

Company Number 5875525

NORTH RIVER RESOURCES PLC
REPORT AND ACCOUNTS
YEAR ENDED 30 JUNE 2009



NORTH RIVER RESOURCES PLC

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NORTH RIVER RESOURCES PLC

DIRECTORS, SECRETARY AND ADVISERS

Directors:

Glenn Whiddon	<i>Non Executive Chairman, Director (appointed 11 December 2008)</i>
David Christian Steinepreis	<i>Managing Director</i>
Patrick Nicolas Burke	<i>Executive Director</i>
Martin French	<i>Non-Executive Director (appointed 11 December 2008)</i>
Robert Hartley Downey	<i>Executive Director (resigned 11 December 2008)</i>

Company Secretary: John Michael Bottomley

Chief Operating Officer: Luke Bryan

Registered Office: One America Square
Crosswall
London EC3N 2SG

Company Number: 5875525

Nominated Adviser: Astaire Securities Plc (Formerly Blue Oar Securities plc)
30 Old Broad Street
London EC2N 1HT

Nominated Broker: Astaire Securities Plc (Formerly Blue Oar Securities plc)
30 Old Broad Street
London EC2N 1HT

Solicitors: Watson, Farley & Williams LLP
15 Appold Street
London EC2A 2HB

Auditors: UHY Hacker Young
Quadrant House
4 Thomas More Square
London E1W 1YW

Registrars: Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield HD8 0LA

Principal Bankers: Barclays Bank Plc
1 Churchill Place
London E14 5HP

NORTH RIVER RESOURCES PLC

CHAIRMAN'S STATEMENT

Dear Shareholders

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, subsequent to 30 June 2009, North River Resources has

1. Completed the acquisition of various licences in Mozambique, prospective for various commodities;
2. Recently announced a major acquisition of copper, lead, zinc and gold assets in Namibia from Kalahari Minerals plc ("Kalahari");
3. Undertaken a fund raising for the acquisition of the Mozambique assets; and
4. Completed due diligence on the Namibian assets and announced a capital raising of not less than £5 million to fund on-going work programmes.

As a result of the Kalahari acquisition, Kalahari will emerge as a strategic partner of the Company and the largest shareholder. Further, Mr. Mark Honen and Mr. Glyn Tonge will be appointed to the Board as Chairman and non executive director respectively.

Together with the portfolio of Mozambique assets acquired earlier, the combination of the Kalahari Namibian assets and the expanded management team and board will represent a tremendous growth opportunity for the Company over the coming years. The Board's efforts will be to high grade the portfolio and focus on one or two key projects that will generate early cash flow for the Company in the medium term.

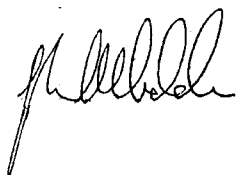
The transaction with Kalahari will be a reverse transaction under the AIM rules. The Company's shares have been suspended pending publication of an AIM Admission Document to shareholders detailing the assets acquired and the strategic direction of the Company going forward.

The Shareholders will then have the opportunity to vote on the transaction at an upcoming Extraordinary General Meeting. We look forward to your support of this transaction.

On behalf of the Board we thank you for your support over the years and we look forward to an exciting period of growth for the company over the coming years.

I look forward to providing the Admission Document to Shareholders and the completion of the Kalahari transaction and the capital raising to provide a sound financial footing for the Company going forward.

Yours sincerely



Glenn Whiddon
Non - Executive Chairman

14 October 2009

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2009

The Directors present their report, together with the audited financial statements of North River Resources plc ("North River" or "the Company") and its subsidiary undertaking (together "the Group") for the year to 30 June 2009.

The Company is registered in England and Wales, having been incorporated on 13 July 2006 under the Companies Act with registered number 5875525 as a public company limited by shares.

The Company was first quoted on the Alternative Investment Market ("AIM") of the London Stock Exchange on 27 December 2006.

Principal Activity

The principal activity of the Group is mineral exploration. The Group operates in its parent undertaking and through a subsidiary company, details of which are set out in Note 5 to these accounts.

Review of the Business and Future Prospects

North River Resources plc 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 Kilometres ²
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 kilometres² 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. The Company (through NRRPL) has 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.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued) FOR THE YEAR ENDED 30 JUNE 2009

Review of the Business and Future Prospects (continued)

- 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 the IP 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 mineralization. Sampling of dumps from historical workings have returned grades of up to 16.4% Copper (No.1 Adit Dump), 17% Lead (South Shaft Dump), and 1,126 g/t Silver (South Shaft Dump).

The re-interpretation of Induced Polarisation (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 5 blocks, surrendering that part of the Tenement considered not to be prospective. The Company has designed a work programme focussing on a process of geochemical levelling of predominantly stream and soil geochemical data in order to adequately prioritise targets and establish areas that require further sampling and detailed geological mapping. It is estimated the work programme will cost approximately £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.

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).

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 who have 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, the Managing Director of the Company.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued) FOR THE YEAR ENDED 30 JUNE 2009

During the year to 30 June 2009, in addition to its activities related to the Coronet Hill Tenement 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 Minerai's Mozambique Gold and Uranium Projects, comprising 32 Licences covering 628,400 HA in 5 discrete project areas. The consideration was US\$100,000 and 10,000,000 ordinary shares. The acquisition was conditional upon Shareholder approval of various Resolutions at a Shareholders Meeting held on 26 August 2009 (satisfied) and completion by the Company of the Placement of not less than 40M Shares at 1p per Share. These conditions have been satisfied and the consideration has been paid.

By a Variation Agreement dated 25 September 2009 it was agreed to reduce the number of Tenements being acquired from 32 down to 15. It is intended to further reduce the number of Tenements from 15 down to 5. It having been decided to focus solely on the gold and uranium prospects on 1829L and 1830L (Murrupula Project) and the gold and tantalum prospects on 890L, 1054L and 1119L (Mavuzi Project). This further reduction has been agreed with OmegaCorp Minerai's Ltd and a side letter to this effect has been entered into by the parties.

2. In a Shareholders Circular dated 29 July 2009 accompanying the Notice of Meeting for Shareholders held on 26 August 2009, the Circular, amongst other things detailed:
 - a. an intended placing, including to related parties, of up to 40,000,000 ordinary shares of £0.002 each in the capital of the Company at a price of £0.01 each ("Placing Shares") to raise £400,000 ("Placing");
 - b. an acquisition from OmegaCorp Minerals Ltd of the Mozambique Gold and Uranium Projects pursuant to the Tenement Sale Agreement dated 24 July 2009;
 - c. the proposed grant, including to related parties, of 40,000,000 options exercisable at 5p on or before 30 June 2014; and
 - d. the proposed grant of 21,000,000 options exercisable at 5p on or before 30 June 2014 to related parties; and
 - e. the entry by the Company into a Convertible Loan Agreement with Clarion Finanz AZ to provide a £500,000 facility and the conditions of the facility. The consideration for the arrangement of the facility was the issue Clarion of 10,000,000 Options exercisable at 10p on or before 30 June 2014.

All of these matters have now occurred.

3. At the Shareholders Meeting held at 11am on 26 August 2009, Shareholders:
 - a. approved the consolidation of the Company's share capital on the basis of 1 new ordinary share of £0.002 each for every two existing ordinary shares of £0.01 each; and
 - b. provided the Company with the authority to issue the remaining balance of the authorised share capital being £9,932,000.
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. The purchase consideration is 266,666,667 ordinary shares at a price of 3 pence per ordinary share.

The Agreement 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.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued) FOR THE YEAR ENDED 30 JUNE 2009

In the event that the Namibian Acquisition were to proceed, which at this stage appears likely, 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 have been converted at £0.01 per Share. The options have an exercise price of no less than £0.05 and an exercise date of no later than 30 June 2014.

On 5 October 2009 North River incorporated subsidiaries in the Isle of Man to make the acquisition of assets from Kalahari Minerals Plc.

It is proposed that under the transaction Kalahari will appoint nominees to the board of North River as Kalahari will obtain a holding of around 45% of the issued ordinary shares of the Company on completion of the transaction. The nominees are currently Mark Hohnen who is the Chairman of Kalahari and Dr Glyn Tonge. North River intends to focus on its assets in Namibia and Mozambique.

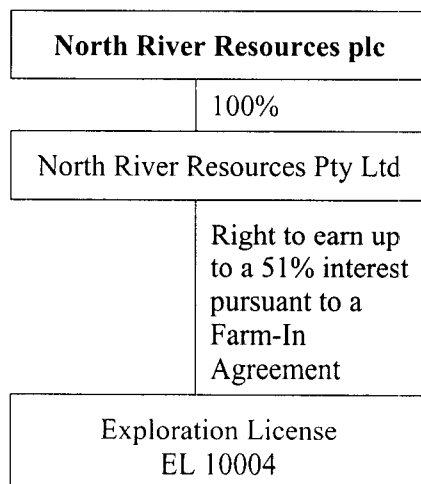
Results and Dividends

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.

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.

Group Structure

The corporate structure of the Group is as follows:



NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued) FOR THE YEAR ENDED 30 JUNE 2009

Directors

The following Directors held office during the year and remain in office as at the date of this report unless stated otherwise:

David Christian Steinepreis	
Patrick Nicholas Burke	
Martin French	Appointed 11 December 2008
Glenn Whiddon	Appointed 11 December 2008
Robert Hartley Downey	Resigned 11 December 2008

As Glenn Whiddon's and Martin French's appointments had not previously been put to shareholder vote they resigned their directorships on 30 January 2009. Later that day, following the Company's AGM, they were re-appointed as directors.

Directors' Interests

The beneficial and non-beneficial interests in the Company's shares and share options of the current Directors and their families, as at 30 June 2009 are as follows:

	Ordinary shares of £0.001p each	Ordinary shares of £0.002p each (post share consolidation)	Share options	Share options (post share consolidation)	Notes
David Christian Steinepreis	5,044,001	2,522,001	2,000,000	1,000,000	1
Patrick Burke	620,000	310,000	Nil	Nil	2
Martin French	Nil	Nil	Nil	Nil	
Glenn Whiddon	2,750,000	1,375,000	2,000,000	1,000,000	3
	8,414,001	4,207,001	4,000,000	2,000,000	

1. The share and option holdings of Mr Steinepreis are: held directly (1 Ordinary Share), via his spouse (600,000 Ordinary Shares), Ascent Capital Holdings Pty Ltd (992,000 Ordinary Shares and 1,000,000 Options) and N & J Mitchell Holdings Pty Ltd as trustee for the Mitchell Unit Trust (930,000 Ordinary Shares).

Mr Steinepreis is a director of Ascent Capital Holdings Pty Ltd and a trust associated with the family of Mr Steinepreis is a 50 per cent owner of Ascent Capital. Mr Steinepreis is a director of N & J Mitchell Holdings Pty Ltd.

2. The shareholding of Mr Burke is held via Rowan Hall Pty Ltd as trustee for Rowan Hall Investment Trust of which Mr Burke is a potential beneficiary.
3. The shareholding and option holding of Mr Whiddon is held by Lagral scp (1,375,000 Ordinary Shares) and via Westwind Capital (1,000,000 Options).

There have been no material changes in the Directors' shareholdings between the year end and the date of this report.

Report on Directors' Remuneration and Service Contracts

Directors serve under the terms and conditions of a services agreement in place between the Company and its Directors whereby the Directors are paid £1,000 per month. Either party is required to give 3 months' notice of their intention to cancel the agreement.

NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued) FOR THE YEAR ENDED TO 30 JUNE 2009

Directors' Remuneration - audited

The remuneration paid to the Directors and / or entities related to Directors during the year ended 30 June 2009 was as follows:

Directors		Fees and Salaries £	Share Based Payments £	Total 30 June 2009 £
David Steinepreis	1	12,000	-	12,000
Patrick Burke	3	12,000	-	12,000
Glenn Whiddon	4	12,000	-	12,000
Martin French	5	6,645	-	6,645
Robert Downey	2	5,355	-	5,355
		48,000	-	48,000

- 1 Mr Steinepreis was paid a gross salary of £12,000 (2008: £8,000) for work undertaken by him in the corporate management of the Company.

Ord Street Services, an entity associated with David Steinepreis, provided the Company with the services of David Steinepreis and was paid £Nil (2008: £2,000) in fees during the year.

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 the services of Mr Steinepreis.

- 2 Quantum Vis Pty Ltd, a company associated with Robert Downey, had fees as per the services agreement between Mr Downey and the Company of £5,355 (2008: £12,000).
- 3 Patrick Burke had fees as per his services agreement of £12,000 (2008: £12,000). He was paid £Nil (2008: £7,193) for legal services provided.
- 4 Glenn Whiddon had fees of £12,000 (2008: £Nil). Of this amount £5,355 was incurred as consulting fees prior to his appointment as a director. Since his appointment as a director the fees amounted to £6,645.
- 5 Martin French's fees since his appointment amounted to £6,645 (2008: £Nil).

Substantial Shareholders

The Company has been notified, in accordance with Chapter 5 of the FSA's Disclosure and Transparency Rules, of the under noted interests in its ordinary shares as at 6 October 2009 of 3% shareholders and above:

	Number of ordinary shares (post share consolidation)	%
Pershing Nominees Limited	11,490,500	13.68
Mantra Resources Limited	10,000,000	11.90
Lynchwood Nominees limited	8,429,500	10.04
Hangover Nominees Limited	8,000,000	9.52
Darlington Portfolio Nominees Limited	7,000,000	8.33
Ascent Capital Holdings Pty Ltd	5,991,999	7.13
Fiske Nominees Limited	5,350,000	6.37
Morstan Nominees Limited	5,000,000	5.95
Sunvest Corporation Limited	3,100,000	3.69

Political and Charitable Contributions

No political or charitable contributions made by the Company during the year ended 30 June 2009.

Supplier Payment Policy and Practice

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable laws and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgments and estimates that are reasonable and prudent;
- c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business; and
- d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Pensions

The Group does not operate a pension scheme for Directors or employees.

Information to Shareholders – Website

The Company maintains a website (www.northriverresources.com) to facilitate provision of information to external stakeholders and potential investors and to meet the new AIM guidance. Management of the website is undertaken by the Company, to ensure that it is kept up to date and that all announcements are posted in a timely manner.

Statement of Disclosure to the Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

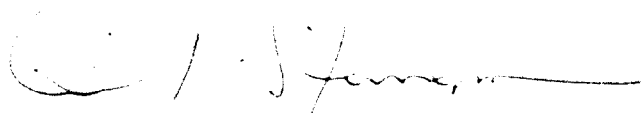
NORTH RIVER RESOURCES PLC

DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED TO 30 JUNE 2009

Auditors

UHY Hacker Young were appointed auditors to the Company. In accordance with Section 489 of the Companies Act 2006 a resolution proposing that UHY Hacker Young be reappointed as auditors of the Company and that the Directors be authorised to determine their remuneration will be put to the next Annual General Meeting.

This report was approved by the Board on 14 October 2009 and signed on its behalf by:



David Steinepreis
Managing Director
North River Resources plc
Reg. No. 5875525

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NORTH RIVER RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2009**

We have audited the financial statements of North River Resources plc for the year ended 30 June 2009 which comprise the Group income statement, the Group and Parent Company statements of changes in net equity, the Group and Parent Company balance sheets, the Group and Parent Company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities, set out in page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2009 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NORTH RIVER RESOURCES PLC (Continued)
FOR THE YEAR ENDED 30 JUNE 2009**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jack Easton (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young, Statutory Auditor
Quadrant House
4 Thomas More Square
London E1W 1YW
15 October 2009

NORTH RIVER RESOURCES PLC

GROUP INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	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	3	(299,220)	(250,525)
Taxation	9	-	-
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	13	(0.88)	(0.74)

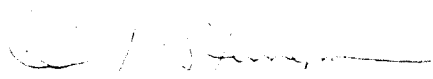
All of the above amounts are in respect of continuing operations.

NORTH RIVER RESOURCES PLC

**GROUP AND COMPANY BALANCE SHEETS
AS AT 30 JUNE 2009**

	Note	Group 30 June 2009 £	Company 30 June 2009 £	Restated Group 30 June 2008 £	Restated Company 30 June 2008 £
Non Current Assets					
Investment in subsidiary	5	-	-	-	-
Current Assets					
Cash and cash equivalents	10	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	4	(150,000)	(150,000)	-	-
Creditors: amounts falling due within one year	4	(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	6	68,000	68,000	68,000	68,000
Share premium account	7	481,238	481,238	481,238	481,238
Option premium reserve	7	154,775	154,775	154,775	154,775
Retained losses	7	(901,699)	(901,699)	(602,479)	(602,479)
Total Equity		(197,686)	(197,686)	101,534	101,534

These financial statements were approved by the Board of Directors on 14 October 2009 and signed on its behalf by:



David Steinepreis
Managing Director
North River Resources plc
Reg. No. 5875525

NORTH RIVER RESOURCES PLC

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

	Note	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	11	(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	10	35,078	35,078	121,693	121,693

NORTH RIVER RESOURCES PLC

**STATEMENT OF CHANGES IN NET EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

2009	Share Capital	Share Premium	Retained Losses	Option Reserve	Total
	£	£	£	£	£
Company					
Balance at 1 July 2008	68,000	481,238	(602,479)	154,775	101,534
Net loss for the year	-	-	(299,220)	-	(299,220)
Balance at 30 June 2009	68,000	481,238	(901,699)	154,775	(197,686)
Group					
Balance at 1 July 2008	68,000	481,238	(602,479)	154,775	101,534
Foreign currency translation	-	-	-	-	-
Net loss for the year	-	-	(299,220)	-	(299,220)
Balance at 30 June 2009	68,000	481,238	(901,699)	154,775	(197,686)
2008					
	Share Capital	Share Premium	Retained Losses	Option Reserve	Total
	£	£	£	£	£
Company					
Balance at 1 July 2007 as previously stated	68,000	481,238	(251,954)	154,775	452,059
Restatement	-	-	(100,000)	-	(100,000)
Balance at 1 July 2007 as restated	68,000	481,238	(351,954)	154,775	352,059
Issue of shares	-	-	-	-	-
Issue costs	-	-	-	-	-
Share option charge	-	-	-	-	-
Net loss for the year	-	-	(250,525)	-	(250,525)
Balance at 30 June 2008	68,000	481,238	(602,479)	154,775	101,534
Group					
Balance at 1 July 2007 as previously stated	68,000	481,238	(251,954)	154,775	452,059
Restatement	-	-	(100,000)	-	(100,000)
Balance at 1 July 2007 as restated	68,000	481,238	(351,954)	154,775	352,059
Issue of shares	-	-	-	-	-
Issue costs	-	-	-	-	-
Share option charge	-	-	-	-	-
Net loss for the year	-	-	(250,525)	-	(250,525)
At 30 June 2008	68,000	481,238	(602,479)	154,775	101,534

NORTH RIVER RESOURCES PLC

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. A list of subsidiaries appears in Note 5. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

1. Accounting Policies (continued)

1.4 Basis of consolidation (continued)

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.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2009

1. Accounting Policies (continued)

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.

1.11 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 judgements 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.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2009

1. Accounting Policies (continued)

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.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2009

1. Accounting Policies (continued)

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.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

2 Segment Reporting (continued)

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

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2009

4 Creditors (continued)

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 Subsidiary Undertakings

Company

<i>Name of company</i>	<i>Country</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
North River Resources Pty Ltd	Australia	Ordinary Shares	100%	Mineral exploration

6 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.

7 Reserves	Share premium reserve £	Option premium reserve £	Profit and Loss reserve £
Group and Company 2009			
Balance 1 July 2008	481,238	154,775	(602,479)
Loss for the year	-	-	(299,220)
Balance 30 June 2009	481,238	154,775	(901,699)

Group

Expensed exploration costs to date are £127,000 (2008 £100,000).

NORTH RIVER RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009**

7 Reserves (continued)

Group and Company	Share premium reserve £	Option premium reserve £	Profit and Loss reserve £
2008			
Balance 1 July 2007 as previously stated	481,238	154,775	(251,954)
Restatement	-	-	(100,000)
Balance 1 July 2007 as restated	481,238	154,775	(351,954)
Loss for the year	-	-	(250,525)
Balance at 30 June 2008	481,238	154,775	(602,479)

8 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.

NORTH RIVER RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009**

9 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	<u>-</u>	<u>-</u>

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.

10 Cash and Cash Equivalents	Group 30 June 2009 £	Company 30 June 2009 £	Group 30 June 2008 £	Company 30 June 2008 £
Cash at bank and in hand	<u>35,078</u>	<u>35,078</u>	<u>121,693</u>	<u>121,693</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. The cash at bank is bearing floating interest rates between 0.05% and 1.00%. The carrying amounts of cash and cash equivalents represent fair value.

11 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	<u>(237,510)</u>	<u>(237,510)</u>	<u>(275,638)</u>	<u>(275,638)</u>

NORTH RIVER RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009**

12 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.

13 Earnings Per Share

	Group 30 June 2009 £	Group 30 June 2008 £
(a) Basic and diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders	<u>(299,220)</u>	<u>(250,525)</u>
<i>Basic earnings per share</i>		
Loss from continuing operations attributable to the ordinary equity holders	<u>(0.88) pence</u>	<u>(0.74) pence</u>
(b) 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	<u>34,000,000</u>	<u>34,000,000</u>

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

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2009

14 Directors' Emoluments

2009 Directors	Directors' Salary £	Directors' Fees £	Consulting Fees £	Total 30 June 2009 £
David Steinepreis	12,000	-	-	12,000
Patrick Burke	-	12,000	-	12,000
Glenn Whiddon	-	6,645	5,355	12,000
Martin French	-	6,645	-	6,645
Robert Downey	-	5,355	-	5,355
	12,000	30,645	5,355	48,000

2008 Directors	Directors' Salary £	Directors' Fees £	Consulting Fees £	Total 30 June 2008 £
David Steinepreis	8,000	-	4,000	12,000
Patrick Burke	-	12,000	7,193	19,193
Robert Downey	-	12,000	-	12,000
	8,000	24,000	11,193	43,193

Full details of directors' emoluments are disclosed in the Directors' Report.

There are no employees other than directors.

15 Financial Instruments and Financial Risk Management

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board of Directors under policies approved by the Board. The Board identifies and evaluates financial risks and provides written principles for overall risk management.

(a) Price Risk

The Group is not exposed to equity securities price risk as it holds no investments in securities classified on the balance sheet either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk.

(b) Credit Risk

The Group's maximum exposures to credit risk at the reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

The Group trades only with recognised, credit worthy third parties. The Group has no significant concentrations of credit risk.

15 Financial Instruments and Financial Risk Management (continued)

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due.

(d) Fair Values

All assets and liabilities recognised in the balance sheet, whether they are carried at cost or at fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

(e) Currency Risk

The functional currency for the Group's operating activities is the pound sterling and for exploration activities the Australian dollar. The Group has not hedged against currency depreciation but continues to keep the matter under review.

(f) Financial Risk Management

The Directors recognise that this is an area in which they may need to develop specific policies should the Group become exposed to wider financial risks as the business develops.

(g) Capital Management

The Group's objective when managing capital is to ensure that adequate funding and resources are obtained to enable it meet its obligations in regards of the Coronet Hill Tenement, fund investigations into potential investments in the resources sector and to safeguard the Group's ability to continue as a going concern. Capital will continue to be sourced from equity and from borrowings as appropriate.

(h) Interest Rate Risk

At 30 June 2009, the Group had cash amounting to £35,076 (2008: £5,159) subject to a floating interest rate and cash of £2 (2008: £116,534) subject to a fixed interest rate. The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities.

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2009

15 Financial Instruments and Financial Risk Management (continued)

(h) Interest Rate Risk (continued)

2009	Floating interest rate	Fixed interest rate maturing in:	Non-interest bearing	Total	Weighted average effective interest rate
Financial Instruments	£	£	£	£	%
		1 year or less			
<i>(i) Financial assets</i>					
Cash assets:					
UK Current	34,666	-	-	34,666	0.00
UK Fixed	-	2	-	2	0.50
Australian Current	410	-	-	410	1.50
Total financial assets	<u>35,076</u>	<u>2</u>	<u>-</u>	<u>35,078</u>	
<i>(ii) Financial liabilities</i>					
Accruals	-	-	82,764	82,764	0.00
Convertible notes	-	150,000	-	150,000	8.00
Total financial liabilities	<u>-</u>	<u>150,000</u>	<u>82,764</u>	<u>232,764</u>	
2008	Floating interest rate	Fixed interest rate maturing in:	Non-interest bearing	Total	Weighted average effective interest rate
Financial Instruments	£	£	£	£	%
		1 year or less			
<i>(i) Financial assets</i>					
Cash assets:					
UK Current	4,352	-	-	4,352	0.00
UK Fixed	-	116,534	-	116,534	3.35
Australian Current	807	-	-	807	0.00
Total financial assets	<u>5,159</u>	<u>116,534</u>	<u>-</u>	<u>121,693</u>	
<i>(ii) Financial liabilities</i>					
Accruals	-	-	20,159	20,159	0.00
Total financial liabilities	<u>-</u>	<u>-</u>	<u>20,159</u>	<u>20,159</u>	

NORTH RIVER RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2009

16 Control

No one party is identified as controlling the Group.

17 Decommissioning Expenditure

The Directors have considered the environmental issues and the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation.

In the view of the Directors, no provision is necessary for any future costs of decommissioning or environmental damage.

18 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.

19 Post Balance Sheet Events

Refer Directors Report on pages 3 and 10 of this Report and Accounts for Year ended 30 June 2009.