

**North River Resources plc (“North River” or the “Company”)
Fully Underwritten Open Offer and Placing**

North River Resources, the AIM quoted resource company focused on the Namib Project Lead-Zinc Project (‘Namib Project’) in Namibia, provides an update, further to the announcements made on 11 and 28 August 2015, in respect to its proposed near term financing plan to raise US\$4.0 million (‘Phase One Fundraising’) with the launch today of a fully underwritten open offer and placing (‘Open Offer and Placing’). The Open Offer and Placing will raise US\$2.8 million in addition to the US\$1.2million already advanced by Greenstone Resources L.P. (‘Greenstone’) to the Company following the general meeting of the Company of 28 August 2015. Subject to the satisfaction or waiver of certain conditions (as more fully detailed in the Circular, as defined below), the Open Offer and Placing are fully underwritten by Greenstone and will bring the total raised under the Phase One Fundraising to US\$4.0 million, which will be used to progress the Company’s flagship Namib Project to a construction decision.

A document setting out details of, and the terms relating to, the Open Offer and Placing, as well as risk factors and certain additional information (the “Circular”) is being posted to certain Eligible Shareholders today and is also available to view on the Company’s website www.northriverresources.com.

Unless defined herein, capitalised terms used in this announcement shall have the meaning attributed to them in the Circular (and as set out in Appendix III to this announcement).

Highlights

- Launch of Fully Underwritten Open Offer and Placing:
 - Open Offer to all Eligible Shareholders at 0.2 pence per Ordinary Share to raise US\$2.8 million.
 - 2 Open Offer Shares for every 3 Existing Ordinary Shares held.
 - In the event that the Open Offer does not raise the full US\$2.8 million, the Directors have entered into the Placing Agreement with the Company’s broker, RFC Ambrian Limited, to place the balance of Open Offer Shares, at no less than 0.2 pence per share, to raise the total amount of US\$2.8 million (under the Open Offer and the Placing).
 - Certain of the Directors have committed to subscribe for, in aggregate, approximately £135,000 of shares in the Placing.
 - Circular being posted today to Eligible Shareholders (and also made available on the Company’s website) with details on how to subscribe for the Open Offer.
 - Greenstone as cornerstone shareholder has conditionally undertaken to subscribe or underwrite the full US\$2.8m Open Offer and Placing under the Underwriting Facility.

- Issue of Convertible Loan Notes to Greenstone:
 - Following receipt of Shareholder approval at the general meeting of the Company held on 28 August 2015, Greenstone was issued US\$1.2 million of Convertible Loan Notes.
 - Assuming the Open Offer and the Placing raise, in aggregate, US\$2.8 million, Greenstone will convert its entire holding of Convertible Loan Notes into Ordinary Shares and there will be no drawdown under the Underwriting Facility.

- Phase One Fundraising requirement of US\$4.0 million will enable the Company to continue to work towards delivering an economically and operationally robust project ahead of construction. Work programmes employing Phase One Fundraising will include:
 - 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.

North River Chief Executive Officer James Beams said, *"Thanks to the support received from shareholders for the Placing and Open Offer, we are pleased to commence this process which will see institutions, private investors and the Company's directors aligned in our goal of delivering a robust, construction-ready lead-zinc project in Namibia. We look forward to completing this raising and updating shareholders accordingly."*

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

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Introduction

The Company announced on 22 July 2015 plans for two stages of fundraising. The first would provide working capital to enable ongoing development of the Namib Project through to the point at which a decision can be taken to commence construction of the mine. The second would be to fund construction of the mine and would represent the larger proportion of the total estimated requirement of US\$25-30 million.

On 11 August 2015, the Company announced further details of its plans for the first stage of that fundraising, being a total amount of US\$4.0 million, comprising an initial US\$1.2 million in convertible loan notes (the “**Tranche One Notes**”) to be placed with Greenstone, and an open offer and placing, open to all Eligible Shareholders, to raise the balance of US\$2.8 million. The full further amount of US\$2.8 million is conditionally underwritten by Greenstone (the “**Underwriting Facility**”) and the Tranche One Notes, together with the Underwriting Facility, constitute the “**Greenstone Placing**”).

Following the approval of the resolution put to Shareholders at the general meeting of the Company held on 28 August 2015 (the “**GM Resolution**”), the Tranche One Notes were issued to Greenstone on 8 September 2015 for a total amount of US\$1.2 million (before expenses).

The Board is grateful for the continued support received from Shareholders with the passing of the GM Resolution and is now pleased to offer all Eligible Shareholders the opportunity to participate in the issue of new equity in the Company by making the Open Offer to all Eligible Shareholders at 0.2 pence per share (the “**Issue Price**”). The Issue Price is at a discount of approximately 2.4 per cent. to the closing mid-market price on 14 September 2015, being the last trading day before the date of this Circular, and a discount of approximately 1.3 per cent. to the volume weighted average price (the “**VWAP**”) from 11 August 2015 to 14 September 2015. The VWAP period reflects the trading period since the announcement of the Greenstone Placing.

The Board now wishes to proceed with raising the balance of approximately £1.8 million (US\$2.8 million) pursuant to the Open Offer and Placing, such that (when combined with amounts received by the Company pursuant to the Greenstone Placing), the total gross amount to be raised under the Open Offer, the Placing and the Greenstone Placing shall be US\$4.0 million (approximately £2.6 million), representing the amount anticipated as being required by the Company for the Phase One Fundraising.

Eligible Shareholders are being given the opportunity to subscribe for their Open Offer Entitlements at the Issue Price payable in full on application and free of all expenses, *pro rata* to their existing shareholdings on the basis of:

2 Open Offer Shares for every 3 Existing Ordinary Shares

held at the Record Date. Open Offer Entitlements will be rounded down to the nearest whole number of shares and fractional entitlements which would have otherwise arisen will not be issued. As stated above, Greenstone has already advanced the full US\$1.2 million under the Tranche One Notes as part of the Phase One Fundraising. Assuming the Open Offer and the Placing proceed to raise the full US\$2.8 million, in aggregate, from Eligible Shareholders and investors (respectively) other than Greenstone, there will be no drawdown under the Underwriting Facility and the Tranche One Notes will be converted fully at the Issue Price such that Greenstone will hold approximately 29.76 per cent. of the Issued Share Capital following the Open Offer and the Placing and no Convertible Loan Notes will be outstanding following such conversion).

In order that other Eligible Shareholders do not suffer dilution as a consequence of the proposed conversion of the Tranche One Notes following the close of the Open Offer and Placing, Greenstone has undertaken and agreed to be excluded from the Open Offer subject to its rights and obligations under the Underwriting Facility (and, in addition, has been deemed ineligible to participate in the Open Offer by virtue of the jurisdiction of its holding). Consequently, entitlements under the Open Offer are calculated excluding Greenstone’s shareholding, and the take-up by Eligible Shareholders of their *pro rata* entitlements under the Open Offer will lead to such Eligible Shareholders’ interest in the Company not being diluted.

Furthermore, Eligible Shareholders have the opportunity to apply for additional Open Offer Shares under the Excess Applications Facility (further details of the Excess Applications Facility are set out in later in this announcement and the Circular).

In the event that the Open Offer is not fully subscribed following subscriptions by Eligible Shareholders of their Open Offer Entitlements and subscriptions under the Excess Applications Facility, the Directors have reserved the right to place the balance of the Open Offer Shares, at not less than the Issue Price, in order to raise a total amount of US\$2.8 million under the Open Offer and Placing (totalling, when aggregated with amounts already received from Greenstone pursuant to the Greenstone Placing, US\$4.0 million, being the total amount anticipated as being required by the Company for the Phase One Fundraising). Consequently, the Company has entered into the Placing Agreement with RFC Ambrian, pursuant to which RFC Ambrian has conditionally agreed that it will use its reasonable endeavours to procure subscribers for the Placing Shares following the close of the Open Offer. Further details of the Placing Agreement are set out in Part III of the Circular. The Placing will include a commitment in respect of 66,813,472 Placing Shares, being £133,627, subscribed by certain Directors, which further demonstrates the Board's commitment to, and belief in, the Company and its prospects. The breakdown of this commitment is set out below:

Director	No. of Ordinary Shares	Commitment (£)
Brett Richards	3,238,342	£6,477
Keith Marshall	10,000,000	£20,000
James Beams	48,575,130	£97,150
Ken Sangster	5,000,000	£10,000
	66,813,472	£133,627

There is no guarantee that, in the event the Open Offer is not fully subscribed, such shortfall will be taken up under the Placing. Consequently, if the Open Offer and Placing do not raise the full US\$2.8 million, in aggregate, the Company would be obliged to draw down such shortfall under Underwriting Facility in order that it raises, in aggregate, US\$4.0 million (approximately £2.6 million), representing the amount anticipated as being required by the Company for the Phase One Fundraising. Furthermore, the Tranche One Notes would not be fully converted into new Ordinary Shares.

The Underwriting Facility is subject to satisfaction or waiver of the Conditions.

It is anticipated that Admission of the New Ordinary Shares, the Placing Shares and the New Greenstone Shares (if any) will become effective and that dealings will commence in these new Ordinary Shares (if any) by 8.00 a.m. on 7 October 2015.

Background to and reasons for the Open Offer and the Placing

As set out in the Company's announcement dated 22 July 2015, and the GM Circular, it was originally anticipated that part of the funding requirement to develop the Namib Project would be met from the remainder of the conditional commitments from Greenstone as set out in the investment agreement dated 3 July 2014 (the "2014 Investment Agreement"). The Company received two funding tranches from Greenstone, amounting to a total of US\$6.0 million pursuant to the 2014 Investment Agreement. Greenstone's obligation to advance the remaining third and fourth tranches, totalling US\$6.0 million (the "Final Tranches"), was subject to the Company achieving a number of project milestones.

The development timeframe for the Namib Project has changed since the 2014 Investment Agreement was agreed. A Board review of the definitive feasibility study ("DFS"), which was announced in November 2014, highlighted additional work required to allow the Board to make an informed investment decision to develop the Namib Project. This review, and the resulting need

for additional work, resulted in a revised development timeframe. In light of the revised development timeframe for the Namib Project, the Board (excluding Mark Sawyer) concluded that the relevant project milestones, including completion of the engineering design work to the degree of accuracy required under the 2014 Investment Agreement that would allow the Board to make an informed construction decision, were not achievable before the long-stop date under the 2014 Investment Agreement of 4 October 2015. As a result, the Company and Greenstone agreed to terminate the 2014 Investment Agreement. However, Greenstone has indicated that it remains a committed Shareholder and is supportive of the Company's development plans for the Namib Project and the next phase of work. The Board appreciates the commitment Greenstone has made, as a strategic cornerstone investor to support the Phase One Fundraising by way of the subscription for the Tranche One Notes and Underwriting Facility.

On 25 June 2015, Shareholders voted against the resolution to dis-apply statutory pre-emption rights at the Company's annual general meeting. As a result the Company was constrained as it did not have the authority to make any offer of Ordinary Shares to any investor (whether existing Shareholders or third party investors) without first offering such Ordinary Shares to all Shareholders, in every jurisdiction in which any Shareholder is based, in proportion to Shareholders' existing holdings. The Company was (and remains) of the view, having taken appropriate advice, that the financial and time cost of any such pre-emptive offer would be prohibitive, and that any such fully pre-emptive offer therefore was (and currently remains) impracticable.

The Company, having reviewed current weak commodity market conditions and following consultation with its broker, RFC Ambrian Limited, also determined that, in order for Eligible Shareholders to have adequate time to participate in the Open Offer and in order for the Company to most effectively market the issue to investors, it would not have been appropriate to launch the Open Offer and Placing during the summer period. As such, the decision was taken to launch the Open Offer and the Placing in September 2015 (in accordance with the Circular) and close the US\$1.2 million financing under the Tranche One Notes in the meantime.

Consequently, in the interim period before the Open Offer and the Placing were launched, the Company requested Greenstone, and Greenstone agreed, to commit to enter into the Greenstone Placing. Following approval of the GM Resolution and satisfaction or waiver of the Conditions insofar as they relate to the Tranche One Notes, the Greenstone Placing secured a commitment for the immediately required funds and provided a cash injection so that progress on the Namib Project (as set out below) could be continued while the Company prepared for the Open Offer and the Placing. Such preparation included obtaining Shareholder approval to the GM Resolution to allow the Open Offer to be made in a cost efficient and practical manner (as set out above).

The Greenstone Placing and the launch of the Open Offer and Placing will raise sufficient financing to see the Company through to the end of 2015 and a construction decision in relation to the Namib Project, assuming that the Mining Licence is issued and Phase Two Fundraising is achieved without undue delay (it being noted that the current Work Programme nominally assumes that the Mining Licence will be issued on or before 31 October 2015). As at 11 September 2015, the Company has, following the approval of the GM Resolution and issue of the Tranche One Notes, total cash resources of approximately US\$980,000 (£640,000), but requires additional working capital to maintain development of the Namib Project according to the current timetable in accordance with the Phase One Fundraising.

As further noted above, if the Open Offer and the Placing proceed to raise US\$2.8 million, in aggregate, from Eligible Shareholders and investors (respectively) other than Greenstone, no drawdown under the Underwriting Facility will be required and the Tranche One Notes will be converted fully at the Issue Price such that Greenstone will hold approximately 29.76 per cent. of the Issued Share Capital following the Open Offer and the Placing. No Convertible Loan Notes will be outstanding following such conversion.

There can, however, be no guarantee that the Open Offer and/or the Placing will be fully subscribed, and so the Company may need to draw-down under the Underwriting Facility in order to raise the balance of the funds required for the Phase One Fundraising and the Tranche One Notes may not be fully converted.

The net proceeds of the Open Offer and the Placing will be used to progress the Namib Project, as summarised later in this announcement and the Circular.

If the grant of the Mining Licence is delayed beyond 31 October 2015 or the Phase Two Fundraising is not completed by December 2015, the Company may require additional working capital to continue development of the Namib Project.

Namib Project Economics Summary

On 26 November 2014, the Company published the results of the DFS which demonstrated that the Namib Project was economically viable based on reserves of 585,000 tonnes at 6.2% zinc, 2.9% lead and 46ppm silver and resources of 1,250,000 tonnes of ore at 6.5% zinc, 2.5% lead and 44ppm silver. In 2015, the Company completed further metallurgical testwork which led to an updated process flowsheet, optimised grind and new reagent regime in which the board has greater confidence. The mine development plan has also been updated, including a change from a mix of 12 tonne and 20 tonne trucks in the DFS to standard 12 tonne trucks (thereby simplifying the operation and maintenance regime) and changes to shift patterns. The board believes it now has a process flowsheet which it can take forward to the Front End Engineering & Design (“FEED”) to define the Namib Project design and costs in greater detail necessary for full project financing and the final decision to commence construction.

As a result of these changes, the Company has updated its indicative assessment of the Namib Project’s economics. In addition to the refinements to the process flow sheet and mine development plan, the following issues have also been addressed in preparing the revised internal assessments:

- The DFS had assumed that the Namib Project would source electricity from the local grid for which the existing transmission line to site would need to be upgraded. With less certainty now of available supply from the grid in the short term, the Company is anticipating using diesel generators located on site. A full trade off study of this change will be completed as part of FEED;
- Tax calculations have been updated taking into account tax losses available within the Group; and
- Additional work is planned to explore the potential to reprocess old tailings and further drilling is planned to expand the resource base.

The original and revised estimates of the Namib Project’s economics are set out below:

	Unit	DFS Resource Value (Life of Mine) ¹ (November 2014)	Revised Resource Value ² (September 2015)
EBITDA	US\$’000	79,083	78,800
Net Cashflow	US\$’000	33,754	37,500
Post-tax NPV (8%)	US\$’000	23,993	24,500
Post-tax IRR	%	52	60
Operating Margin	%	64	61
Payback Period	Months	12	14
Life of Mine	Months	42	42

Notes:

- (1) The DFS was completed by CSA Global and dated November 2014. These financial metrics were for the 100 per cent. owned Namib Project and assumed that the Namib Project would commence in Q1 2015, following receipt of the Mining Licence, with first production 13 months later.
- (2) The Company internal estimates are as at September 2015 and have not been independently reviewed or verified and are subject to further review and completion of additional work, including the FEED work. These financial metrics are for the 100 per cent. owned Namib Project and assume the Namib Project commences construction in Q1 2016, assuming receipt of the Mining Licence and financing for the Phase Two Fundraising is secured, with first production on year later.
- (3) The Company expects to reinvest c.US\$1.0m per annum towards resource expansion and estimates corporate overheads at US\$2.5m per annum. These costs are not included in the estimates above.
- (4) In both the DFS and the Company's revised estimates (which have not been independently verified), price assumptions for the metals are taken as US\$2,400 per tonne for zinc, US\$2,300 per tonne for lead and US\$21 per ounce for silver. Since the DFS was published in November 2014, spot prices for lead and zinc have weakened in line with commodity prices generally and currently stand at US\$1,714 per tonne and US\$1,807 per tonne respectively (source: London Metals Exchange as at 11 September 2015) - the economics for the Namib Project would be materially lower at these prices. The fall in prices for these metals is believed to reflect increased uncertainty around global economic growth, particularly in China, and, linked to that, weaker demand. However, over the period in which the Namib Project is expected to come into production, there is an expectation of strong underlying fundamentals for lead and zinc and industry consensus estimates for all three metals for 2017 onwards are not materially different to the assumptions used in preparing these estimates.
- (5) The Payback Period is calculated from the start of production.

Update on the Company

As set out in the announcement made by the Company on 22 July 2015 and the GM Circular, the Company submitted its application for a Mining Licence in April 2014 while working through the final phase of the DFS, which was announced in November 2014. The results of the DFS, in combination with a detailed Board-level review, identified key additional studies on the mine development plan and mining process flow sheet that would be required ahead of the Company being in a position to take an investment decision on the Namib Project.

The Company advanced these studies during the first half of 2015, announcing the results of the metallurgical test work programme on 22 July 2015. This positions the Company to commence FEED work on an optimised processing plant as well as providing the catalyst to progress early mine development work. Subject to the receipt of the US\$4.0 million under the Phase One Fundraising, the Company expects to be in a position to complete these phases of work during the fourth quarter of 2015, which should be sufficient to support an investment decision on the Namib Project.

The Company is cognisant that the above constitutes a revised timeline to project development of the Namib Project. The requirement to complete these additional studies, alongside discussions with the Ministry of Mines and Energy in Namibia (the "Ministry") on the award of the Mining Licence, have delayed the originally scheduled commencement of construction of the Namib Project. As regards the Mining Licence, the Company is pleased to have hosted the newly appointed Minister of Mines and Energy, the Honourable Obeth Kandjoze, as well as a ministerial delegation on a recent site visit at the Namib Project. The Company looks forward to continuing to work with the Ministry on the Mining Licence application and remains confident that the Mining Licence will be granted in due course, but this cannot be guaranteed.

In light of the above, the Company has devised a revised funding strategy for the Namib Project. Subject to timing of commencing construction and the definitive capital requirement estimate post completion of early engineering and design, the Company estimates a total funding requirement of approximately US\$30 million through to expected project commissioning of the Namib Project. It is the Company's intention that this financing will be structured in two phases:

- (a) an initial equity fundraising of US\$4.0 million to cover the short term working capital required for initial FEED, early development of the Namib Project's North decline, sourcing of plant and equipment, and the ongoing underground development programme required to establish access for the next phase of resource expansion drilling ("Phase One Fundraising"). This is intended to finance the Company to take the Namib Project through to the end of 2015 and

a construction decision, assuming that the Mining Licence is issued and Phase Two Fundraising is achieved without undue delay (it being noted that the current Work Programme nominally assumes that the Mining Licence will be issued on or before 31 October 2015); and

- (b) a second fundraising, subject to the formal grant and issue of the Mining Licence by the Namibian authorities, which is anticipated to comprise both debt and equity, and which will cover the cost of construction and an ongoing resource expansion drilling programme (“**Phase Two Fundraising**”).

As noted in the GM Circular and above, the Company had an immediate funding requirement which it addressed through the issue of the Tranche One Notes pursuant to the Greenstone Placing. The GM Resolution was approved on 28 August 2015, following which the Tranche One Notes were issued to Greenstone on 8 September 2015, raising a total amount of US\$1.2 million before expenses.

It is intended that the balance of the funds required for the Phase One Fundraising will be raised through the Open Offer and the Placing (together, US\$2.8 million), which are being conditionally fully underwritten by the Underwriting Facility pursuant to the Greenstone Placing (subject to satisfaction or waiver of the Conditions).

Further to the announcement made by the Company on 2 July 2015, it is noted that Brett Richards will be moving abroad to take up new responsibilities and, as a consequence, has indicated his intention to step down from the Board post completion of the Phase One Fundraising. As previously announced, the Company has asked Strand Hanson, to commence the search for a replacement independent director and that process remains on-going (and the Company will provide further updates in due course).

Principal terms of the Open Offer

A total of approximately £1.8 million (approximately US\$2.8 million) is being raised through the Open Offer pursuant to which up to 900,677,910 New Ordinary Shares are being hereby offered at an issue price of 0.2 pence per share to Eligible Shareholders on the terms and conditions set out in this announcement, the Circular and in the Application Form. The Issue Price is at a discount of approximately 2.4 per cent. to the closing mid-market price on 14 September 2015, being the last trading day before the date of this Circular, and a discount of approximately 1.3 per cent. to the volume weighted average price (the “**VWAP**”) from 11 August 2015 to 14 September 2015. The VWAP period reflects the trading period since the announcement of the Greenstone Placing.

The Open Offer is only being made to Eligible Shareholders whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are resident in the United Kingdom, Australia, the Isle of Man, France, Switzerland or Portugal.

In order that other shareholders do not suffer dilution as a consequence of the proposed conversion of the Tranche One Notes following the close of the Open Offer and Placing, Greenstone has undertaken and agreed to be excluded from the Open Offer (and, in addition, has been deemed to be ineligible to participate in the Open Offer by virtue of the jurisdiction of its holding). Consequently, entitlements under the Open Offer are calculated excluding Greenstone’s shareholding and the take-up by Eligible Shareholders of their pro rata entitlements under the Open Offer will lead to such Eligible Shareholders’ interest in the Company not being diluted.

Eligible Shareholders have an increased opportunity to apply for additional Open Offer Shares under the Excess Applications Facility (further details of the Excess Applications Facility are set out later in this announcement and in the Circular).

Eligible Shareholders may apply for more or less Open Offer Shares than they are entitled to under the Open Offer and applications in excess of the Open Offer Entitlements will be dealt with under the Excess Application Facility. Once subscriptions under the Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part, and no assurance can be given that applications by Eligible Shareholders for Excess Shares under the Excess Application Facility will be met in full or in part or

at all. To the extent that Excess Shares are not subscribed by existing Eligible Shareholders, Open Offer Entitlements not taken up will lapse.

Fractions of Open Offer Shares will not be allotted to Eligible Shareholders in the Open Offer and, where necessary, entitlements under the Open Offer will be rounded down to the nearest whole number of New Ordinary Shares.

The Board considers that an offer to existing Shareholders by way of a rights or other pre-emptive issue is not currently feasible due to the significant costs and delays that would be incurred through the production and approval of a prospectus having regard to the Company's funding needs. The Open Offer allows Eligible Shareholders the opportunity to participate in the fundraising at the Issue Price and, subject to the terms of the Excess Application Facility, increase their participation by subscribing for Excess Shares.

The Open Offer Shares have not been and are not intended to be registered or qualified for sale in any jurisdiction other than the United Kingdom, Australia, the Isle of Man, France, Switzerland or Portugal. Accordingly, unless otherwise determined by the Company and effected by the Company in a lawful manner, the Application Form will not be sent to Existing Shareholders with registered addresses in any jurisdiction other than the United Kingdom, Australia, the Isle of Man, France, Switzerland or Portugal, since to do so would require compliance with the relevant securities laws of that jurisdiction. Applications from any such person will be deemed to be invalid. If an Application Form is received by any Shareholder whose registered address is elsewhere but who is in fact a resident or domiciled in a territory other than the United Kingdom, Australia, the Isle of Man, France, Switzerland or Portugal, he/she should not seek to take up his/her allocation.

In the event that the Open Offer is not fully subscribed following subscriptions by Eligible Shareholders of their Open Offer Entitlements and subscriptions under the Excess Applications Facility, the Directors have reserved the right to place the shortfall of any Open Offer Shares, at not less than the Issue Price, in order to raise the full amount of US\$2.8 million under the Open Offer and Placing (totalling, when aggregated with amounts already received from Greenstone pursuant to the Greenstone Placing, US\$4.0 million, being the total amount anticipated as being required by the Company for the Phase One Fundraising). Consequently, the Company has entered into the Placing Agreement with RFC Ambrian, pursuant to which RFC Ambrian has conditionally agreed that it will use its reasonable endeavours to procure subscribers for the Placing Shares following the close of the Open Offer. Further details of the Placing Agreement are set out in this announcement and in Part III of the Circular. The Placing will include a commitment in respect of 66,813,472 Placing Shares, being £133,627, subscribed by certain Directors, which further demonstrates the Board's commitment to, and belief in, the Company and its prospects.

The Open Offer and the Placing, if fully subscribed, will, between them, result in the issue of 900,677,910 new Ordinary Shares (representing approximately 28.10 per cent. of the Enlarged Share Capital). The Open Offer Shares and Placing Shares, when issued and fully paid, will rank pari passu in all respects with the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Placing Shares or Open Offer Shares. No temporary documents of title will be issued.

Part II of the Circular, together with the accompanying Application Form, contains further terms and conditions of the Open Offer.

Action to be taken

If an Eligible Shareholder does not wish to apply for Open Offer Shares he/she should not complete or return the Application Form nor send a USE message through CREST.

- (i) Eligible Non-CREST Shareholders (i.e. holders of Ordinary Shares who hold their shares in certificated form)*

If you are an Eligible Non-CREST Shareholder and wish to participate in the Open Offer, you should carefully read the Application Form accompanying the Circular and send the Application Form along with the appropriate remittance to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later than 11.00 a.m. on 30 September 2015 and in accordance with the procedure set out at paragraph 4 of Part II of the Circular.

(ii) *Eligible CREST Shareholders (i.e. holders of Ordinary Shares who hold their shares in uncertificated form through CREST)*

If you are an Eligible CREST Shareholder, no Application Form is enclosed. You will instead receive a credit to your account in CREST in respect of your Entitlement. You should refer to the procedure for application set out in paragraph 4 of Part II of the Circular.

Eligible CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with the Circular and the Open Offer. Eligible Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of their applications. If you are not an Eligible Shareholder and a person who has a contractual or other legal obligation to forward the Circular or an Application Form into a jurisdiction outside the United Kingdom, Australia, the Isle of Man, France, Switzerland or Portugal and who has a registered address in, or who is resident or ordinarily resident in, or a citizen of, or which is a corporation, partnership or another entity created or organised under the law of a country other than the United Kingdom, Australia, the Isle of Man, France, Switzerland or Portugal, then your attention is drawn to the information in paragraph 7 of Part II of the Circular.

Eligible CREST Shareholders should note that, although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Eligible Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claim Processing Unit. Eligible non-CREST Shareholders should note that their Application Form is not a negotiable entitlement and cannot be traded.

Use of Proceeds

As agreed between the Company and Greenstone pursuant to the Subscription Agreement, the proceeds of the Open Offer, the Placing and the Greenstone Placing shall be used for the purposes stated in the Work Programme (which nominally assumes that the Mining Licence will be issued on or before 31 October 2015). This includes, among other things, to cover the costs through to the end of 2015 and a construction decision for FEED on the revised process flow sheet, early development of the Namib Project's North decline, sourcing of plant and equipment, and the ongoing underground development programme required to establish access for the next phase of resource expansion drilling and the initial recruitment required to advance the Namib Project.

The proceeds of the Open Offer, the Placing and the Greenstone Placing will also cover general corporate overheads and costs associated with fundraising, including the costs related to the Phase One Fundraising.

The Board will only be able to take a decision to commence construction once the Mining Licence has been granted, appropriate financing to cover the costs of construction (by way of the Phase Two Fundraising) has been agreed and subject to an assessment of the economics of the Namib Project at the time.

While the Company believes that the total amount of US\$4.0 million proposed to be raised pursuant to the Open Offer and the Placing, including the Greenstone Placing, should be sufficient for the Phase One Fundraising provided that the Mining Licence is issued and Phase Two Fundraising is achieved without undue delay, it is possible that additional working capital may be required if there are delays or unexpected costs and/or if the Company is not permitted to disburse funds raised pursuant to the Greenstone Placing (which are limited to purposes stated in the Work Programme)

in respect of any of its costs. It is noted that the Company has been engaging with multiple parties in order to prepare for the inclusion of a debt package into the Namib Project's Phase Two Fundraising package at the point of a construction decision. While conversations with debt providers continue to progress, it is clear that the availability of debt for the sector is becoming tougher to obtain due to weak commodity prices, even for commodities with positive fundamentals such as zinc and lead. The Company is conscious that there is no guarantee that debt finance will be available at the relevant time and as such is aware of the need to make the necessary provisions for this in its financing strategy. On completion of the FEED phase the Company intends to progress debt discussions as a priority and will update its Shareholders on the outcomes of this process, as well as the other financing instruments that are being considered. The Company therefore sought, and obtained, additional authority pursuant to the GM Resolution to raise further equity of up to a further US\$2.0 million for working capital purposes free from statutory pre-emption rights.

Overseas Shareholders

Information for Shareholders who have registered addresses outside the United Kingdom, Australia, the Isle of Man, France, Switzerland or Portugal appears in paragraph 7 of Part II of the Circular, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you read that part of the Circular.

Taxation

Information regarding taxation in the United Kingdom in connection with the Open Offer is set out in paragraph 6 of Part V of the Circular. Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their professional adviser as soon as possible.

Recommendation

The Board believe that the Open Offer is in the best interests of the Company, and the Shareholders as a whole, for the following reasons:

- (a) the Open Offer will, if fully subscribed, provide the funds anticipated as being required by the Company for the Phase One Fundraising without recourse to the Underwriting Facility which Greenstone has conditionally agreed to provide, if required, pursuant to the Greenstone Placing;
- (b) furthermore, if US\$2.8 million is raised pursuant to the Open Offer and Placing, the Tranche One Notes will be converted in full into the New Greenstone Shares such that Greenstone will hold no more than 29.99 per cent. of the Issued Share Capital following the Open Offer and the Placing and such conversion (leaving no Convertible Loan Notes outstanding following such conversion); and
- (c) it provides Shareholders with the opportunity to further support the Company through the Open Offer at this exciting time for the Company.

Further Information

YOUR ATTENTION IS DRAWN TO THE RISK FACTORS RELATING TO THE GROUP SET OUT IN PART IV OF THE CIRCULAR, THE ADDITIONAL INFORMATION SET OUT IN PART V OF THE CIRCULAR AND THE TERMS AND CONDITIONS OF THE OPEN OFFER AND THE PLACING SET OUT IN PART II AND PART III (RESPECTIVELY) OF THE CIRCULAR, AS WELL AS THE APPLICATION FORM.

APPENDIX I

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlement under the Open Offer	5.00 p.m. on 11 September 2015
Existing Ordinary Shares marked 'ex' by London Stock Exchange	8.00 a.m. on 15 September 2015
Release of this announcement, posting of the Circular and the Application Forms	15 September 2015
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Eligible CREST Shareholders	8.00 a.m. on 16 September 2015
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 24 September 2015
Latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 25 September 2015
Latest time for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 28 September 2015
Latest time and date for receipt of Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions	11.00 a.m. on 30 September 2015
Expected date of announcement of results of the Open Offer through an RIS	1 October 2015
Expected date of announcement of results of the Placing through an RIS, if applicable	5 October 2015
Expected time and date for Admission and commencement in dealings in the New Ordinary Shares, the Placing Shares and the New Greenstone Shares on AIM	8.00 a.m. on 7 October 2015
Expected date for crediting of the New Ordinary Shares, the Placing Shares and the New Greenstone Shares in uncertificated form to CREST accounts	7 October 2015
Expected date of dispatch of definitive share certificates for the New Ordinary Shares, the Placing Shares and the New Greenstone Shares	on or before 19 October 2015

APPENDIX II

ILLUSTRATIVE STATISTICS RELATING TO THE OPEN OFFER & THE PLACING

Market price per Existing Ordinary Share ¹	0.205 pence
Issue price per Open Offer Share & Placing Share	0.2 pence
Number of Existing Ordinary Shares in issue ²	1,915,875,310

Number of Convertible Loan Notes in issue ³	US\$1,200,000
Number of Ordinary Shares available under the Open Offer ⁴	900,677,910
Number of Ordinary Shares in issue on Admission ⁵	3,205,910,780
Basis of Open Offer	2 Open Offer Shares for every 3 Existing Ordinary Shares
Approximate percentage of the Enlarged Share Capital represented by the New Ordinary Shares and Placing Shares ⁵	28.10 per cent.
Number of Convertible Loan Notes in issue following completion of the Open Offer and the Placing, should the full amount of US\$2.8 million be raised pursuant to the Open Offer and the Placing ⁶	0
Number of Convertible Loan Notes in issue following completion of the Open Offer and the Placing, should the Underwriting Facility be used in full by the Company (including the Tranche One Notes) ⁶	US\$4,000,000
Estimated net proceeds of the Greenstone Placing, Open Offer and the Placing ⁷	US\$3,422,000
Gross proceeds of the Greenstone Placing, Open Offer and the Placing ⁷	US\$4 million

Notes:

- (1) The mid-market closing price on 14 September 2015 derived from the London Stock Exchange, being the last practicable Business Day prior to the announcement of the Open Offer.
- (2) As at the close of business on 14 September 2015, being the last practicable Business Day prior to the publication of this announcement.
- (3) Being the Tranche One Notes, issued to Greenstone pursuant to the Greenstone Placing.
- (4) The actual number of New Ordinary Shares to be issued will be subject to rounding down to eliminate fractional entitlements.
- (5) Assuming that the maximum number of 900,677,910 Ordinary Shares available under the Open Offer and the Placing are allotted pursuant to the Open Offer and the Placing (combined) and that the New Greenstone Shares are issued in full.
- (6) If the Open Offer and the Placing proceed to raise US\$2.8 million from investors other than Greenstone, the Tranche One Notes will be converted in full such that Greenstone will hold approximately 29.76 per cent. of the Issued Share Capital following the Open Offer and the Placing and such conversion (leaving no Convertible Loan Notes outstanding following such conversion).
- (7) Pursuant to the terms of the Greenstone Placing, and subject to the continued satisfaction or waiver of the Conditions thereto, the Open Offer and the Placing have been fully underwritten by Greenstone in accordance with the terms of the Subscription Agreement. This gross figure includes the gross amount of US\$1.2 million already received by the Company pursuant to the Greenstone Placing.
- (8) Share prices and premiums have been derived from the London Stock Exchange and represent the closing mid-market prices on the relevant date.

APPENDIX III

DEFINITIONS

The following definitions apply throughout this announcement, except where the context requires otherwise:

“2006 Act” or “Companies Act” or “Act”	the Companies Act 2006 (as amended, modified, consolidated, re-enacted or replaced from time to time)
“2014 Investment Agreement”	has the meaning given to that term in paragraph 2 of Part I of the Circular
“Admission”	means the admission of the Open Offer Shares and/or the Placing Shares and/or the New Greenstone Shares (as the context may require) to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“Affiliate”	has the meaning provided in the Code (and “Affiliated” and “Affiliates” shall be construed accordingly)
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the rules for AIM companies as issued by the London Stock Exchange from time to time governing, <i>inter alia</i> , the admission of securities to AIM
“Applicable Securities Laws”	has the meaning given to that term in paragraph 5 of Part II of the Circular
“Application Form”	the application form which accompanies the Circular on which Eligible non-CREST Shareholders may apply for Open Offer Shares under the Open Offer
“Articles”	the articles of association of the Company, in force from time to time
“ASIC”	Australian Securities and Investments Commission
“Board” or “Directors”	the board of directors of the Company, whose names are set out on page 9 of Part I of the Circular
“Business Day”	any day (excluding Saturdays, Sundays and public holidays) on which banks are open in the City of London for the conduct of normal banking business
“Capita Asset Services”	a trading name of Capita Registrars Limited
“certificated” or “certificated form”	not in uncertificated form
“Circular”	the document to be posted to shareholders concerning the Open Offer and the Placing, including all attachments and enclosed papers
“Code”	the UK Takeover Code on Takeovers and Mergers

“Company”	North River Resources PLC, a company incorporated in England and Wales with registered number 5875525, whose registered office is at One America Square, Crosswall, London, EC3N 2SG
“Conditions”	means the conditions applicable to the Tranche One Notes and the Underwriting Facility as more fully described in paragraph 7.6(b) of Part V of the Circular
“Convertible Loan Notes”	means the unsecured 10 per cent. convertible loan notes 2018 issued and/or to be issued to Greenstone in accordance with the terms of the Convertible Loan Note Instrument and Subscription Agreement, subject to the satisfaction or waiver of the Conditions
“Convertible Loan Note Instrument”	means the convertible loan note instrument dated 28 August 2015 and executed by the Company constituting the Convertible Loan Notes
“Conversion Price”	has the meaning given to that term in paragraph 7.7(a) of Part V of the Circular
“Conversion Requirement”	has the meaning given to that term in paragraph 7.6(d) of Part V of the Circular
“Corporations Act”	Australian Corporations Act 2001 (Cth)
“CREST”	the relevant system for the paperless settlement of trades and the holding of uncertificated securities (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the Regulations)
“DFS”	has the meaning given to that term in paragraph 2 of Part I of the Circular
“Eligible CREST Shareholders”	Eligible Shareholders holding Ordinary Shares in uncertificated form
“Eligible non-CREST Shareholders”	Eligible Shareholders holding Ordinary Shares in certificated form
“Eligible Shareholders”	Shareholders (other than certain Overseas Shareholders) whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in the Circular and, where relevant, in the Application Form
“Enlarged Share Capital”	the issued ordinary share capital of the Company comprising the Existing Ordinary Shares, the New Ordinary Shares, the Placing Shares and the New Greenstone Shares
“EBITDA”	means Earnings Before Interest, Taxes, Depreciation and Amortization
“Ex date”	8.00 a.m. on 15 September 2015 in respect of the entitlements of Eligible Shareholders under the Open Offer
“Excess Application Facility”	the arrangement pursuant to which Eligible Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlements

“Excess CREST Open Offer Entitlements”	in respect of each Eligible CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to his Open Offer Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of the Circular
“Excess Open Offer Entitlement”	an entitlement for each Eligible Shareholder to apply to subscribe for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of the Circular
“Excess Shares”	New Ordinary Shares in addition to the Open Offer Entitlement for which Eligible Shareholders may apply under the Excess Application Facility
“Exchange Information”	has the meaning given to that term in paragraph 5 of Part II of the Circular
“Existing Ordinary Shares”	the 1,915,875,310 Ordinary Shares in issue at the date of this announcement
“FCA”	the Financial Conduct Authority
“FEED”	has the meaning given to that term in paragraph 3 of Part I of the Circular
“French Regulations”	the rules and regulations (<i>réglement général</i>) of the Autorité des Marchés Financiers implementing Directive 2003/71/EC
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“FT Exchange Rate”	means the rate of £1.00:US\$1.541 being the exchange rate from £ to US\$ quoted in the Financial Times on the Business Day immediately prior to the date of this announcement
“GM Circular”	the circular issued by the Company to Shareholders dated 11 August 2015 giving details of, <i>inter alia</i> , the Greenstone Placing
“GM Resolution”	has the meaning given to that term in paragraph 1 of Part I of the Circular
“Greenstone”	Greenstone Resources L.P. (No, 1911) a limited partnership registered in Guernsey and whose registered office is at 1st Floor Royal Chambers, St Julian’s Avenue, St Peter Port, Guernsey, GY1 3JX
“Greenstone Placing”	has the meaning given to that term in paragraph 1 of Part I of the Circular
“Group”	the Company and its subsidiaries as at the date of the Circular
“Issue Price”	0.2 pence per new Ordinary Share
“Issued Share Capital”	the issued share capital of the Company from time to time, being 1,915,875,310 as at the date of this announcement
“London Stock Exchange”	London Stock Exchange Plc

“Mandatory Offer”	<p>means the requirement under Rule 9 of the Code which provides that where:</p> <p>any person acquires an interest in shares (as defined in the Code) which, when taken together with shares in which he or persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company subject to the Code; or</p> <p>any person who, together with persons acting in concert with him, is interested in not less than 30 per cent. but does not hold shares carrying more than 50 per cent. of the voting rights of a company subject to the Code and such person, or persons acting in concert with him, acquires further interests in shares which increase his percentage of the voting rights,</p> <p>such persons are normally obliged to make a general offer to all the remaining shareholders to purchase, in cash, their shares at the highest price paid by him, or any person acting in concert with him, within the preceding 12 months</p>
“Mining Licence”	a mining licence in respect of a defined area of land, which is situated within the wider exploration area covered by the exploration licence EPL2902 held by the Company in relation to the Namib Project, for which an application is pending
“Ministry”	has the meaning given to that term in paragraph 4 of Part I of the Circular
“Namib Project”	the Company’s Namib Lead Zinc project located in Namibia
“Net Cashflow”	means the net free cashflow from operations after capital expenditure, taxation and royalties
“New Revenue”	means the revenue from metal sales less treatment charges, refining charges and penalties
“New Greenstone Shares”	the 389,357,560 new Ordinary Shares issuable to Greenstone on conversion in full of the Tranche One Notes pursuant to the Conversion Requirement
“New Ordinary Shares”	the Excess Shares and the Open Offer Shares
“Open Offer Entitlements”	an Eligible Shareholder’s pro-rata entitlement to Open Offer Shares
“Open Offer”	the Open Offer of up to 900,677,910 New Ordinary Shares at a price of 0.2 pence per Open Offer Share
“Open Offer Shares”	the new Ordinary Shares to be issued pursuant to the Open Offer
“Operating Margin”	means the total EBITDA divided by total Net Revenue
“Ordinary Shares”	the ordinary shares of 0.2 pence each in the capital of the Company
“Overseas Shareholder”	a Shareholder who is resident in, or who is a citizen of, or who has a registered address in, a jurisdiction outside the United

	Kingdom, Australia, the Isle of Man, France, Switzerland or Portugal
“Panel”	the Panel on Takeovers and Mergers
“Payback Period”	means the number of months from the first month of Net Revenue to a positive cumulative Net Cashflow
“Phase One Fundraising”	has the meaning given to that term in paragraph 4 of Part I of the Circular
“Phase Two Fundraising”	has the meaning given to that term in paragraph 4 of Part I of the Circular
“Places”	means the places under the Placing
“Placing”	has the meaning given to that term in paragraph 1 of Part I of the Circular
“Placing Agreement”	means the placing agreement dated on or around the date of this announcement entered into between RFC Ambrian and the Company relating to the Placing
“Placing Shares”	the new Ordinary Shares which are not subscribed by Eligible Shareholders under their Open Offer Entitlements or under the Excess Applications Facility, and which are subsequently placed by RFC Ambrian pursuant to the Placing Agreement
“Post-tax NPV”	means the post-tax net present value
“Post-tax IRR”	means the post-tax internal rate of return
“Record Date”	5.00 p.m. on 11 September 2015 in respect of the entitlements of Eligible Shareholders under the Open Offer
“Registrar” or “Receiving Agent”	Capita Asset Services acting in its capacity as registrar pursuant to the terms of the agreement for the provision of registry services entered into between the Company and Capita Asset Services
“Recruitment Process”	means the recruitment by the Company of a new Chief Financial Officer, a General Manager of Mining for the Namib Project and a Project Controller for the Namib Project
“Regulations”	the Uncertificated Securities Regulations 2001 (S1 2001 No. 3755) as amended
“Relationship Agreement”	means the relationship agreement entered into between the Company and Greenstone dated 3 July 2014, as amended by the Subscription Agreement
“Restricted Jurisdictions”	means any jurisdiction other than the United Kingdom (excluding the Channel Islands), Australia, the Isle of Man, France, Switzerland or Portugal
“Rule 9”	Rule 9 of the Code
“Securities Act”	US Securities Act of 1933, as amended
“Shareholders”	holders of Ordinary Shares

“Significant Interest”	means an interest in voting rights representing 15 per cent. or more of the rights to vote at a general meeting of the Company attaching to Ordinary Shares
“Strand Hanson”	Strand Hanson Ltd, the Company’s nominated and financial adviser for the purpose of the AIM Rules
“Subscription Agreement”	means the subscription agreement entered into between the Company and Greenstone on 10 August 2015 relating to the Greenstone Placing
“Tranche One Notes”	US\$1.2 million of Convertible Loan Notes issued to Greenstone on 8 September 2015, as more fully described in paragraph 1 of Part I of the Circular
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “uncertificated form”	held in uncertificated form in CREST
“Underwriting Facility”	has the meaning given to that term in paragraph 1 of Part I of the Circular
“Underwriting Loan Notes”	such portion of US\$2.8 million of Convertible Loan Notes for which Greenstone may be required to subscribe pursuant to the Underwriting Facility, as more fully described in paragraph 7.6 of Part V of the Circular
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction
“VWAP”	has the meaning given to that term in paragraph 1 of Part I of the Circular
“Work Programme”	has the meaning given to that term in paragraph 7.6 of Part V of the Circular
“£”	pounds sterling, the lawful currency of the UK from time to time
“US\$”	US dollars, the lawful currency of the United States from time to time

****ENDS****