallurgical testwork led to an updated process flow sheet**
- **Ongoing and proactive engagement with the Namibian Ministry of Mines, including a Ministerial visit to mine site, in line with goal to receive Mining Licence**
- **Phase One Fundraising launched – focused on providing all shareholders with an opportunity to participate**

CEO’s Statement

North River is focused on developing its flagship Namib Lead Zinc Project in Namibia into an economically robust and operationally efficient mining operation. Our activities during the period have been undertaken with this vision firmly in mind. To this end, we have undertaken supplementary metallurgical studies, overseen by new, highly qualified members of the Board who were appointed in January 2015; engaged regularly and proactively with Namibia’s Ministry of Mines to progress our Mining Licence application; and focused on delivering a financing plan to enable us to take the project forward to a point of making an investment decision.

The Namib Project entails re-opening a previously producing mine and construction of a new plant to process 250,000 tonnes of ore per annum over an initial 3.5 year mine life and we are confident that this can be extended considerably by increasing the resource through drilling. The Namib Project currently has reserves of 585,000 tonnes @ 6.2% zinc, 2.9% lead and 46 g/t silver and total underground resources of 1,250,000 tonnes @ 6.5% zinc, 2.5% lead and 43.7 g/t silver. Located 20km inland from Swakopmund in Namibia, the project is very well situated, with excellent surrounding infrastructure. Namibia has a well established mining industry and good access to local mining suppliers and support services.

I joined North River in January 2015, shortly after the publication of the Definitive Feasibility Study (‘DFS’). At the same time, North River welcomed Keith Marshall, a mining engineer who has previously held senior mine leadership roles with Rio Tinto PLC, and Ken Sangster, a metallurgist with 49 years’ experience in the mining industry, as Non-Executive Directors. These senior appointments were designed to support the next phase of development at Namib and we have benefited greatly from their expertise during our work in the period to refine both the mine plan and the process flow sheet.

The Board 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. Supplementary metallurgical testwork was undertaken which identified the optimised grind size and new reagent regime, and from this a robust processing methodology was developed which can operate with consistent results with a wide range of mineral composition. This significantly strengthens the bankability of the Namib Project.

With this process now complete, we are now positioned to undertake initial Front End Engineering & Design ('FEED'). While these additional activities will lead to a stronger and more robust project they have, together with the fact that the Mining Licence has not yet been received, led to a revised development timeframe for the Namib Project.

In light of the revised development timeframe, the Independent Directors concluded that a number of project milestones required under the July 2014 Investment Agreement with Greenstone Resources L.P. ('Greenstone') were no longer achievable before the long-stop date in that agreement of 4 October 2015. As a result, the Company and Greenstone agreed in July 2015 to terminate the July 2014 Investment Agreement. Greenstone remains a committed shareholder and supportive of the Company's revised plans for the Namib Project.

The Company estimates that a total of US\$25 - US\$30 million in funding will be required to bring the Namib Project into production. In August, we announced an initial near term financing plan to raise US\$4 million ('Phase One Fundraising') to progress the Namib Project to a construction decision. The Phase One Financing consists of US\$1.2 million of Convertible Loan Notes issued to Greenstone followed, on 15 September 2015, by the launch of an Open Offer and Placing for the remaining US\$2.8 million. This was fully underwritten by Greenstone, subject to certain conditions. This structure provides all our valued shareholders with an opportunity to participate in the future of our Company's development, and we look forward to providing shareholders with an update when this process is complete.

The Phase One Fundraising will enable us to undertake the FEED; early development of the Namib Project's North decline; sourcing of plant and equipment; on-going underground development programme required to establish access for the next phase of resource expansion drilling; and early stage recruitment of technical and operational staff. We acquired the first loader in the period after bringing the underground development activities in-house and are now focusing on mining development productivity.

Full construction financing ('Phase Two Fundraising') will follow the receipt of the Mining Licence and completion of the FEED, with its related updated cost estimates for the Namib Project.

Our commitment to bringing the Namib Project into production is clear. During the period we hosted a site visit for the Minister of Mines and Energy in Namibia, the Honorable Obeth Kandjoze, the Governor of the Erongo Region, the Honorable Cleophas Mutjavikua and a large delegation from the Mining Ministry. The visit included very constructive discussions on the development plans for the Namib Project.

Financial Review:

North River is reporting a loss before taxation of £1,377,787 (30 June 2014: loss of £1,726,901). The Company's cash position at the end of the period was £602,093 (30 June 2014: £528,796).

Outlook:

I would like to thank our shareholders for their support and patience during what has been a period of adjustment for North River. The Company's goal of bringing the Namib Project into production in the most economically and operationally efficient way possible has been further facilitated by our work during the period. The coming months will see us secure the remaining US\$2.8 million of the Phase One Fundraising to support the next steps towards taking the project into construction.

I would like to reiterate that shareholder engagement is important to us, and I look forward to holding our next Investor Call on Thursday 3 November 2015.

James Beams
Chief Executive Officer
30 September 2015

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

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**

| | Note | Unaudited Period from 1 January to 30 June 2015 £ | Unaudited Period from 1 January to 30 June 2014 £ | Audited Year to 31 December 2014 £ |
|--------------------------------------------------------|------|---------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------|
| CONTINUING OPERATIONS | | | | |
| Other operating income | | - | - | 189 |
| Exploration and evaluation expenditure | | (692,150) | (1,128,187) | (2,178,666) |
| Administrative expenses | | (688,554) | (601,164) | (1,147,659) |
| OPERATING LOSS | | (1,380,704) | (1,729,351) | (3,326,136) |
| Interest payable on short term borrowings | | (134) | (14) | (267) |
| Interest receivable on bank deposits | | 3,051 | 2,464 | 5,926 |
| LOSS BEFORE TAX | | (1,377,787) | (1,726,901) | (3,320,477) |
| Taxation | | - | - | - |
| LOSS FOR THE PERIOD | | (1,377,787) | (1,726,901) | (3,320,477) |
| OTHER COMPREHENSIVE INCOME: | | | | |
| Exchange differences on translating foreign operations | | (8,958) | (6,475) | (43,570) |

| | | | | |
|------------------------------------------------|----------|--------------------|--------------------|--------------------|
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | | <u>(1,386,745)</u> | <u>(1,733,376)</u> | <u>(3,364,047)</u> |
| Loss per share | | | | |
| Basic and diluted – pence per share | 3 | <u>(0.07p)</u> | <u>(0.13p)</u> | <u>(0.22p)</u> |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

| | Note | Unaudited 30 June 2015 £ | Unaudited 30 June 2014 £ | Audited 31 Dec 2014 £ |
|----------------------------------|------|--------------------------------|--------------------------------|-----------------------------|
| NON-CURRENT ASSETS | | | | |
| Goodwill | 4 | 7,738,986 | 7,738,986 | 7,738,986 |
| Intangible assets | 5 | 62,072 | 68,377 | 64,938 |
| Property, plant and equipment | 6 | 198,872 | 98,844 | 143,857 |
| Investment in associated company | 7 | 113,182 | 113,182 | 113,182 |
| | | <u>8,113,112</u> | <u>8,019,389</u> | <u>8,060,963</u> |
| CURRENT ASSETS | | | | |
| Trade and other receivables | | 286,779 | 581,072 | 444,817 |
| Cash and cash equivalents | | 602,093 | 528,796 | 1,904,860 |
| | | <u>888,872</u> | <u>1,109,868</u> | <u>2,349,677</u> |
| TOTAL ASSETS | | 9,001,984 | 9,129,257 | 10,410,640 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | | 305,044 | 1,064,988 | 326,955 |
| TOTAL LIABILITIES | | 305,044 | 1,064,988 | 326,955 |
| NET ASSETS | | 8,696,940 | 8,064,269 | 10,083,685 |
| EQUITY | | | | |
| Share capital | 8 | 3,831,750 | 2,702,034 | 3,831,750 |
| Share premium | 8 | 21,258,590 | 18,738,219 | 21,258,590 |
| Share-based payments reserve | | - | 466,645 | 115,645 |
| Translation reserve | | (155,461) | (109,408) | (146,503) |
| Retained losses | | (16,237,939) | (13,733,221) | (14,975,797) |
| TOTAL EQUITY | | 8,696,940 | 8,064,269 | 10,083,685 |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**

| | Share capital £ | Share premium £ | Retained losses £ | Share-based payment reserve £ | Translation reserve £ | Total equity £ |
|---------------------------------------------------------------|-----------------------|-----------------------|----------------------|----------------------------------------|-----------------------------|-------------------|
| PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015 (UNAUDITED) | | | | | | |
| At 1 January 2015 | 3,831,750 | 21,258,590 | (14,975,797) | 115,645 | (146,503) | 10,083,685 |
| Loss for the period | - | - | (1,377,787) | - | - | (1,377,787) |
| Other comprehensive income | | | | | | |
| Currency translation losses | - | - | - | - | (8,958) | (8,958) |
| Total comprehensive loss | - | - | (1,377,787) | - | (8,958) | (1,386,745) |
| Shares issued | - | - | - | - | - | - |
| Share issue expenses | - | - | - | - | - | - |
| Transfer of expired share options | - | - | 115,645 | (115,645) | - | - |
| At 30 June 2015 | <u>3,831,750</u> | <u>21,258,590</u> | <u>(16,237,939)</u> | <u>-</u> | <u>(155,461)</u> | <u>8,696,940</u> |

PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014 (UNAUDITED)

| | | | | | | |
|--------------------------------------|------------------|-------------------|---------------------|----------------|------------------|------------------|
| At 1 January 2014 | 2,240,495 | 17,875,349 | (15,984,120) | 4,444,445 | (102,933) | 8,473,236 |
| Loss for the period | - | - | (1,726,901) | - | - | (1,726,901) |
| Other comprehensive income | | | | | | |
| Currency translation losses | - | - | - | - | (6,475) | (6,475) |
| Total comprehensive loss | - | - | (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> |

YEAR ENDED 31 DECEMBER 2014 (AUDITED)

| | | | | | | |
|--------------------------------------|------------------|-------------------|---------------------|----------------|------------------|-------------------|
| At 1 January 2014 | 2,240,495 | 17,875,349 | (15,984,120) | 4,444,445 | (102,933) | 8,473,236 |
| Loss for the period | - | - | (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) |
| 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 | <u>3,831,750</u> | <u>21,258,590</u> | <u>(14,975,797)</u> | <u>115,645</u> | <u>(146,503)</u> | <u>10,083,685</u> |

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**

| | Unaudited Period from 1 January 2015 to 30 June 2015 £ | Unaudited Period from 1 January 2014 to 30 June 2014 £ | Audited Year to 31 December 2014 £ |
|-----------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------|
| Cash flows from operating activities | | | |
| Operating loss | (1,380,704) | (1,729,351) | (3,326,136) |
| Adjustments: | | | |
| Depreciation and amortisation charges | <u>34,747</u> | 29,084 | 62,551 |
| | (1,345,957) | (1,700,267) | (3,263,585) |
| Movements in working capital | | | |
| Decrease/(increase) in receivables | 158,038 | (423,538) | (287,284) |
| (Decrease)/increase in payables | <u>(21,911)</u> | 751,708 | 13,675 |
| Net movements in working capital | 136,127 | 328,170 | 273,609 |
| Net cash used in operating activities | <u>(1,209,830)</u> | <u>(1,372,097)</u> | <u>(3,537,194)</u> |
| Investing activities | | | |
| Purchase of intangible assets | - | (1,899) | - |
| Purchase of plant and equipment | <u>(94,427)</u> | - | (77,462) |
| Net cash used in investing activities | <u>(94,427)</u> | <u>(1,899)</u> | <u>(77,462)</u> |
| Financing activities | | | |
| Issued shares | - | 1,400,000 | 5,050,087 |
| Issue expenses | - | (75,591) | (75,591) |
| Interest paid | (134) | (14) | (267) |
| Interest received | <u>3,051</u> | 2,464 | 5,926 |
| Net cash from financing activities | <u>2,917</u> | <u>1,326,859</u> | <u>4,980,155</u> |
| (Decrease) / increase in cash and cash equivalents | (1,301,340) | (47,137) | 1,365,499 |
| Cash and cash equivalents at beginning of year | 1,904,860 | 577,551 | 577,551 |
| Exchange differences | <u>(1,427)</u> | <u>(1,618)</u> | <u>(38,190)</u> |
| Cash and cash equivalents at end of period | <u>602,093</u> | <u>528,796</u> | <u>1,904,860</u> |

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

**NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

1. BASIS OF PREPARATION

These half year accounts are prepared in accordance with the historical cost convention and in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union, including IFRS 6 'Exploration for and Evaluation of Mineral Resources' and IAS 34 "Interim Financial Reporting".

These half year accounts for the six months ended 30 June 2015 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 2014 and expected to be adopted in the financial year ending 31 December 2015.

The half year accounts include unaudited comparative figures for the half year ended 30 June 2014 and comparatives for the year ended 31 December 2014 that have been extracted from the audited financial statements for that year.

The financial statements for the year ended 31 December 2014 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.

No new IFRS standards, amendments or interpretations became effective in the six months to the 30 June 2015 which had a material effect on this consolidated interim financial information.

The Group's financial risk management objectives and policies are consistent with those disclosed in the 2014 annual report.

Going concern

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 (see note 12) 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.

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 Six months ended 30 June 2015 (UNAUDITED)

| | United Kingdom | Namibia | Mozambique | Total |
|--------------------------------------|---------------------------|------------------|-------------------|--------------------|
| | £ | £ | £ | £ |
| Exploration & evaluation expenditure | - | (692,150) | - | (692,150) |
| Administration expenses | (615,429) | (73,125) | - | (688,544) |
| Interest paid | - | (134) | - | (134) |
| Interest received | 650 | 2,401 | - | 3,051 |
| Loss before taxation | (614,779) | (763,008) | - | (1,377,787) |

| | | | | |
|-----------------------------|---------|--------|--------|---------|
| Trade and other receivables | 203,715 | 57,950 | 25,114 | 286,779 |
|-----------------------------|---------|--------|--------|---------|

| | | | | |
|------------------------------------|----------------|------------------|----------------|------------------|
| Cash and cash equivalents | 563,613 | 26,199 | 12,281 | 602,093 |
| Accrued expenditure and provisions | (195,449) | (109,595) | - | (305,044) |
| Goodwill | - | 7,738,986 | - | 7,738,986 |
| Investment in associate company | - | - | 113,182 | 113,182 |
| Intangible assets | 5,577 | - | 56,495 | 62,072 |
| Plant and equipment | 975 | 197,897 | - | 198,872 |
| Net assets | 578,431 | 7,911,437 | 207,072 | 8,696,940 |

At the end of June 2015, the Group had not yet commenced commercial production from its exploration sites and therefore had no turnover for the period.

Geographical Segment – Group Six months ended 30 June 2014 (UNAUDITED)

| | United Kingdom | Namibia | Mozambique | Total |
|--------------------------------------|------------------|--------------------|----------------|--------------------|
| | £ | £ | £ | £ |
| Exploration & evaluation 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 | 296,253 | 25,114 | 581,072 |
| Cash and cash equivalents | 265,261 | 251,254 | 12,281 | 528,796 |
| Accrued expenditure and provisions | (593,219) | (471,769) | - | (1,064,988) |
| Goodwill | - | 7,738,986 | - | 7,738,986 |
| Investment in associate company | - | - | 113,182 | 113,182 |
| Intangible assets | 9,933 | 1,949 | 56,495 | 68,377 |
| Plant and equipment | 5,140 | 93,704 | - | 98,844 |
| Net assets | (53,180) | 7,910,377 | 207,072 | 8,064,269 |

Geographical Segment – Group Year ended 31 December 2014 (Audited)

| | United Kingdom | Namibia | Mozambique | Total |
|--------------------------------------|------------------|--------------------|----------------|--------------------|
| | £ | £ | £ | £ |
| 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 |

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 2015 (Unaudited) | <u>(1,377,787)</u> | <u>1,915,875,310</u> | <u>(0.07) pence</u> |
| Six months ended 30 June 2014 (Unaudited) | <u>(1,726,901)</u> | <u>1,302,298,915</u> | <u>(0.13) pence</u> |
| Year ended 31 December 2014 (Audited) | <u>(3,320,477)</u> | <u>1,499,075,167</u> | <u>(0.22) pence</u> |

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 At 30 June 2015 £ | Unaudited At 30 June 2014 £ | Audited At 30 Dec 2014 £ |
| 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 2015. 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 2013 (Audited) | 137,605 | 38,021 | 175,626 |
| Effects of foreign exchange | (3,109) | (861) | (3,970) |
| At 30 June 2014 (Unaudited) | 134,496 | 37,160 | 171,656 |
| Effects of foreign exchange | (32) | (9) | (41) |
| At 31 December 2014 (Audited) | 134,464 | 37,151 | 171,615 |
| Effects of foreign exchange | (5,159) | (1,429) | (6,588) |
| At 30 June 2015 (Unaudited) | 129,305 | 35,722 | 165,027 |
| AMORTISATION | | | |
| At 31 December 2013 (Audited) | 81,110 | 22,094 | 103,204 |
| Charge for the period | - | 3,916 | 3,916 |
| Effects of foreign exchange | (3,109) | (732) | (3,841) |
| At 30 June 2014 (Unaudited) | 78,001 | 25,278 | 103,279 |
| Charge for the period | - | 3,450 | 3,450 |
| Effects of foreign exchange | (32) | (20) | (52) |
| At 31 December 2014 (Audited) | 77,969 | 28,708 | 106,677 |
| Charge for the period | - | 2,861 | 2,861 |
| Effects of foreign exchange | (5,159) | (1,424) | (6,583) |
| At 30 June 2015 (Unaudited) | 72,810 | 30,145 | 102,955 |
| NET BOOK VALUE | | | |
| At 30 June 2015 (Unaudited) | 56,495 | 5,577 | 62,072 |
| At 30 June 2014 (Unaudited) | 56,495 | 11,882 | 68,377 |
| At 31 December 2014 (Audited) | 56,495 | 8,443 | 64,938 |

6. PROPERTY, PLANT AND EQUIPMENT

| | Plant & machinery £ | Fixtures & fittings £ | Motor vehicles £ | Total £ |
|--------------------------------------|---------------------------|-----------------------------|------------------------|----------------|
| COST | | | | |
| At 31 December 2013 (Audited) | 94,511 | 36,137 | 179,681 | 310,329 |
| Additions in the period | 567 | 1,332 | - | 1,899 |
| Effects of foreign exchange | (3,624) | (752) | (6,887) | (11,263) |
| At 30 June 2014 (Unaudited) | 91,454 | 36,717 | 172,794 | 300,965 |
| Additions in the period | 72,761 | 2,802 | - | 75,563 |
| Effects of foreign exchange | (763) | (36) | (70) | (869) |
| At 31 December 2014 (Audited) | 163,452 | 39,483 | 172,724 | 375,659 |
| Additions in the period | 89,052 | 5,375 | - | 94,427 |
| Effects of foreign exchange | (10,815) | (1,432) | (11,430) | (23,677) |
| At 30 June 2015 (Unaudited) | 241,689 | 43,426 | 161,294 | 446,409 |
| DEPRECIATION | | | | |
| 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 foreign exchange | (2,046) | (576) | (3,914) | (6,536) |
| At 30 June 2014 (Unaudited) | 59,047 | 28,763 | 114,311 | 202,121 |
| Charge for the period | 14,155 | 4,567 | 11,294 | 30,016 |
| Effects of foreign exchange | (157) | (28) | (150) | (335) |
| At 31 December 2014 (Audited) | 73,045 | 33,302 | 125,455 | 231,802 |
| Charge for the period | 19,362 | 3,113 | 9,411 | 31,886 |
| Effects of foreign exchange | (5,997) | (1,286) | (8,868) | (16,151) |
| At 30 June 2015 (Unaudited) | 86,410 | 35,129 | 125,998 | 247,537 |
| NET BOOK VALUE | | | | |
| At 30 June 2015 (Unaudited) | 155,279 | 8,297 | 35,296 | 198,872 |
| At 30 June 2014 (Unaudited) | 32,407 | 7,954 | 58,483 | 98,844 |
| At 31 December 2014 (Audited) | 90,407 | 6,181 | 47,269 | 143,857 |

7. 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 |
|--------------------------------------------|-----------------------------|---------------------------------|
| North River Resources (Murrupula) Limitada | Mozambique | 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.

8. SHARE CAPITAL

Allotted, issued and fully paid:

| Number | Class | Nominal value | Unaudited At 30 June 2015 £ | Unaudited At 30 June 2014 £ | Audited At 31 December 2014 £ |
|---------------|----------|---------------|--------------------------------|--------------------------------|----------------------------------|
| 1,915,875,310 | Ordinary | 0.2p | <u>3,831,750</u> | <u>2,702,034</u> | <u>3,831,750</u> |

| Date of issue | Detail of issue | Number of Ordinary shares | Share capital £ | Share premium £ |
|-------------------------------|---------------------------------------|---------------------------|--------------------|--------------------|
| 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 |
| 15 July 2014 | Placing to Greenstone Resources LP | 33,333,333 | 66,667 | 133,333 |
| 17 July 2014 | Placing to Greenstone Resources LP | 270,588,464 | 541,177 | 1,082,354 |
| 17 November 2014 | Placing to Greenstone Resources LP | 260,936,649 | 521,873 | 1,304,683 |
| As at 31 December 2014 | | 1,915,875,310 | 3,831,750 | 21,258,590 |
| | | - | - | - |
| As at 30 June 2015 | | <u>1,915,875,310</u> | <u>3,831,750</u> | <u>21,258,590</u> |

9. 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.

10. SHARE-BASED PAYMENTS**Share options outstanding**

| | Unaudited 6 months ended 30 June 2015 | Unaudited 6 months ended 30 June 2014 | Audited Year ended 31 Dec 2014 |
|-----------------------|---------------------------------------|---------------------------------------|--------------------------------|
| Opening balance | 9,100,000 | 105,100,000 | 105,100,000 |
| Expired in the period | (9,100,000) | (81,000,000) | (96,000,000) |
| Closing balance | <u>-</u> | <u>24,100,000</u> | <u>9,100,000</u> |

There are no share options outstanding as at 30 June 2015.

All share options were fully expensed in prior periods.

11. CONTROL

No one party is identified as controlling the Group.

12. 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 £1.5 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 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).

13. SUBSEQUENT EVENTS

Board Changes:

On 2 July 2015 Mr James Beams was appointed to the Board as an Executive Director and on 10 July 2015 Ms Ding Chan was appointed to the Board as a Non-executive Director. Ms Ding Chan represents the interests of China General Nuclear Power Company, replacing Non-executive Chairman Mr Zuoyuan He who resigned from the Board on the same date.

Further Metallurgical Testwork significantly strengthens the Namib Lead Zinc Project's Bankability:

On 22 July 2015 the Company announced results of optimisation work to give an improved ore processing flow sheet and increased confidence in expected concentrate grades and recoveries with the following results:

- Lead concentrate grade of 62.2% with a 91.1% recovery, and
- Zinc concentrate grade of 52.4% with a 89.2% recovery.

Namib Lead Zinc Project Development and Funding Update:

On 22 July 2015 the Company announced that the Company and Greenstone Resources L.P. agreed to terminate the Investment Agreement signed in July 2014 as the Board believed that a number of Project Milestones would not be completed by the long stop date in order to release the final funding tranches. However, Greenstone has indicated that it remains a committed shareholder and is supportive of the Company's plans for the Namib Lead Zinc Project.

The Company estimates a total funding requirement of between US\$25m and US\$30m through to expected project commissioning. It is planned to structure this financing in two phases:

Phase One Fundraising, totalling US\$4.0m, comprises an initial US\$1.2m in convertible loan notes placed with Greenstone Resources L.P. on 8 September 2015 and a Fully Underwritten Open Offer and Placing, as announced on 15 September 2015, raising US\$2.8m. The Open Offer entitles Eligible Shareholders the opportunity to apply for 2 Open Offer Shares for every 3 Existing Ordinary Shares. This fundraising will enable the Company to continue to work towards securing the Mining Licence and a financing plan to fund construction as well as delivering an economically and operationally robust project through the following work programmes:

- Initial Front End Engineering & Design ("FEED")
- Early development of the Namib Project North decline
- Sourcing of plant and equipment
- On-going underground development programme required to establish access for the next phase of resource expansion drilling
- Recruitment of technical and operational staff at the Namib Project

Phase Two Fundraising will cover the cost of construction and an ongoing resource expansion drilling programme.

14. 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.