

North River Resources plc ('North River' or 'the Company')
Interim Results

North River Resources plc, the AIM listed resource company focussed on Southern Africa, is pleased to announce its interim results for the six months ended 30 June 2012.

Overview

- Key objectives achieved across Namibian multi-commodity portfolio, yielding encouraging operational results
- Excellent progress made at Namib Lead-Zinc Mine:
 - Dewatering of historic mine completed
 - 600 metres of channel sampling of key exposures completed
 - 12.6% zinc stope discovered still in situ - reinforces the Board's confidence that the previous mining operation did not cease due to the exhaustion of mineable resources
 - Grade and density of the sulphide veins/shoots increases with depth
 - Initial metallurgical work highlights high recoveries, fast float times and achieve a 56% zinc concentrate
 - Results from an Engineering Study and a helicopter borne electromagnetic survey expected in the coming weeks
- Positive progress at Malachite Pan Copper Project demonstrates the potential to develop a profitable mining operation:
 - Maiden JORC inferred and indicated resources of 2.6Mt @ 1.36% copper for 35,699t contained copper and 2.4Mt @ 1.11% copper for 26,402t contained copper respectively
 - Excellent copper and silver recoveries achievable using froth flotation testing - demonstrates encouraging economic potential
 - 1,770m drill programme completed – plans to advance technical studies on the basis of the new resource estimate when available
- Awarded two contiguous Exclusive EPL's covering 859.7 sq km of tectono-stratigraphic terrain, considered prospective for gold mineralisation and rare earth elements
- Defined active development plan being carried out - regular news flow anticipated

North River Managing Director David Steinepreis said, "We have made excellent progress on all fronts in developing our portfolio towards production and building our asset base. With our two advanced projects yielding results which indicate their production potential, and the issuance of more ground, we are confident that our value proposition is increasing. We have supportive partners and an excellent in-country team which we believe is crucial as we advance our development plans towards production."

Managing Director's Statement

The Company has continued to advance its key assets up the development curve, predominately focusing on the previously producing Namib Lead-Zinc Project ('Namib Mine') and the Malachite Pan copper deposit ('Malachite Pan'). Work programmes across both projects have yielded encouraging results and the Company is now in a strong position to progress these assets towards production.

The Company delivered on key operational objectives during the period, including the publication of a maiden inferred and indicated JORC compliant resource for Malachite Pan of 2.6Mt @ 1.36% copper ('Cu') for 35,699t contained Cu and 2.4Mt @ 1.11% Cu for 26,402t contained Cu respectively. Metallurgical testwork demonstrated that recoveries of up to 92.8% Cu and 83.5% silver ('Ag') were achievable. These encouraging results suggest that the Malachite Pan project may be developed into a profitable mining operation. With this objective in mind, the Company initiated further drilling at the project and may advance technical studies on the basis of the new resource estimate when it is available.

Progress continued at the Company's previously producing Namib Lead-Zinc Project. The mine has been dewatered and 600m of channel sampling completed. Results from the channel sampling demonstrated that both grade and widths increased at depth and the discovery of a fully developed 12.6 % zinc stope still in situ reinforced the Board's confidence that the previous mining operation did not cease due to the exhaustion of mineable resources.

The Company's primary focus remains on the development of these two key assets through the remainder of the year.

During the period, the Company was pleased to appoint Mr. Zuyuan He and Mr. Zhiping Yu to the Board of North River as Non-Executive Chairman and Non-Executive Director respectively. Mr. He and Mr. Yu are representatives of Taurus Mineral Limited ('Taurus'), a company formed at the direction of CGNPC Uranium Resources Co., Ltd ('CGNPC-URC') and the China-Africa Development Fund for the purpose of acquiring the entire issued and to be issued share capital of Kalahari Minerals Plc ('Kalahari'), which holds an approximate 38% interest in North River. Accordingly, Mr. Mark Hohnen and Professor Glyn Tonge, who previously represented the interest of Kalahari, stepped down from the Board in June 2012.

I would like to take this opportunity to thank Mr. Hohnen and Professor Tonge for their long standing support for the development of North River, and look to Mr. He and Mr. Yu's extensive experience as we take the Company into its next phase of growth.

Namibia

Namib Lead-Zinc Project

Considerable progress has been made at the Namib Lead-Zinc Project ('NLZM'). The mine is now free of water and a total of 600 metres of channel sampling of key exposures has been completed. This is predominantly in the lowest parts of the mine in the Junction and South sections and on strike extensions to the mineralisation at higher levels of the mine.

A structural geology survey covering the surface of EPL2902 and the dewatered underground areas of the mine has been completed. This has resulted in the development of an updated model for the controls on the mineralisation, which is supported by underground and surface observations and investigations.

The underground mapping in the lowest portions of the South and Central parts of the mine also indicates that the intensity or density of the sulphide veins/shoots increases with depth.

The revised structural model for the mineralisation setting and genesis, coupled with underground mapping and sampling has given added confidence that mineralisation continues down-plunge in the South section of the mine. Previous underground drilling by the Company into two of the Junction lodes also indicated that significant semi-massive to massive zinc-lead mineralisation continues below the previously mined areas.

Preliminary metallurgical testwork was completed on grab samples retrieved from newly exposed mining areas. These samples were selected at random and were submitted for analysis and flotation testing. The total sample was small and may not be representative of the eventual run of mine ore however the results have been outstanding with high recoveries, fast float times and achieving a 56% zinc concentrate. Only two tests were run due to the small sample size and so there is considerable scope to improve both recoveries and concentrate grades.

Engineering study work is continuing. At this stage the Company is contemplating starting underground exploration development in order to develop drill positions to allow the bringing of known ore into resource and reserve categories and to explore extensions to the ore shoots at depth. This work is subject to the conclusions of the engineering study which will seek to estimate capital and operating costs for the mine and thus define the resources needed to re-open the mine.

The Company completed a 1,572km helicopter borne electromagnetic survey over the NLZM licence area in July 2012 and interpreted results are expected in the coming weeks. It is hoped that the survey will delineate a number of surface exploration targets as well as provide indications of the depth potential under the existing mine.

Witvlei and Dordabis Copper Projects ('Witvlei and Dordabis') – 100% owned

On 2 February 2012, North River announced a maiden JORC Compliant Resource for the Malachite Pan deposit on its Witvlei Copper Project, and an upgrade of the Koperberg deposit JORC compliant resource on its Dordabis Copper Project subsequent to the end of the period. The JORC resources were calculated by The MSA Group in South Africa.

Using a 0.5% Cu cut-off grade the current JORC compliant resources are detailed in the table below:

	Tonnes	Cu %	Cu Tonnes	Ag g/tonne	Ag Oz
Malachite Pan					
Indicated	2,625,300	1.36	35,699	7.47	631,000
Inferred	2,368,400	1.11	<u>26,402</u>	6.19	<u>471,000</u>
			<u>62,101</u>		<u>1,102,000</u>
Koperberg					
Indicated	762,600	1.14	8,718		
Inferred	617,600	0.95	<u>5,863</u>		
			<u>14,581</u>		

Since this resource was announced the Company has appointed CSA Global to take over all resource calculation work.

In order to increase confidence in the model the surface outcrop at Malachite Pan has been re-mapped and the previous drill results re-interpreted. This work was completed by Baltica Consulting. A number of areas were identified for further testing and a diamond drilling programme commenced in late April 2012. A total of approximately 1,770 metres were drilled. The drilling is now complete and the site has been rehabilitated. The Company is awaiting final laboratory assays before completing final resource calculations. The Company will make a decision on next steps for development at Malachite Pan once the new resource statement is completed and a preliminary pit shell has been designed.

The Company received encouraging results from metallurgical test work completed on samples from Malachite Pan. Flotation tests yielded recoveries of 82.4% copper and 77.7% silver from the oxide sample and recoveries of 92.8% copper and 83.5% silver were achieved from the sulphide sample.

A 2,952 km airborne magnetic survey was completed over parts of the Witvlei licence area. The Company is waiting for interpreted results, which are expected shortly.

Brandberg Energy

Brandberg Energy has completed a 1,500 metre drill programme to test two uranium targets identified by horizontal loop electromagnetic ('HLEM') surveys completed in 2011.

Results from the drill programme demonstrated the presence of minor secondary mineralisation in the area. The mineralisation is restricted to the top few metres (<5m) of sporadically developed surface calcrete sheets and patchily developed calcrete gravels in one major paleochannel identified by horizontal loop electromagnetic surveys.

These results have shown that the identified mineralisation does not constitute an economically exploitable secondary uranium deposit and therefore no further work is planned. The Joint Venture remains in place and should the application to add nuclear fuels to EPL 3139 ('Ubib') be granted, Brandberg Energy will commence exploration for uranium on that EPL.

Outjo Project

Post period end North River was awarded two contiguous Exclusive EPL's covering 859.7 sq km of tectono-stratigraphic terrain, considered prospective for gold mineralisation and rare earth elements.

The two EPLs, 4560 and 4561, which together form the Outjo Project, are located approximately 15km east of the regional town of Outjo, 280km north of the capital of Windhoek. The area is largely underlain by rocks of the Damara Supergroup and straddles the boundary between the Northern/Outjo Zone and the Northern Margin of the Damara Orogen. This setting is considered prospective for gold mineralisation in the Karibib Formation, similar to other known gold deposits in Namibia. This includes AuryxGold Namibia's Otjikoto gold project, which has a current indicated resource of approximately 1.2 million ounces and is, reportedly, being brought into production during 2014.

The Outjo Project also contains a number of discrete magnetic anomalies which are interpreted to be possible alkaline-carbonatite intrusive complexes prospective for rare earth elements.

Exploration will commence with the compilation and review of available data and initial reconnaissance visits to the field area. Initial field programmes will commence with field mapping, soil sampling and ground geophysical surveys aimed at identifying targets for testing in 2013.

Hero Project

The Hero Project comprises three contiguous licences, EPL4487, EPL4488 and EPL4489, located to the east of Grootfontein and the established mining town of Tsumeb in the Grootfontein and Rundu Regions of Northern Namibia.

The geology of the area is underlain by the Cenozoic Kalahari Group and unconsolidated sands of the Kalahari Desert. The area is considered prospective for extensions of the Neoproterozoic Damara Supergroup, which host significant deposits such as the Tsumeb polymetallic deposit, the Kombat Copper Mine, the Berg Aukas Lead-Zinc Mine. These extensions continue under the Kalahari sand cover sequences and are believed to be between 50m and 200m thick.

Existing regional airborne geophysical data was acquired and reinterpreted. This work resulted in two target areas being identified.

Mozambique

Whilst North River and its Mozambique joint venture partners, Baobab Resources Plc and Jacana Resources Ltd, continue to progress their respective work programmes at the Monte Muande and Mavuzi licences, the Company is progressing the regulatory approval process in respect of the transfer of these licences to North River, and partial transfer of such interest to Baobab Resources and Jacana Resources, in accordance with the terms of the Heads of Agreement announced on the 15 November 2010 and 2 February 2011. Whilst this formal approval process has taken longer than anticipated, North River is confident of obtaining the necessary approvals. A further update will be provided in due course.

Kalahari Minerals Plc

Kalahari Minerals Plc ('Kalahari') is North River's largest shareholder, holding approximately 38 per cent of the Company's issued share capital.

On 8 December 2011, a recommended cash offer ('the Offer') for Kalahari by Taurus Mineral Limited ('Taurus'), a Company formed at the direction of CGNPC Uranium Resources Co Ltd and the China-Africa Development Fund, was announced, and the Offer completed on 28 February 2012.

The Board welcomes Taurus, which we believe will be a long term strategic shareholder of North River and welcomes Mr. He and Mr. Yu, representatives of Taurus, to the Board.

Outlook

The Company continues to focus on the development of its key assets, the Namib Lead-Zinc Project and Malachite Pan Copper Project, which the Board believes to have the potential to deliver substantial value to shareholders. This will take the form of drilling and scoping studies during 2012, and we look forward to providing further details in this regard in the coming months.

We have done extensive and diligent work on our projects during the year which has taken some time to deliver results to shareholders. We believe this approach has provided the desired results for all our projects. We are continuing this professional approach to the studies on Namib Lead-Zinc in particular and believe we will be providing exciting results in the next few months leading to a production decision.

In addition, the Company awaits results from the joint venture with Baobab Resources in Mozambique as well as commencement of drilling on the Jacana joint venture.

I would like to take this opportunity to thank our shareholders for their continued support and my fellow board members for their tireless efforts in growing North River and building the value of its portfolio of assets.

David Steinepreis
 Managing Director
 27 September 2012

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY 2012 TO 30 JUNE 2012

	Note	Unaudited Period from 1 January to 30 June 2012 £	Unaudited Period from 1 January to 30 June 2011 £	Audited Year to 31 Dec 2011 £
CONTINUING OPERATIONS				
Other operating income		10,496	-	4,070
Exploration expenditure		(800,694)	(712,864)	(1,705,391)
Administrative expenses before share based payments		(527,006)	(602,561)	(1,038,022)
Share based payments	11	-	(94,425)	(137,570)
Total administrative expenses		(527,006)	(696,986)	(1,175,592)

OPERATING LOSS		(1,317,204)	(1,409,850)	(2,876,913)
Interest payable on short term borrowings		(339)	-	(38)
Interest receivable on bank deposits		38,021	24,827	76,912
Write down of investment in joint venture	7	(342,449)	-	-
Reversal of prior year share of associate's loss	8	112,990	-	(112,990)
LOSS BEFORE TAX		(1,508,981)	(1,385,023)	(2,913,029)
Taxation		-	-	-
LOSS FOR THE PERIOD		(1,508,981)	(1,385,023)	(2,913,029)
OTHER COMPREHENSIVE INCOME:				
Currency translation (loss) / gain		(15,289)	25,400	(80,063)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(1,524,270)	(1,359,623)	(2,993,092)
Loss per share				
Basic and diluted – pence per share	3	(0.22p)	(0.21p)	(0.43p)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

Share issue expenses	-	-	-	-	-	-
Share based payment charge	-	-	-	-	-	-
At 30 June 2012	<u>1,402,400</u>	<u>16,968,767</u>	<u>(12,566,352)</u>	<u>4,530,440</u>	<u>(12,709)</u>	<u>10,322,546</u>

PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011 (UNAUDITED)

At 31 December 2010	1,192,400	14,203,767	(8,299,117)	4,547,645	82,643	11,727,338
Loss for the period	-	-	(1,385,023)	-	-	(1,385,023)
Other comprehensive income						
Exchange gains	-	-	-	-	25,400	25,400
Total comprehensive income for the period	-	-	(1,385,023)	-	25,400	(1,359,623)
Shares issued	210,000	2,940,000	-	-	-	3,150,000
Share issue expenses	-	(175,000)	-	-	-	(175,000)
Share based payment charge	-	-	-	94,425	-	94,425
At 30 June 2011	<u>1,402,400</u>	<u>16,968,767</u>	<u>(9,684,140)</u>	<u>4,642,070</u>	<u>108,043</u>	<u>13,437,140</u>

Issued capital	Share premium	Retained earnings	Option reserve	Translation reserves	Total
£	£	£	£	£	£

PERIOD FROM 1 JANUARY 2011 TO 31 DECEMBER 2011 (AUDITED)

At 31 December 2010	1,192,400	14,203,767	(8,299,117)	4,547,645	82,643	11,727,338
Loss for the period	-	-	(2,913,029)	-	-	(2,913,029)
Other comprehensive income						
Exchange gains	-	-	-	-	(80,063)	(80,063)
Total comprehensive income for the period	-	-	(2,913,029)	-	(80,063)	(2,993,092)
Shares issued	210,000	2,940,000	-	-	-	3,150,000
Share issue expenses	-	(175,000)	-	-	-	(175,000)
Share based payment charge	-	-	-	137,570	-	137,570
Transfer of charges on expired options to retained earnings	-	-	154,775	(154,775)	-	-
At 31 December 2011	<u>1,402,400</u>	<u>16,968,767</u>	<u>(11,057,371)</u>	<u>4,530,440</u>	<u>2,580</u>	<u>11,846,816</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2012 TO 30 JUNE 2012**

Unaudited Period from 1 January 12 to 30 June 12	Unaudited period from 1 January 11 to 30 June 11	Audited Year to 31 Dec 11
£	£	£

Cash flows from operating activities			
Operating loss	(1,317,204)	(1,409,850)	(2,876,913)
Adjustments:			
Depreciation and amortisation charges	38,673	53,986	95,012
Share based payments	-	94,425	137,570
Loss on disposal of fixed assets	-	-	750
	<u>(1,278,531)</u>	<u>(1,261,439)</u>	<u>(2,643,581)</u>
Movement in working capital			
Decrease / (increase) in debtors	125,785	(31,266)	(226,717)
(Decrease) / increase in creditors	<u>(207,985)</u>	<u>87,730</u>	<u>255,610</u>
Net movements in working capital	(82,200)	56,464	28,893
Net cash outflow from operating activities	<u>(1,360,731)</u>	<u>(1,204,975)</u>	<u>(2,614,688)</u>
Cash flows from investing activities			
(Purchase) / sale of intangible fixed assets	(10,822)	22,182	(30,233)
Investments in joint venture and associate	(509,826)	-	-
Cash received from asset disposals	-	-	26,784
(Purchase) / sale of property, plant and equipment	<u>(30,901)</u>	<u>153,801</u>	<u>(180,142)</u>
Net cash inflow / (outflow) from investing activities	<u>(551,549)</u>	<u>175,983</u>	<u>(183,591)</u>
Cash flow from financing activities			
Issued shares	-	3,150,000	3,150,000
Issue expenses	-	(175,000)	(175,000)
Interest paid	(339)	-	(38)
Interest received	<u>38,021</u>	<u>24,827</u>	<u>76,912</u>
Net cash inflow from financing activities	<u>37,682</u>	<u>2,999,827</u>	<u>3,051,874</u>
(Decrease) / increase in cash and cash equivalents	(1,874,598)	1,970,835	253,595
Cash and cash equivalents at beginning of the year	3,765,414	3,536,920	3,536,920
Exchange losses on cash	<u>(11,739)</u>	<u>(290,474)</u>	<u>(25,101)</u>
Cash and cash equivalents at end of the year	<u>1,879,077</u>	<u>5,217,281</u>	<u>3,765,414</u>

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

1. BASIS OF PREPARATION

The condensed consolidated financial statements are prepared in accordance with the International Financial Reporting Standard 34, Interim Financial Reporting.

These interim results for the six months ended 30 June 2012 are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. They have been prepared using accounting bases and policies consistent with those used in the preparation of the financial statements of the Company and the Group for the year ended 31 December 2011. The financial statements for the year ended 31 December 2011 have been delivered to the Registrar of Companies and the auditor's report on those financial statements was unqualified and did not contain a statement made under Section 498(2) or Section 498(3) of the Companies Act 2006.

2. SEGMENT REPORTING

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

The Company acts as a holding company.

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

Geographical Segment – Group 30 June 2012 (UNAUDITED)

	United Kingdom	Namibia	Mozambique	Total
	£	£	£	£
Other income	-	10,496	-	10,496
Exploration expenditure	(5,297)	(698,914)	(96,483)	(800,694)
Administration expenses	(353,841)	(167,165)	(6,000)	(527,006)
Impairment of investment in joint venture	-	(342,449)	-	(342,449)
Write back of share of associate's loss	-	-	112,990	112,990
Interest paid	-	(339)	-	(339)
Interest received	16,603	21,418	-	38,021
Share based payments	-	-	-	-
Loss before taxation	(342,535)	(1,176,953)	10,507	(1,508,981)
Trade and other receivables	63,787	120,791	25,110	209,688
Cash and cash equivalents	1,402,053	464,742	12,282	1,879,077
Accrued expenditure and provisions	(130,379)	(54,242)	-	(184,621)
Goodwill	7,831,768	-	-	7,831,768
Investment in joint venture	-	167,186	-	167,186
Investment in associate	-	-	113,182	113,182
Intangible assets	573	17,934	63,518	82,025
Property plant and equipment	11,918	212,323	-	224,241
Net assets	9,179,720	928,734	214,092	10,322,546

Geographical Segment – Group 30 June 2011 (UNAUDITED)

	United Kingdom	Namibia	Mozambique	Total
	£	£	£	£
Other income	-	-	-	-
Exploration expenditure	(211,876)	(486,620)	(14,369)	(712,865)
Administration expenses	(473,253)	(129,307)	-	(602,560)
Interest paid	-	-	-	-
Interest received	19,142	5,685	-	24,827
Share based payments	(93,225)	(1,200)	-	(94,425)
Loss before taxation	(759,212)	(611,442)	(14,369)	(1,385,023)
Trade and other receivables	46,425	93,597	-	140,022
Cash and cash equivalents	4,179,749	1,037,532	-	5,217,281
Accrued expenditure and provisions	(102,038)	(122,688)	-	(224,726)
Goodwill	7,831,768	-	-	7,831,768
Intangible assets	1,363	23,086	176,509	200,958
Property plant and equipment	21,757	250,080	-	271,837

Net assets	11,979,024	1,281,607	176,509	13,437,140
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Geographical Segment – Group 31 December 2011 (AUDITED)

	United Kingdom	Namibia	Mozambique	Total
	£	£	£	£
Other income	-	4,070	-	4,070
Exploration expenditure	(133,231)	(1,547,767)	(24,393)	(1,705,391)
Administration expenses	(800,408)	(237,614)	-	(1,038,022)
Share of associate's loss	-	-	(112,990)	(112,990)
Interest paid	(15)	(23)	-	(38)
Interest received	48,314	28,598	-	76,912
Share based payments	(137,570)	-	-	(137,570)
Loss before taxation	(1,022,910)	(1,752,736)	(137,383)	(2,913,029)
Trade and other receivables	189,076	121,189	25,208	335,473
Cash and cash equivalents	2,430,355	1,322,778	12,281	3,765,414
Accrued expenditure and provisions	(219,936)	(172,670)	-	(392,606)
Goodwill	7,831,768	-	-	7,831,768
Intangible assets	968	11,993	63,518	76,479
Property, plant and equipment	13,877	216,411	-	230,288
Net assets	10,246,108	1,499,701	101,007	11,846,816

At the end of 31 December 2011, the Group had not commenced commercial production from its exploration sites and therefore had no turnover for the period.

3. LOSS PER SHARE

	Loss for the period from continuing operations £	Weighted average number of shares	Loss per share Basic – pence per share
Six months ended 30 June 2012 (Unaudited)	<u>(1,508,981)</u>	<u>701,200,000</u>	<u>(0.22) pence</u>
Six months ended 30 June 2011 (Unaudited)	<u>(1,385,023)</u>	<u>646,780,568</u>	<u>(0.21) pence</u>
Year ended 31 December 2011 (Audited)	<u>(2,913,029)</u>	<u>672,065,385</u>	<u>(0.43) pence</u>

Options in issue are not considered dilutive to the earnings per share as the Group is currently loss making.

4. GOODWILL AND BUSINESS COMBINATIONS

The Company acquired, on 20 November 2009, the entire issued share capital in, and the shareholder loans to, West Africa Gold Exploration (Namibia) (Pty) Ltd (“WAGE”) and Namib Lead and Zinc Mining (Pty) Ltd (“Namib Lead”). The consideration paid by the Company for these two Namibian entities and the shareholder loans was satisfied by the allotment of 266,666,667 Ordinary shares of £0.002 (“Ordinary shares”) each at 3 pence per Ordinary share.

Name of company	Country	Holding	Portion held	Nature of business
West Africa Gold Exploration (Namibia) (Pty) Ltd	Namibia	Ordinary shares	100%	Exploration and mining
Namib Lead and Zinc Mining (Pty) Ltd	Namibia	Ordinary shares	100%	Exploration and mining
		Unaudited	Unaudited	Audited
		At 30 June 2012	At 30 June 2011	At 30 Dec 2011
		£	£	£
Goodwill		<u>7,831,768</u>	<u>7,831,768</u>	<u>7,831,768</u>

Goodwill impairment review

The Directors are of the opinion that the Goodwill acquired in respect of WAGE and Namib Lead in November 2009 represents the value of the licence areas held by WAGE and Namib Lead at 30 June 2012.

5. INTANGIBLE ASSETS

	Exploration licences £	Software £	Total £
COST			
At 31 December 2010 (Audited)	305,087	32,436	337,523
Additions in the period	7,023	15,159	22,182
Disposals in the period	-	-	-
Effects of movement in foreign exchange	(5,712)	(579)	(6,291)
At 30 June 2011 (Unaudited)	306,398	47,016	353,414
Additions in the period	7,736	-	7,736
Disposals in the period	(112,990)	(18,638)	(131,628)
Effects of movement in foreign exchange	(26,296)	(6,106)	(32,402)
At 31 December 2011 (Audited)	174,848	22,272	197,120
Additions in the period	-	10,822	10,822
Disposals in the period	(639)	-	(639)
Effects of movement in foreign exchange	(2,085)	(663)	(2,748)
At 30 June 2012 (Unaudited)	172,124	32,431	204,555
DEPRECIATION			
At 31 December 2010 (Audited)	113,362	22,053	135,415
Charge for the period	16,015	6,179	22,194
Disposals in the period	-	-	-
Effects of movement in foreign exchange	(4,389)	(764)	(5,153)
At 30 June 2011 (Unaudited)	124,988	27,468	152,456
Charge for the period	4,385	4,483	8,868
Disposals in the period	-	(18,638)	(18,638)
Effects of movement in foreign exchange	(18,705)	(3,340)	(22,045)
At 31 December 2011 (Audited)	110,668	9,973	120,641
Charge for the period	336	4,568	4,904
Disposals in the period	(639)	-	(639)
Effects of movement in foreign exchange	(2,083)	(293)	(2,376)

At 30 June 2012 (Unaudited)	<u>108,282</u>	<u>14,248</u>	<u>122,530</u>
NET BOOK VALUE			
At 30 June 2012 (Unaudited)	<u>63,842</u>	<u>18,183</u>	<u>82,025</u>
At 30 June 2011 (Unaudited)	<u>181,410</u>	<u>19,548</u>	<u>200,958</u>
At 31 December 2011 (Audited)	<u>64,180</u>	<u>12,299</u>	<u>76,479</u>

6. PROPERTY, PLANT AND EQUIPMENT

	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
COST				
At 31 December 2010 (Audited)	58,019	40,298	241,609	339,926
Additions in period	40,124	26,410	87,266	153,800
Disposals in the period	-	-	(47,885)	(47,885)
Effects of movement in foreign exchange	(1,462)	(1,294)	(13,495)	(16,251)
At 30 June 2011 (Unaudited)	96,681	65,414	267,495	429,590
Additions in period	19,055	7,909	12,422	39,386
Disposals in the period	-	-	(12,452)	(12,452)
Effects of movement in foreign exchange	(31,287)	(24,172)	(37,918)	(93,377)
At 31 December 2011 (Audited)	84,449	49,151	229,547	363,147
Additions in period	28,431	2,470	-	30,901
Disposals in the period	-	-	-	-
Effects of movement in foreign exchange	(1,878)	(436)	(4,341)	(6,655)
At 30 June 2012 (Unaudited)	111,002	51,185	225,206	387,393
DEPRECIATION				
At 31 December 2010 (Audited)	33,217	26,190	95,737	155,144
Charge for the period	10,344	5,449	15,999	31,792
Disposals in the period	-	-	(47,885)	(47,885)
Effects of movement in foreign exchange	(1,151)	(971)	20,824	18,702
At 30 June 2011 (Unaudited)	42,410	30,668	84,675	157,753
Charge for the period	10,698	6,437	14,899	32,034
Disposals in the period	-	-	-	-
Effects of movement in foreign exchange	(23,570)	(20,589)	(12,769)	(56,928)
At 31 December 2011 (Audited)	29,538	16,516	86,805	132,859
Charge for the period	11,639	6,359	15,770	33,768
Disposals in the period	-	-	-	-
Effects of movement in foreign exchange	(923)	(416)	(2,136)	(3,475)
At 30 June 2012 (Unaudited)	40,254	22,459	100,439	163,152
NET BOOK VALUE				
At 30 June 2012 (Unaudited)	70,748	28,726	124,767	224,241
At 30 June 2011 (Unaudited)	<u>54,271</u>	<u>34,746</u>	<u>182,820</u>	<u>271,837</u>
At 31 December 2011 (Audited)	<u>54,911</u>	<u>32,635</u>	<u>142,742</u>	<u>230,288</u>

7. INVESTMENT IN JOINT VENTURE

The following entity meets the definition of a joint venture and has been equity accounted in the consolidated financial statements:

Company	Country of Incorporation	Group interest at 30 June 2012
Brandberg Energy (Proprietary) Limited	Namibia	50%

Brandberg Energy (Proprietary) Limited ('Brandberg') is a 50:50 JV with Extract Resources Ltd ('Extract') and NRR Energy Minerals Limited. NRR Energy Minerals Limited transferred US\$800,000 to Brandberg to acquire its share. The principal assets of Brandberg are EPL 3327 and EPL 3328, pursuant to which Brandberg has the rights to explore for nuclear fuel minerals. Located west and north respectively of the historic tin mining centre of Uis in western Namibia, previous exploration activity, undertaken by Brandberg, has shown that these licences have the potential to host secondary uranium deposits associated with palaeodrainages of the Orawab and Ugab ephemeral river systems. The Subscription Funds are being used by Brandberg to expedite further uranium exploration on these licences.

Summarised financial statement information (50% share) of the equity accounted jointly controlled entity is disclosed below:

	Unaudited 30 June 2012
	£
Revenues	-
Loss	(79,373)
Total assets	183,690
Total liabilities	(16,504)
Net assets	<u>167,186</u>

Note: no comparative information has been presented as the investment in Brandberg took place in January 2012.

Carrying value of investment in joint venture

	Unaudited 30 June 2012
	£
Investment at cost	509,635
Write down of investment	(342,449)
	<u>167,186</u>
Carrying value of investment at 30 June 2012	<u>167,186</u>

8. INVESTMENT IN ASSOCIATED COMPANY

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

Company	Country of Incorporation	Group interest at 30 June 12
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North River Resources (Murrupula) Limitada ('Murrupula') is a company that was registered in Mozambique on 27 January 2011. The Group's 40% interest in Murrupula is jointly held by North River Resources Plc (20%) and NRR Mozambique Limited (20%). It is also the beneficial owner of 2 exploration licences, which are in the process of being registered in the name of the company by the Ministry of Mines in Mozambique. The licences and Murrupula are the subject of a joint venture ("JV") agreement between Baobab Resources Limited ("Baobab") and North River Resources Plc. Under the JV agreement Baobab is entitled to a 60% participation interest in Murrupula on completing an agreed level of exploration expenditure before 13 November 2011. Baobab has completed the agreed exploration work and is now entitled to 60% ownership of Murrupula. Due to the fact that the exploration licences have not yet been registered in the name of Murrupula, legal control over Murrupula has not yet passed to Baobab, however effective control has passed. Accordingly, these consolidated financial statements have been prepared on the basis that control has passed and that Murrupula is treated as an associate as from 1 October 2011.

Carrying value of investment in associate

	Unaudited 30 June 2012	Unaudited 30 June 2011	Audited 31 Dec 2011
	£	£	£
Investment at cost	192	-	112,990
Reversal of prior year share of associate's loss	112,990	-	(112,990)
Carrying value of investment	<u>113,182</u>	-	-

The financial statements as at 31 December 2011 were prepared on the assumption that Murrupula incurred exploration expenditure directly. Subsequent to the release of the 31 December 2011 financial statements, the JV partners agreed that they would account for the respective costs individually. Accordingly, Murrupula has no net assets, income or expense either at 31 December 2011 or 30 June 2012, and the disclosure above reflects this.

9. ORDINARY SHARES

Allotted, issued and fully paid:

Number	Class	Nominal value	Unaudited At 30 June 2012	Unaudited At 30 June 2011	Audited At 31 Dec 2011
			£	£	£
701,200,000	Ordinary	0.2p	<u>1,402,400</u>	<u>1,402,400</u>	<u>1,402,400</u>
Date of issue	Detail of issue		Number of Ordinary shares	Share capital	Share premium
				£	£

As at 31 Dec 2010		596,200,000	1,192,400	14,203,767
12-April-11	Placement to provide working capital	105,000,000	210,000	2,940,000
	Cost of issuing capital in the period	-	-	(175,000)
As at 30 June 2012, 30 June 2011 and 31 Dec 2011		<u>701,200,000</u>	<u>1,402,400</u>	<u>16,968,767</u>

10. SUBSIDIARY ENTITIES

The financial statements include the following group companies:

Company	Country of Incorporation	Holding	Nature of business
NRR Energy Minerals Limited	United Kingdom	100%	Holding company
NRR Mozambique Limited	United Kingdom	100%	Holding company
West Africa Gold Exploration (Namibia) (Pty) Ltd	Namibia	100%	Exploration and mining
Namib Lead and Zinc Mining (Pty) Ltd	Namibia	100%	Exploration and mining
North River Resources Namibia (Pty) Ltd	Namibia	100%	Administration
North River Resources (Mavuzi) Limitada	Mozambique	100%	Inactive

The acquisition of WAGE and Namib Lead is covered in detail under Note 4 'Goodwill and Business Combinations'.

NRR Energy Minerals Limited and NRR Mozambique Limited act as holding companies to associates, joint venture companies and subsidiaries in Namibia and Mozambique respectively.

11. SHARE BASED PAYMENTS

Share options outstanding

	Unaudited 6 months ended 30 June 2012	Unaudited 6 months ended 30 June 2011	Audited Year ended 31 Dec 2011
Opening balance	114,200,000	117,200,000	117,200,000
Issued in the period	-	-	-
Cancelled in the period	-	-	(3,000,000)
Closing balance	<u>114,200,000</u>	<u>117,200,000</u>	<u>114,200,000</u>

Details of share options outstanding at 30 June 2012:

Date of grant	Number of options	Option price p	Exercisable between
24 September 2009	61,000,000	5p	24/09/09 – 30/06/14
24 September 2009	10,000,000	10p	24/09/09 – 30/06/14
12 October 2009	10,000,000	5p	12/10/09 – 30/06/14
23 November 2009	15,000,000	5p	23/11/09 – 23/11/14
3 February 2010	4,725,000	7.5p	03/02/10 – 01/02/13

3 February 2010	4,375,000	7.5p	01/02/11 – 01/02/13
3 February 2010	4,725,000	10p	03/02/10 – 01/02/15
3 February 2010	4,375,000	10p	01/02/11 – 01/02/15

All share options were fully expensed in prior periods.

Additional disclosure information

Weighted average exercise price of share options:

- outstanding at the beginning of the period	6.0 pence
- granted during the period	nil pence
- outstanding at the end of the period	6.0 pence
- exercisable at the end of the period	6.0 pence
Weighted average remaining contractual life of share options outstanding at the end of the period	1.85 years

12. CONTROL

No one party is identified as controlling the Group.

13. EXPLORATION EXPENDITURE COMMITMENTS

Restoration commitments

The Company has no obligations to undertake any rehabilitation or restoration activity on the licences currently held.

Joint Venture agreement with Extract Resources Ltd

An agreement has been signed with Extract Resources Ltd ("Extract") relating to their respective wholly-owned subsidiaries, Extract Resources (Namibia) (Proprietary) Ltd ("Extract Namibia"), NRR Energy Minerals Limited ("NRR Energy") and WAGE.

The Agreement allows for the formation of a 50/50 unincorporated JV between WAGE and Extract in relation to the nuclear fuel rights (if granted) in respect of EPL 3139. WAGE is the sole legal holder of EPL 3139 in Namibia and has applied for the rights to explore for nuclear fuel minerals in respect of this licence. The nuclear fuel rights for EPL 3139 have yet to be granted. Subject to the terms of the Agreement, WAGE and Extract have agreed that if WAGE is granted the nuclear fuel rights for EPL 3139, and subject to obtaining any necessary approvals and consents required for the transaction under the Namibian Minerals Act, WAGE and Extract will form an unincorporated 50/50 JV in respect of these nuclear fuel rights. Once the JV is formed, WAGE is obligated to fund the first US\$500,000 exploration for nuclear fuels in relation to EPL 3139 activities.

Existing Exploration Licences in Namibia

The Group has a number of exploration licences in Namibia. There is a commitment to spend £4,853,000 on these licences through 2012, 2013 and into 2014. There is scope in the Mines and Minerals Act for expenditure to be altered by the Company and still keep the licences in good standing. The commitments are based on a positive outcome for all stages of work within the period of tenure of each licence. It should also be noted that if the project has negative results in the first 6 months of the licence tenure – then the project can be terminated without further expenditure.

Existing Exploration Licences in Mozambique

The Group has a number of exploration licences in Mozambique. Under JV agreements our JV partners are committed to cover the cost of exploration for the foreseeable future.

14. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

****ENDS****