

DATED

28 JUNE

2016

NORTH RIVER RESOURCES PLC

LOAN NOTE INSTRUMENT

constituting

a maximum of US\$5,600,000 secured conditionally convertible Loan Notes

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THIS INSTRUMENT is dated

28 June

2016

PARTY

NORTH RIVER RESOURCES PLC incorporated and registered in England and Wales with company number 058765258 whose registered office is at One America Square, Crosswall, London EC3N 2SG (the "Company").

BACKGROUND

By exercising the powers conferred on them by the Articles, the Directors of the Company have, by a resolution passed on 27 June 2016, issued a maximum of US \$5,600,000 secured conditionally convertible Loan Notes of US\$1.00 each on the following terms.

AGREED TERMS

1. INTERPRETATION

1.1 The definitions and rules of interpretation in this clause 1 apply in this Instrument.

Acting in Concert: has the meaning given by the City Code.

Adjustment Event: any or all of the following, at any time, or by reference to any record date, while the Loan Notes remain in issue:

- (a) any allotment or issue of Equity Securities by the Company by way of capitalisation of profits or reserves;
- (b) any cancellation, purchase or redemption of Equity Securities, or any reduction or repayment of Equity Securities, by the Company (other than by virtue of any conversion or redemption of Loan Notes in accordance with this Instrument);
- (c) any sub-division or consolidation of Equity Securities by the Company (other than by virtue of the Share Capital Reorganisation Resolutions); and
- (d) any issue of securities or other instruments convertible into shares in, or Equity Securities of, the Company or any grant of options, warrants or other rights to subscribe for, or call for the allotment or issue of, shares in, or Equity Securities of, the Company (other than the issue of Loan Notes),

but excluding any issue of Equity Securities of the Company pursuant to the exercise of any options granted to employees or directors of the Company or which are permitted under the Articles.

AIM: the market of that name operated by the London Stock Exchange plc.

Articles: the articles of association of the Company, as amended or superseded.

Automatic Conversion Event: the events triggering the right of the Loan Noteholder to conversion of the Loan Notes to Ordinary Shares, in the circumstances outlined in Schedule 3, Paragraph 2 hereto.

Business Day: a day other than a Saturday or Sunday on which banks are ordinarily open for the transaction of normal banking business in London.

Certificate: a certificate for Loan Notes in the form (or substantially in the form) set out in Schedule 1.

Change of Control: the acquisition of control of the Company (as defined in section 1124 of the Corporation Tax Act 2010) by any person or persons acting in concert (as defined in the City Code) with them other than any of the Loan Noteholders.

City Code: the City Code on Takeovers and Mergers.

Conditions: the conditions attaching to the Loan Notes, as set out in Schedule 2 to Schedule 5.

Conversion Date: either the fifth Business Day following the date on which a Conversion Notice is served or deemed served, or, where a Conversion Notice is received outside of business hours on a Business Day, the next following Business Day.

Conversion Event: the conversion of all or part of the outstanding Loan Notes into Ordinary Shares in accordance with this Instrument (including any Automatic Conversion Event).

Conversion Mechanism: the mechanism to convert the Loan Notes into Ordinary Shares on a Conversion Event as set out in this Instrument (including any amendment made pursuant to paragraph 9 of Schedule 3).

Conversion Notice: a notice in writing signed by the Loan Noteholder and addressed to the Company requesting the conversion of all or part of the outstanding Loan Notes, in the form set out in Schedule 6 hereto.

Conversion Price: the lower of (a) the Trailing Price and (b) the Placing and Open Offer Price, in each case calculated by applying the FT Exchange Rate.

Directors: the board of directors for the time being of the Company.

Equity Securities: has the meaning given to it in the Companies Act 2006.

Event of Default: any of the events set out in paragraph 5.1 of Schedule 2.

Extended Maturity Date: 1 September 2016.

FT Exchange Rate: 1.34, being the agreed exchange rate from pounds sterling to US dollars.

Greenstone: Greenstone Resources L.P.

Initial Maturity Date: 2 August 2016.

Instrument: this loan note instrument (including all Schedules hereto).

Investor: has the same meaning given in the Loan Note Subscription Agreement.

Issue Date: the date(s) on which any Tranche of the Loan Notes is issued by the Company.

Licences: Exclusive Prospecting Licenses 2902 (EPL 2902) and 5075 (EPL 5075) each owned by NRRP Namibia.

Loan Note Documents: this Instrument, the Loan Note Subscription Agreement, the Namibian Security Agreement, the Relationship Agreement and the Certificates.

Loan Note Subscription Agreement: the Loan Note subscription agreement dated on or around the date of this Instrument and made between (1) the Company and (2) Greenstone.

Loan Noteholder: the person or persons for the time being entered in the register of Loan Noteholders as holder(s) of the Loan Notes.

Loan Notes: the maximum US\$5,600,000 secured conditionally convertible Loan Notes (being the Tranche One Loan Notes, the Tranche Two Loan Notes and the Tranche Three Loan Notes) of US\$1.00 each constituted by this Instrument or, as the case may be, the principal amount from

time to time issued and paid up and outstanding, and **principal amount** shall be construed accordingly.

Material Adverse Change: has the same meaning given in the Loan Note Subscription Agreement.

Material Shareholder Approvals or Resolutions: the Whitewash Resolution, the Share Capital Reorganisation Resolutions and the Pre-Emption Waiver Resolution.

Minimum Price: £0.2375.

Mining Licence: the mining licence relating to the Company and NRRP Namibia's Namib lead-zinc project in Namibia for which an application was made in April 2014.

Namibian Security Agreement: has the same meaning given in the Loan Note Subscription Agreement.

Nomad: has the same meaning given in the Loan Note Subscription Agreement.

NRRP Namibia: Namib Lead and Zinc Mining (Pty) Ltd., a company incorporated under the laws of Namibia.

Ordinary Shares or Shares: following completion of the share capital reorganisation which is the subject of the Share Capital Reorganisation Resolutions, the ordinary shares of 0.2 pence each in the capital of the Company.

Placing and Open Offer has the same meaning given in the Loan Note Subscription Agreement.

Placing and Open Offer Price: the price per share at which Shares are to be offered under the Placing and Open Offer, such price to be determined by the Directors based on the advice of the Nomad (and RFC Ambrian Limited, acting as the Company's broker) which price shall in any event be no lower than the Minimum Price.

Pounds Sterling, £ or GBP: the lawful currency of the United Kingdom.

Post Adjustment Conversion Event: any Conversion Event which takes place after completion of an Adjustment Event.

Pre-Emption Waiver Resolution: has the same meaning given in the Loan Note Subscription Agreement.

Share Capital Reorganisation Resolutions: has the same meaning given in the Loan Note Subscription Agreement.

Special Resolution: a resolution either: (i) passed at a meeting of the Loan Noteholders duly convened and held in accordance with the Conditions and carried by votes representing a majority in nominal amount of the Loan Notes; or (ii) approved by a written resolution of Loan Noteholders holding a majority in nominal amount of the Loan Notes in accordance with the Conditions.

Subsidiary: has the same meaning given in the Loan Note Subscription Agreement.

Trading Day: any day on which the Ordinary Shares are traded on AIM or, if at any time AIM is not the principal trading market for the Ordinary Shares, the stock exchange on which the Ordinary Shares are principally traded.

Trailing Price: 23.75 pence per Ordinary Share.

Tranche: any of the Tranche One Loan Notes, the Tranche Two Loan Notes or the Tranche Three Loan Notes, as the context may require.

Tranche One Loan Notes: has the meaning given to that term in the Loan Note Subscription Agreement.

Tranche Three Loan Notes: has the meaning given to that term in the Loan Note Subscription Agreement.

Tranche Two Loan Notes: has the meaning given to that term in the Loan Note Subscription Agreement.

US Dollars, US\$ or United States Dollars: the lawful currency of the United States of America.

Whitewash Resolution: has the meaning given to that term in the Loan Note Subscription Agreement. .

Work Programme and Budget: has the meaning given to that term in the Loan Note Subscription Agreement.

2015 Loan Notes: has the meaning given to that term in the Loan Note Subscription Agreement. .

- 1.2 Any phrase introduced by the terms **including, include** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.3 The Schedules to this Instrument form part of (and are incorporated into) this Instrument.
- 1.4 A **person** includes a corporate or unincorporated body.
- 1.5 Words in the singular include the plural and vice versa.
- 1.6 A reference to a clause or a schedule is (unless expressly stated otherwise) a reference to a clause of, or schedule to, this Instrument.
- 1.7 Clause and schedule headings do not affect the interpretation of this Instrument.
- 1.8 A reference to one gender includes a reference to the other gender.
- 1.9 Any reference in this Instrument to **this instrument** or to any other instrument, agreement or document shall, unless the context otherwise requires, be construed as reference to this Instrument or such other instrument, agreement or document as the same may from time to time be amended, varied, supplemented or novated, in each case in accordance with its terms.
- 1.10 References to any statute or statutory provision shall include references to such statute or statutory provision as in force at the date of this Instrument and as subsequently re-enacted or consolidated and shall include references to any statute or statutory provision of which it is a re-enactment or consolidation.
- 1.11 Except as otherwise provided, expressions defined in the Companies Act 2006 shall be read as if defined in that way in this Instrument.

2. NOMINAL AMOUNT

The nominal amount of each Loan Note is US\$1 and the maximum aggregate principal amount of all the Loan Notes constituted by this Instrument is limited to US\$5,600,000.

3. RANKING

All the Loan Notes shall rank *pari passu*, equally and rateably, without discrimination or preference among themselves and as secured obligations of the Company under this Instrument.

4. USE OF PROCEEDS

- 4.1 The proceeds of all subscriptions of the Loan Notes shall be used (or deemed used) as provided in the Loan Note Subscription Agreement.

5. LOAN NOTE CERTIFICATES

- 5.1 Each Loan Noteholder shall be entitled to receive (without charge) a Certificate executed as a deed by the Company for the amount of Loan Notes held by him (or them) provided that joint holders of Loan Notes will not be entitled or permitted to be registered.
- 5.2 Every Certificate shall have copies of Schedule 2 and Schedule 3 endorsed on or attached to it.
- 5.3 Where a Loan Noteholder transfers part only of the Loan Notes comprised in a Certificate, the old Certificate shall be cancelled and a new Certificate for the balance of such Loan Notes shall be issued without charge.

6. CONDITIONS OF ISSUE

The Loan Notes shall be issued subject to, and with the benefit of, the Conditions set out in Schedule 2 to Schedule 5 inclusive. Those Conditions shall be binding on the Company, the Loan Noteholders and all persons claiming through or under them.

7. THE COMPANY'S COVENANTS

- 7.1 The Company undertakes that, while the Loan Notes remain outstanding, it shall (pending either the payment of any redemption moneys in respect of the Loan Notes or the issue of the Shares on any permitted conversion of the Loan Notes, each in accordance with the provisions of this Instrument):
- (a) not alter the Articles in any way which would adversely affect the rights of the Loan Noteholders;
 - (b) notify each Loan Noteholder in writing as soon as reasonably practicable (and as permitted by applicable laws) after the relevant board meeting or meeting of shareholders (whichever is the earlier) which has resolved to implement an Adjustment Event specifying the prospective date of the Adjustment Event and the proposed terms of it;
 - (c) maintain sufficient shareholder authority to satisfy in full, without the need for the passing of any further resolutions of its shareholders, the most onerous of the outstanding rights of conversion for the time being attaching to the Loan Notes; and
 - (d) not to take any steps, or omit to take any steps, the consequence of which is, or is reasonably likely to be, the suspension or cancellation of trading or quotation of the Company's securities on AIM,

absent, in each case, the prior sanction of a Special Resolution.

8. LOAN NOTES REGISTER

- 8.1 The Company shall keep, or cause to be kept, a register of the Loan Notes at its registered office showing:
- (a) subject to Clause 5.1, the names and addresses for the time being of the Loan Noteholders;
 - (b) the principal amount of the Loan Notes held by every Loan Noteholder and the principal monies paid up or deemed paid up on them;

- (c) the first date or dates of issue of the Loan Notes and the date on which the name of that Loan Noteholder is entered in respect of the Loan Notes standing in his name;
- (d) the serial number of each Certificate issued and the date of its issue; and
- (e) the date on which a person ceased to hold the Loan Notes.

8.2 Any change of name or address of any Loan Noteholder shall immediately be notified to the Company and, on receipt, the register shall be altered accordingly. The Loan Noteholders (or any of them) and any person authorised in writing by any of them may, at all reasonable times during office hours, and after giving the Company reasonable notice in writing, inspect the register and to take copies of it or extracts from it. The Company may, however, close the register for such periods and at such times as the Company thinks fit, provided that the register is not closed for more than 20 Business Days in any one year.

9. LOAN NOTES NOT TO BE QUOTED

No application shall be made to any recognised investment exchange (whether in the United Kingdom or elsewhere) for permission to deal in or for any listing or other quotation of the Loan Notes, and the Loan Notes shall not be offered to the public for subscription or purchase, provided always that, if the Loan Notes are not fully converted pursuant to the terms of this Instrument by the Extended Maturity Date, the Noteholders shall, at the request and cost of the Company, cooperate with the Company to achieve a listing of the Loan Notes on the Channel Islands Stock Exchange

10. STAMP TAXES

The Company shall pay all stamp, registration and other taxes (other than (i) taxes on non-Namibian source profits of a Loan Noteholder or (ii) stamp taxes relating to the transfer of Loan Notes or (iii) taxes arising or increasing as a result of (a) any amendment to the tax structuring of, or any tax election made by, any Loan Noteholder in either case without prior agreement of the Company (other than as agreed in the Loan Note Subscription Agreement) or (b) a transfer of Loan Notes to a person other than the original Loan Noteholder) to which this Instrument, any other document referred to in this Instrument or any judgment given in connection with such documents is or at any time may be subject and shall, from time to time on demand of any Loan Noteholder, indemnify each Loan Noteholder against any liabilities, costs, claims and expenses resulting from any failure to pay or any delay in paying any such tax.

11. INDEMNITY

The Company shall, within three Business Days of demand, indemnify each Loan Noteholder against any cost, tax, loss, liability, claim or expense (including legal fees and expenses) incurred by such Loan Noteholder as a result of the occurrence of any Event of Default including any such costs, etc. as may be incurred by such Loan Noteholder in connection with the enforcement of or the preservation of any rights under any Loan Note Document and any proceedings instituted by or against such Loan Noteholder as a consequence of taking or holding the security under the Namibian Security Agreement or enforcing those rights.

12. ENFORCEMENT

The Company covenants with each of the Loan Noteholders to perform and observe the obligations in this Instrument to the intent that this Instrument shall enure for the benefit of all persons for the time being registered as a Loan Noteholder, each of whom may sue for the performance and observance of the provisions of this Instrument so far as his holding is concerned.

13. SET-OFF

Each Loan Noteholder shall be recognised by the Company as entitled to the Loan Notes registered in his name free from any equity, defence, set-off or cross-claim on the part of the Company against the original, or any intermediate, Loan Noteholder.

14. THIRD PARTY RIGHTS

This Instrument is enforceable under the Contracts (Rights of Third Parties) Act 1999 (United Kingdom) by the Company and any Loan Noteholder, but not by any other person.

15. GOVERNING LAW AND JURISDICTION

15.1 This Instrument and the Loan Notes (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England and Wales.

15.2 The courts of England shall have non-exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this Instrument (including non-contractual disputes or claims). Accordingly, any proceedings relating to, or in connection with, this Instrument or the Loan Notes (including non-contractual disputes or claims) may be brought in such courts.

This Instrument has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1 Form of certificate

NORTH RIVER RESOURCES PLC

Incorporated in England and Wales with registered number 5875528("Company").

CERTIFICATE NO. [●]

AMOUNT OF LOAN NOTES US\$[●]

TRANCHE [One/Two/Three]

Secured conditionally convertible Loan Notes ("Loan Notes").

Issued pursuant to the memorandum and articles of association of the Company and issued by a resolution of the directors passed on [●] 2016.

This is to certify that [●] of [●] is the registered holder of the nominal amount stated above of the Loan Notes constituted by a Loan Note instrument dated [●] 2016 (the "Instrument") and made by the Company. The Loan Notes are issued subject to, and with the benefit of, the provisions contained in the Instrument and the conditions and other provisions endorsed on this certificate and/or attached to it ("Conditions"). Interest is payable in accordance with Schedule 2 of the Instrument.

Executed as a deed by the Company this [●] day of [●] 2016.

Loan Notes:

1. No transfer of any part of the Loan Notes represented by this Certificate can be registered without production of this Certificate.
2. The Loan Notes are transferable in integral multiples of US\$[1.00] in accordance with Schedule 4 of the Instrument.
3. The Loan Notes are governed by, and construed in accordance with, the laws of England and Wales.

EXECUTED as a deed by NORTH RIVER RESOURCES PLC

acting by [NAME OF DIRECTOR]

in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

Schedule 2 Interest, Redemption and Prepayment

1. Interest

- 1.1 Until the Loan Notes are repaid or, subject to approval of the Resolutions, converted into Ordinary Shares in accordance with these Conditions, interest on the principal amount of the Loan Notes outstanding from time to time shall accrue at the rate of 10% per annum; provided that if the Material Shareholder Approvals shall not have been obtained by the Initial Maturity Date, interest on the principal amount of the Loan Notes shall accrue at the rate of 20% per annum as and from such date.
- 1.2 Unless previously converted into Ordinary Shares in accordance with the provisions of Schedule 3, the Company shall pay accrued interest in cash in arrears on each of the Initial Maturity Date and the Extended Maturity Date (each, an "**Interest Payment Date**") to the persons who were registered as Loan Noteholders at the close of business on the relevant Interest Payment Date.
- 1.3 Interest shall be calculated on the basis of the actual number of days elapsed in the relevant period and a 365 day year.
- 1.4 If the Company fails to pay any amount of interest or principal on any Loan Note when such amount is due then interest at the rate applicable under these Conditions plus 2% per annum shall accrue on the unpaid amount from the due date until the date of payment.
- 1.5 Interest on any Notes repaid, redeemed or converted by the Company in accordance with these Conditions shall cease to accrue as from the date of such repayment, redemption or conversion.

2. Repayment of principal

As and when any of the Loan Notes are to be redeemed in accordance with paragraph 4 of this Schedule 2, the Company shall pay the Loan Noteholders the principal amount of the relevant Loan Note or Loan Notes which is or are (as the case may be) to be redeemed.

3. Time of payment

Whenever any payment of principal (or otherwise) becomes due on a day which is not a Business Day, payment shall be made on the next following Business Day.

4. Redemption

- 4.1 Unless previously converted into Ordinary Shares in accordance with the provisions of Schedule 3, the Company shall redeem the principal amount of the Loan Notes then outstanding (and shall pay any interest payable thereon) either:
 - (a) on the Initial Maturity Date; or
 - (b) if the Material Shareholder Approvals have not been obtained by the Initial Maturity Date, on the Extended Maturity Date.
- 4.2 If, at any time prior to a pending Conversion Date, the Material Shareholder Approvals have been obtained, the Company shall give notice thereof (the "**Company Redemption Notice**") to the Loan Noteholders and may, on or prior to the Extended Maturity Date, use the proceeds of the Placing and the Open Offer to redeem the Loan Notes in an amount which shall be specified in the Company Redemption Notice and which may be zero and which shall not exceed 70% of the principal amount thereof (and the Company shall pay any interest then accrued and payable thereon).

5. Events of Default

5.1 Each of the events or circumstances set out in this Clause 5.1 is an Event of Default.

- (a) Save in the event of any failure in the banking system or where any Loan Noteholder fails to comply with its payment obligations under any Loan Note Document, the Company does not pay on, or within three (3) Business Days of, the due date any amount payable pursuant to a Loan Note Document at the place at and in the currency in which it is expressed to be payable;
- (b) Save where any Loan Noteholder which holds Ordinary Shares fails to exercise its voting rights attaching to Ordinary Shares (to the extent permitted by the City Code and applicable laws) to vote in favour of the same, the Company does not obtain the Material Shareholder Approvals on or prior to the Extended Maturity Date;
- (c) The Company or NRRP Namibia does not comply with any material provision of the Loan Note Documents to which it is a party, including (without the prior written consent of the Loan Noteholders acting by Special Resolution : (i) the application of the proceeds from any subscription hereunder (and actually received or deemed received hereunder) to any material extent other than as set out in or referred to in this Instrument or the Loan Note Subscription Agreement or and such failure continues for a period of ten (10) Business Days after written notice has been given by the majority of Noteholders to the Company requiring the Company to remedy such failure;
- (d) There is a material breach of any of the terms of the Licences or the Licences are terminated for whatever reason or any act or event occurs which in the reasonable opinion of the Loan Noteholders acting by Special Resolution may entitle the Government of Namibia to terminate the Licences, in each case other than as a result of the grant of the Mining Licence;
- (e) The application for the Mining Licence is rejected or the Mining Licence is issued subject to conditions (other than those known, or which could reasonably be anticipated at the date of this Instrument, including as referred to, whether directly or indirectly, in the Loan Note Subscription Agreement) which in the reasonable the opinion of the Loan Noteholders acting by Special Resolution are commercially unacceptable or, the Mining Licence having been issued, the Mining Licence is terminated for whatever reason or any act or event occurs which in the reasonable opinion of the Loan Noteholders acting by Special Resolution, may entitle the Government of Namibia to terminate the Mining Licence;
- (f) There has been a Material Adverse Change;
- (g) An administration order (or any similar order under applicable law) is made in relation to the Company or any of its Subsidiaries (including NRRP Namibia) and is not discharged or stayed within ten (10) Business Days;
- (h) An order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Company or any of its Subsidiaries (including NRRP Namibia) (except for the purpose of reorganisation or amalgamation of the Company or any of its Subsidiaries including NRRP Namibia) or any analogous circumstance shall occur under applicable law;
- (i) An encumbrancer takes possession or a receiver is appointed of the whole or the major part of the assets or undertaking of the Company or any of its Subsidiaries (including NRRP Namibia) or if distress, execution or other legal process is levied or enforced or sued out on or against the whole or the major part of the assets of the Company or any of its Subsidiaries (including NRRP Namibia) and is not discharged, paid out, withdrawn or removed within ten (10) Business Days or any analogous circumstance shall occur under applicable law;

- (j) In respect of the Company or NRRP Namibia:
- (i) Any financial indebtedness is not paid when due or, where applicable, nor within any originally applicable grace period.
 - (ii) Any financial indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
 - (iii) Any commitment for any financial indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described).
 - (iv) Any creditor becomes entitled to declare any financial indebtedness due and payable prior to its specified maturity as a result of an event of default (however described).

No Event of Default will occur under this Clause 5.1(j) if

- (I) the aggregate amount of financial indebtedness or commitment for financial indebtedness falling within paragraphs (a) to (d) above is less than US\$100,000 or its equivalent in any other currency or currencies; or
 - (II) such event has been waived for the time being under the Loan Note Subscription Agreement;
- (k) The Company declares or pays any dividends or return of capital in respect of its issued share capital or any part thereof;
- (l) Save with the prior written consent of the Loan Noteholders acting by Special Resolution (not to be unreasonably withheld, delayed or conditioned), the Company or any of its Subsidiaries (including NRRP Namibia) stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or a substantial part of its business;
- (m) The Company or any of its Subsidiaries (including NRRP Namibia) is deemed for the purposes of section 123 Insolvency Act 1986 (or any analogous provisions under applicable law) to be unable to pay its debts or compounds or proposes or enters into any reorganisation or special arrangement with its creditors generally;
- (n) Quotation of Ordinary Shares on AIM is suspended for more than 5 (five) consecutive Business Days or for more than 5 (five) Business Days in any twelve month period.
- (o) There is a Change of Control.
- (p) It is or becomes unlawful for either the Company or NRRP Namibia to perform any of its obligations under the Loan Note Documents.
- (q) Any obligation or obligations of the Company or NRRP Namibia under the Loan Note Documents to which it is party are not or cease to be legal, valid, binding or enforceable.
- (r) Any Loan Note Document ceases to be in full force and effect save where the same arises as a result of:
- (i) the fraud, recklessness, wilful default or negligence of any other party, other than the Company or NRRP; and/or
 - (ii) the breach by any party other than the Company or NRRP of its obligations under that Loan Note Document or of any applicable laws, rules or regulations,

in each case except to the extent the same occurs with the prior written consent of the Loan Noteholders acting by Special Resolution.

5.2 On and at any time after the occurrence of an Event of Default, the majority of the Loan Noteholders acting by Special Resolution may by notice to the Company:

- (a) declare that all or part of the Loan Notes and all other amounts accrued or outstanding under the Loan Note Documents be immediately due and payable, at which time they shall become immediately due and payable;
- (b) declare that all or part of the Loan Notes be payable on demand, at which time they shall immediately become payable on demand by the majority of the Loan Noteholders; and/or
- (c) take such action under the Namibian Security Agreement or as otherwise may be available at law,

in each case provided that the same shall not apply to the extent all or part of the Loan Notes which stand to be converted pursuant to this Instrument following service or deemed service of a Conversion Notice.

6. Action following redemption

6.1 The Company shall give written notice to the Loan Noteholders immediately on the Company becoming aware of the occurrence of an event specified in paragraph 5 of this Schedule 2.

6.2 If, on redemption of a Loan Note, a Loan Noteholder fails to deliver the Certificate for it, or an indemnity in accordance with these Conditions or to accept payment of moneys due to him, the Company shall pay the moneys due to him into an interest bearing bank account which payment shall discharge the Company from all further obligations in respect of the Loan Note.

7. Cancellation

The Company shall cancel any Loan Notes converted, repaid, redeemed or repurchased and shall not reissue them

8. No Right to Voluntary prepayment

Save as set out in paragraph 4.2 of this Schedule 2, the Company shall have no right to repay any of the Loan Notes prior to the Initial Maturity Date or, as the case may be, the Extended Maturity Date, save with the prior written consent of the Loan Noteholders acting pursuant to a Special Resolution.

9. Taxes and other deductions

9.1 All sums payable by the Company hereunder shall be paid in full without set-off or counterclaim or any restriction or condition and free and clear of any tax (other than tax on non-Namibian source profits of a Loan Noteholder) or other deductions or withholdings of any nature. If the Company or any other person is required by any law or regulation to make any deduction or withholding (on account of such tax or otherwise) from any payment, the Company shall together with such payment, pay such additional amount as will ensure that the Loan Noteholder receives (free and clear of any such tax or other deductions or withholdings) the full amount which it would have received if no such deduction or withholding had been required provided always that the additional amount so payable to or on behalf of any transferee of the Loan Notes shall not exceed the amount that would have been payable to or on behalf of the Investor as original holder of the Loan Notes. The Company shall promptly forward to the Loan Noteholder copies of official receipts or other evidence within its possession or under its control showing that the full amount of any such deduction or withholding has been paid over to the relevant taxation or other authority.

Schedule 3 Conversion Features

1. Subject to approval of the Resolutions, the Loan Noteholders shall have the right to serve a Conversion Notice on the Company to convert all or, in accordance with paragraph 2 below, part of the Loan Notes outstanding, (but not any interest outstanding), subject to Paragraph 4 of Schedule 2 (the "**Converted Loan Notes**") into fully paid Ordinary Shares on the following basis at the Conversion Price. For the avoidance of doubt, the following paragraphs of this Schedule 3 shall each be read as being subject to the proviso that conversion of the Loan Notes shall always be subject to receipt of shareholder approval of the Resolutions.
2. A Conversion Notice shall be deemed to have been given by the Loan Noteholders on the date of the Company Redemption Notice, without any further action required on the part of the Loan Noteholders to the Company (an "**Automatic Conversion Event**") in respect of that portion of Loan Notes outstanding following the exercise by the Company of its redemption right as specified in the Company Redemption Notice.
3. The service or deemed service of a Conversion Notice by the Loan Noteholders shall be irrevocable and may only be revoked or withdrawn with the consent of the Company.
4. On the Conversion Date, the Company shall (subject to paragraph 8 of this Schedule 3) convert the principal amount of the Converted Loan Notes into such number of new fully paid Ordinary Shares at the Conversion Price, subject to any adjustment as set out in paragraph 9 of this Schedule 3 and in accordance with the following provisions of paragraph 5 to paragraph 7 of this Schedule 3.
5. Conversion of the Loan Notes shall be effected by the Company redeeming the principal amount of the relevant Loan Notes on the Conversion Date. Each Loan Noteholder whose Loan Notes are being converted shall be deemed to irrevocably authorise and instruct the Company to apply the redemption moneys payable to that Loan Noteholder in subscribing for Shares on conversion of the Loan Notes. All interest outstanding on the Conversion Date shall be paid in cash on the Conversion Date or within 5 Business Days thereof to the Loan Noteholder whose Loan Notes are being converted, subject always to Paragraph 9 of Schedule 2.
6. Shares arising on conversion of the Loan Notes shall be issued and allotted by the Company on the Conversion Date. If the Loan Noteholder nominates for the new Shares arising on conversion to be issued in an uncertificated form, then the Company shall procure that a holder identification statement reflecting the issue of those new Shares (or other documentation evidencing the issue of those new Shares that is reasonably satisfactory to the Loan Noteholder) is provided to the Loan Noteholder on the Conversion Date. If no such nomination is made then the Shares shall be issued in certificated form and the certificates for such Shares shall be delivered to the address in the United Kingdom given to the Company by such Loan Noteholder by courier at the cost of the Company within ten (10) Business Days of the Conversion Date. Each Share arising on conversion shall be issued and allotted at such premium to reflect the difference between the nominal amount of the Share and the Conversion Price.
7. The Shares arising on conversion of the Loan Notes shall be credited as fully paid and rank *pari passu* with the Ordinary Shares in issue on the Conversion Date and shall be freely tradeable from the date of issue and carry the right to receive all dividends and other distributions declared after the Conversion Date. The Company will procure the admission of the Ordinary Shares arising on Conversion to trading on AIM as soon as possible, but in any event no more than three Business Days, after the Conversion Date, and must do all things necessary (including issuing any notices or disclosure documents required to be issued under the Companies Act or other applicable securities legislation) to ensure that those Ordinary Shares are freely tradeable on AIM by no later than three Business Days after the Conversion Date.
8. The entitlement of each Loan Noteholder to a fraction of a Share shall be rounded down to the nearest whole number of Shares respectively which result from the conversion of the Loan Notes.

9. Immediately following an Adjustment Event, the Company shall procure that and instruct the professional advisors or auditors of the Company for the time provide and certify to it details of all amendments and modifications required (if any) to the Conversion Mechanism to ensure that the Ordinary Shares issued to any Loan Noteholder following any Post Adjustment Conversion Event provides such Loan Noteholder with (i) the same rights in respect of; and (ii) the same percentage of shareholding, in the Company (which, for the avoidance of doubt, includes but is not limited to the same proportion of votes exercisable at a general meeting of shareholders and the same entitlement to participate in distributions of the Company) as such Loan Noteholder would have had should such Post Adjustment Conversion Event have occurred prior to the said Adjustment Event.
10. Within one Business Day of being notified of any amendments to the Conversion Mechanism pursuant to paragraph 9 of this Schedule, the Company shall provide to each Loan Noteholder, in writing, details of such amendments including, in particular, details of any changes to the definition of Conversion Price in this Instrument.
11. The Company undertakes that, while any Loan Notes remain outstanding, no Adjustment Event will occur which is such that the Conversion Price which would prevail on the date such Adjustment Event becomes effective is less than twice the nominal value of an ordinary share once the adjustment provided for in paragraph 9 has been effected.

Schedule 4 Transfer provisions and other matters

1. The Company shall recognise the registered holder of any Loan Notes as the absolute owner of them and shall not (except as provided by statute or as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any joint holder or any trust (whether express, implied or constructive) to which any Loan Note may be subject. The Company shall not (except as provided by statute or as ordered by a court of competent jurisdiction) be bound to enter any notice of any joint holder or any trust (whether express, implied or constructive) on the register in respect of any of the Loan Notes.
2. The Loan Notes are transferable in accordance with this Schedule 4 in integral multiples of US\$1.00 by instrument in writing in the usual common form (or in such other form as the Directors may approve) and such instrument need not be under seal.
3. Each instrument of transfer shall be signed by the transferor, and the transferor shall be deemed to remain the owner of the Loan Notes to be transferred until the name of the transferee is entered in the register in respect of such Loan Notes.
4. Each instrument of transfer shall be sent to, or left for registration at, the registered office of the Company for the time being, and shall be accompanied by the Certificate(s) for the Loan Notes to be transferred and any other evidence that the Company may require to prove the title of the transferor or his right to transfer the Loan Notes (and, if such instrument is executed by some other person on his behalf, the authority of that person to do so). All instruments of transfer that are registered may be retained by the Company.
5. No transfer shall be registered of Loan Notes in respect of which a Conversion Notice has been given.
6. Payment of the principal amount and all accrued interest on the Loan Notes shall be made by bank transfer to an account nominated for the purpose to the Company in writing by, the registered holder
7. If any Certificate is worn out or defaced then, on production of it to the Directors, they may cancel it and may issue a fresh Certificate in lieu. If any Certificate is lost or destroyed it may be replaced on such terms (if any) as to evidence and indemnity as the Company may reasonably require. An entry recording the issue of the new Certificate and indemnity (if any) shall be made in the register. No fee shall be charged for the registration of any transfer or for the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other documents relating to or effecting title to any Loan Notes.
8. Any notice or other document required to be given under this Instrument shall be in writing and may be given to or served on any Loan Noteholder by sending it by first-class post in a prepaid envelope addressed to such Loan Noteholder at his registered address, or, in the case of a Loan Noteholder with a registered address outside the United Kingdom, to such address within the United Kingdom as it has nominated for the purpose. Any such notice sent or document served by first-class post shall, if duly posted to an address within the United Kingdom, be deemed to have been given or served 48 hours after the time when it is posted and in proving such notice or service, it shall be sufficient to prove that the envelope containing the notice or document was properly addressed, stamped and posted.
9. Any notice or other document delivered or sent by post to, or left at, the registered address of any Loan Noteholder in pursuance of these provisions shall, notwithstanding that such Loan Noteholder is then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any Loan Notes registered in the name of such Loan Noteholder unless his name shall at the time of the service of the notice or document have been removed from the register as the holder of the Loan Notes, and such service shall for all purposes be deemed sufficient service of

such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Loan Notes.

10. A notice to be served on the Company hereunder (including a Conversion Notice) may be served on the Company by being left at the registered office of the Company, sent by registered mail, by facsimile transmission to the following number: +44 (0)207 264 4440 (marked as private and confidential and for the attention of Ben Harber), or by electronic transmission to the following address james@northriverresources.com or such other number/address as the Company may from time to time notify to the Loan Noteholder(s) in writing and shall be deemed served when sent or, in the case of electronic transmission, when actually received in readable form (or, if outside the hours of 9am to 6pm London UK time, at 9am on the next following Business Day).
11. A copy of this Instrument shall be kept at the Company's registered office. A Loan Noteholder (and any person authorised by a Loan Noteholder) may inspect that copy of this Instrument at all reasonable times during office hours.

Schedule 5 Meetings of the Loan Noteholders

1. The Company may at any time convene a meeting of Loan Noteholders. In addition, the Company shall at the written request of the holders of not less than 25% in nominal amount of the outstanding Loan Notes convene a meeting of the Loan Noteholders. Any meeting shall be held at such place as the Company may designate. Notwithstanding the foregoing or the following provisions, where there is only one Loan Noteholder, the meeting may be called by the Loan Noteholder at a place of its own determination without notice to the Company and the notice may take place on any period of advance notice.
2. Subject to the foregoing, at least fourteen (14) days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) of every meeting shall be given to the Loan Noteholders. The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted and the terms of any resolution to be proposed. The accidental omission to give notice to, or the non-receipt of notice by, any of the Loan Noteholders shall not invalidate the proceedings at any meeting. A meeting of the Loan Noteholders shall, despite being called at shorter notice than specified above or otherwise having defects as to the provisions hereof, be deemed to have been duly called if it is agreed in writing by all of the Loan Noteholders.
3. At any meeting the quorum shall be at least one Loan Noteholder holding, or representing by proxy, at least 25% in nominal amount of the outstanding Loan Notes. No business (other than choosing a Chairman) shall be transacted at any meeting unless the requisite quorum is present.
4. If a quorum is not present, within half an hour from the time appointed for the meeting, the meeting shall be dissolved if it was convened on the requisition of Loan Noteholders. In any other case, it shall stand adjourned to such day and time (at least seven (7) days later, but not more than 28 days later) and to such place as may be appointed by the Chairman. At such adjourned meeting, at least one Loan Noteholder present in person (or by proxy) and entitled to vote shall constitute a quorum (whatever the nominal amount of the Loan Notes held by them). At least 14 days' notice of any adjourned meeting of Loan Noteholders shall be given (in the same manner mutatis mutandis as for an original meeting). That notice shall state that at least one Loan Noteholder present in person (or by proxy) at the adjourned meeting (whatever the nominal amount of Loan Notes held by them) shall form a quorum.
5. A person (who may but need not be a Loan Noteholder) nominated by the Company shall be entitled to take the chair at every such meeting but, if no such person is nominated or if the person nominated is not be present at the meeting within five minutes after the time appointed for holding the meeting, the Loan Noteholders present shall choose one of their number to be Chairman. Any Director or officer of, any Secretary of, and the solicitors to, the Company and any other person authorised in that behalf by the Company may attend at any such meeting.
6. Each question submitted to a meeting of Loan Noteholders shall, unless a poll is demanded, be decided by a show of hands.
7. At any meeting of Loan Noteholders unless a poll is demanded by the Chairman or by one or more Loan Noteholders present in person or by proxy and holding or representing in the aggregate not less than 25% in nominal amount of the outstanding Loan Notes (before or on the declaration of the result of the show of hands), a declaration by the Chairman that a resolution has been carried by the requisite majority, lost or not carried by the requisite majority shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
8. If a poll is duly demanded, it shall be taken in such manner and (subject as set out below) either at once or after an adjournment as the Chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the meeting from continuing for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.