

26 September 2016

**North River Resources plc**  
(‘North River’ or ‘the Company’)

**Interim Results for the six months ended 30 June 2016**

North River Resources plc, the AIM quoted resource company focused on the Namib Lead-Zinc Project (‘Namib Project’) in Namibia, is pleased to provide its unaudited interim results for the six months ended 30 June 2016.

**Highlights:**

- **North River continued in its efforts to secure a mining licence for the Namib Project. A Notice of Preparedness to Grant the Mining Licence was received from the Namibian Ministry of Mines and Energy (“Ministry”) in January 2016, setting out a process and timeline for agreement on newly introduced licence conditions, and a formal proposal to address these conditions was submitted to the Ministry in late April 2016. The Ministry is yet to respond to this proposal.**
- **The 3,800 metre drill programme continued to progress in the first half of the year, with a number of drill holes showing significant mineralisation. Overall results, however, have been mixed, with drill holes not intersecting mineralization to the extent anticipated, indicating that achieving a significant increase in defined mineral resource will require further work to improve understanding of the structural complexity of the orebody at depth. Since 30 June 2016, the programmed drilling metres have been completed in early September, and next steps will be defined following completion and assessment of final assays.**
- **A loss before taxation reported for the 6 months to 30 June 2016 of £1,302,437 (30 June 2015: loss of £1,377,787).**

**Post period end:**

- **A successful share capital reorganisation and US\$ 5.6 million financing, including an open offer and placing, were completed in July 2016, allowing the Company to redeem outstanding convertible loan notes to Greenstone Resources LP. The financing left the Company effectively debt free and with US\$2.5 million in working capital to support project work programmes in the second half of the year.**
- **New appointments to the Board of Directors of wholly owned Namibian company, Namibia Lead Zinc and Mining (Pty) Ltd (“NLZM”), were announced on 26 August 2016. The appointments of Asser Kapere, Ratonda Kajivikua and Francois du Plessis will greatly strengthen the NLZM Board in its efforts to advance the mining licence application and take the Namib Project forward to a construction decision. Mr Kapere has been appointed as Chairman of the Board of Directors of NLZM.**
- **The Company now faces a critical period of assessment in determining the way forward for the Namib Project. In regards to this assessment we are cognisant of both the prolonged, ongoing uncertainty regarding timing and terms to be attached to the grant of a mining licence, and the results of the resource expansion drilling programme.**

## Chairman's Statement

North River continued in the first half of 2016 to focus on advancing the Namib Lead Zinc Project in Namibia towards a construction decision. Against a backdrop of continued uncertainty surrounding the long outstanding mining licence application, the clear priorities in the period were to continue pushing for the grant of the licence, advancing the resource expansion drilling programme, and raising working capital to support these critical activities.

As shareholders are aware, a successful share capital reorganisation and US\$ 5.6 million financing, including an open offer and placing, were completed in July 2016, allowing the Company to redeem outstanding convertible loan notes to Greenstone Resources LP and in so doing be left effectively debt free and with \$2.5 million in working capital.

Regarding the Namib Project mining licence application, a Notice of Preparedness to Grant the Mining Licence was received from the Ministry in January 2016, setting out a process and timeline for agreement on newly introduced licence conditions. A formal proposal was submitted to the Ministry in late April 2016, addressing these conditions, by committing to: (i) providing an opportunity for local ownership of the Namib Project; (ii) participation by historically disadvantaged Namibians in the management of the Namib Project; and (iii) implementing a corporate social responsibility strategy.

As per the process set out in the Notice of Preparedness to Grant, the Ministry then had 30 days to review and respond to the Company on its proposal. The Ministry however informed NLZM on 2 June 2016, and then again on 3 August 2016, that it requires more time to review the submitted proposal. No revised date, or timeframe within which the Company can expect to receive a response, has been given by the Ministry. While the Company looks forward to continuing to work with the Ministry on agreeing the terms and conditions to the grant of the mining licence, the duration and outcome of these discussions remain uncertain and the final issue of the Mining Licence on commercially acceptable terms cannot be guaranteed.

The North River Board also continues to examine the implications of the Government of the Republic of Namibia's proposed introduction of broad based empowerment legislation. As previously announced, a first draft of the NEEEF Bill was published in February 2016 for a period of public consultation and can be found on the website of the Office of the Prime Minister ([www.opm.gov.na/web/opm/neee-bill](http://www.opm.gov.na/web/opm/neee-bill)). Following an extended period of public consultation, a second draft of the NEEEF Bill is now under further review and stakeholder consultation. The second draft of the NEEEF Bill clarifies that the legislation would apply to both existing and new business but otherwise remains largely unchanged from the first draft. Indications from the Namibian Government suggest that this proposed legislation will go ahead and be enacted into law but timing remains uncertain. If enacted, the NEEEF Bill will set out obligations for companies, irrespective of sector, in respect of, *inter alia*, ownership and management participation by previously disadvantaged Namibians. Certain obligations under the draft Bill are inconsistent with those laid down under the terms & conditions to the Notice of Preparedness to Grant. The extent to which the NEEEF Bill would place additional obligations on the Namib Project remains unclear. It is an area on which the Company and Namibian mining industry as a whole will seek and need further clarity in due course.

The Company recently announced new appointments to the Board of Directors of wholly owned Namibian company,

Namibia Lead Zinc and Mining (Pty) Ltd ("NLZM"). The appointments of Asser Kuveri Kapere, Ratonda Engelhardine Kajivikua and Francois du Plessis are aimed at strengthening the Board to support the Group's efforts to obtain the mining licence and take the Namib Project forward to a construction decision. Mr Kapere has been appointed as Chairman of NLZM.

North River is reporting a loss before taxation for the 6 months to 30 June 2016 of £1,302,437 (30 June 2015: loss of £1,377,787). The Company's cash position at the end of the period was £162,026 (30 June 2015: £602,093), before the net US\$2.5 million working capital financing was completed in July 2016.

I would like to thank our shareholders for their continued support during what has been a difficult period for North River. The Company now faces a critical period of assessment in determining the way forward for the Namib Project. In regards to this assessment we are cognisant of both the prolonged, ongoing uncertainty regarding timing and terms to be attached to the grant of a mining licence, and the results of the resource expansion drilling programme.

Rod Beddows

Chairman

26 September 2016

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME FOR THE PERIOD FROM 1 JANUARY 2016 TO 30  
JUNE 2016**

	<b>Unaudited Period from 1 January to 30 June 2016 £</b>	Unaudited Period from 1 January to 30 June 2015 £	Audited Year ended 31 December 2015 £
<b>CONTINUING OPERATIONS</b>			
Exploration and evaluation expenditure	(592,619)	(692,150)	(1,142,851)
Administrative expenses	(538,604)	(688,554)	(1,883,600)
Impairment of goodwill (related to copper exploration licences)	-	-	(6,702,934)
<b>GROUP OPERATING LOSS</b>	<b>(1,131,223)</b>	<b>(1,380,704)</b>	<b>(9,729,385)</b>
Interest payable on short term borrowings	(174,777)	(134)	(82,777)
Interest receivable on bank deposits	3,563	3,051	14,471
<b>LOSS BEFORE TAX</b>	<b>(1,302,437)</b>	<b>(1,377,787)</b>	<b>(9,797,691)</b>
Taxation	-	-	-
<b>LOSS FOR THE PERIOD</b>	<b>(1,302,437)</b>	<b>(1,377,787)</b>	<b>(9,797,691)</b>
<b>OTHER COMPREHENSIVE LOSS:</b>			
Exchange difference on subsidiary loan treated as net investment	994,806	-	(2,847,677)
Exchange differences on translating foreign operations	(974,034)	(8,958)	2,761,529
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(1,281,665)</b>	<b>(1,386,745)</b>	<b>(9,883,839)</b>
<b>Loss per share</b>			
Basic and diluted – pence per share	(0.06p)	(0.07p)	(0.49p)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

	<b>Note</b>	<b>Unaudited 30 June 2016 £</b>	Unaudited 30 June 2015 £	Audited 31 December 2015 £
<b>NON-CURRENT ASSETS</b>				
Goodwill	4	1,036,052	7,738,986	1,036,052
Intangible assets	5	57,694	62,072	59,894
Plant and equipment	6	132,829	198,872	141,602
Investment in associated company	8	113,182	113,182	113,182
		<b>1,339,757</b>	<b>8,113,112</b>	<b>1,350,730</b>
<b>CURRENT ASSETS</b>				
Trade and other receivables		158,519	286,779	81,925
Cash and cash equivalents		162,026	602,093	1,376,740
		<b>320,545</b>	<b>888,872</b>	<b>1,458,655</b>
<b>TOTAL ASSETS</b>		<b>1,660,302</b>	<b>9,001,984</b>	<b>2,809,395</b>

**CURRENT LIABILITIES**

Trade and other payables		287,659	305,044	202,897
Convertible loan notes	7	150,238	-	150,238
		<u>437,897</u>	<u>305,044</u>	<u>353,135</u>

**NON-CURRENT LIABILITIES**

Convertible loan notes	7	1,621,915	-	1,574,105
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**TOTAL LIABILITIES**

<u>2,059,812</u>	<u>305,044</u>	<u>1,927,240</u>
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**NET (LIABILITIES) / ASSETS**

<u>(399,510)</u>	<u>8,696,940</u>	<u>882,155</u>
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**EQUITY**

Share capital	9	4,398,183	3,831,750	4,398,183
Share premium	9	21,258,590	21,258,590	21,258,590
Convertible loan note reserves	7	115,876	-	115,876
Share-based payments reserve	11	-	-	-
Currency translation reserve		(211,879)	(155,461)	(232,651)
Retained losses		(25,960,280)	(16,237,939)	(24,657,843)

**TOTAL EQUITY**

<u>(399,510)</u>	<u>8,696,940</u>	<u>882,155</u>
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016**

	Share capital £	Share premium £	Retained losses £	Share- based payment reserve £	Currency translation reserve £	Convertible loan note reserve £	Total equity £
<b>At 1 January 2015</b>	3,831,750	21,258,590	(14,975,797)	115,645	(146,503)	-	10,083,685
Loss for the period	-	-	(1,377,787)	-	-	-	(1,377,787)
<b>Other comprehensive income:</b>							
Currency translation movement	-	-	-	-	(8,958)	-	(8,958)
<b>Total comprehensive loss</b>	-	-	(1,377,787)	-	(8,958)	-	(1,386,745)
<b>Transactions with shareholders:</b>							
Transfer of expired share options	-	-	115,645	(115,645)	-	-	-
<b>At 30 June 2015 (Unaudited)</b>	3,831,750	21,258,590	(16,237,939)	-	(155,461)	-	8,696,940
<b>At 01 July 2015</b>	3,831,750	21,258,590	(16,237,939)	-	(155,461)	-	8,696,940
Loss for the period	-	-	(8,419,904)	-	-	-	(8,419,904)
<b>Other comprehensive income:</b>							
Currency translation movement	-	-	-	-	(77,190)	-	(77,190)
<b>Total comprehensive loss</b>	-	-	(8,419,904)	-	(77,190)	-	(8,497,094)
<b>Transactions with shareholders:</b>							
Shares issued	566,433	-	-	-	-	-	566,433
Convertible loan note equity element	-	-	-	-	-	115,876	115,876
Transfer of expired share options	-	-	-	-	-	-	-
<b>At 31 December 2015 (Audited)</b>	4,398,183	21,258,590	(24,657,843)	-	(232,651)	115,876	882,155
<b>At 1 January 2016</b>	4,398,183	21,258,590	(24,657,843)	-	(232,651)	115,876	882,155
Loss for the period	-	-	(1,302,437)	-	-	-	(1,302,437)
<b>Other comprehensive income:</b>							
Currency translation movement	-	-	-	-	20,772	-	20,772
<b>Total comprehensive loss</b>	-	-	(1,302,437)	-	20,772	-	(1,281,665)
<b>At 30 June 2016 (Unaudited)</b>	4,398,183	21,258,590	(25,960,280)	-	(211,879)	115,876	(399,510)

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016**

	Notes	Unaudited period from 1 January to 30 June 2016 £	Unaudited period from 1 January to 30 June 2015 £	Audited Year to 31 December 2015 £
<b>Cash flows from operating activities</b>				
Group operating loss		(1,131,222)	(1,380,704)	(9,729,385)
<b>Adjustments for non-cash items:</b>				
Depreciation and amortisation charges	6	30,745	34,747	69,833
Goodwill impairment		-	-	6,702,934
		<u>30,745</u>	<u>(1,345,957)</u>	<u>(2,956,618)</u>
<b>Movements in working capital:</b>				
Increase/(decrease) in receivables		(76,594)	158,038	239,466
Increase/(decrease) in payables		84,762	(21,911)	(124,061)
		<u>(1,092,309)</u>	<u>(1,209,830)</u>	<u>(2,841,213)</u>
<b>Investing activities</b>				
Purchase of plant and equipment	6	(470)	(94,427)	(82,340)
<b>Net cash used in investing activities</b>		<u>(470)</u>	<u>(94,427)</u>	<u>(82,340)</u>
<b>Financing activities</b>				
Proceeds from issue of share capital		-	-	566,433
Proceeds of convertible loan notes		-	-	2,218,583
Repayment of loan notes via share issue		-	-	(189,298)
Convertible notes issue costs		-	-	(171,266)
Withholding tax payments		(13,825)	-	-
Interest paid		(113,113)	(134)	(63,296)
Interest received		3,563	3,051	14,471
		<u>(123,375)</u>	<u>2,917</u>	<u>2,375,627</u>
<b>Net cash (used in)/ from financing activities</b>		<u>(123,375)</u>	<u>2,917</u>	<u>2,375,627</u>
<b>(Decrease)/increase in cash and cash equivalents</b>				
Cash and cash equivalents at beginning of period		(1,216,154)	(1,301,340)	(547,926)
Exchange differences		1,376,740	1,904,860	1,904,860
		<u>1,440</u>	<u>(1,427)</u>	<u>19,806</u>
<b>Cash and cash equivalents at end of period</b>		<u><u>162,026</u></u>	<u><u>602,093</u></u>	<u><u>1,376,740</u></u>

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

**1. BASIS OF PREPARATION**

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

These half year accounts for the six months ended 30 June 2016 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 2015 and expected to be adopted in the financial year ending 31 December 2016.

The half year accounts include unaudited comparative figures for the half year ended 30 June 2015 and comparatives for the year ended 31 December 2015 that have been extracted from the audited financial statements for that year.

The financial statements for the year ended 31 December 2015 have been delivered to the Registrar of Companies and the auditor's report on those financial statements was unqualified and did not contain a statement made under Section 498(2) or Section 498(3) of the Companies Act 2006. The auditors' report included an 'emphasis of matter' in connection with the Group's going concern and licence renewal position.

No new IFRS standards, amendments or interpretations became effective in the six months to 30 June 2016 which had a material effect on this consolidated interim financial information.

The Group's financial risk management objectives and policies are consistent with those disclosed in the 2015 annual report.

**Going concern**

The Directors believe that the Group will be able to raise as required, sufficient cash to enable it to continue its operations, and continue to meet, as and when they fall due, its planned and committed exploration and development activities and liabilities for at least the next twelve months from the date of approval of these condensed half year accounts. In July 2016 the group successfully completed an additional fundraising of £4.2m (US \$5.6m) to fully repay \$3.1 million convertible loan notes to Greenstone Resources LP and support its on-going project activities, see note 14 for more detail. For this reason the Directors continue to adopt the going concern basis in preparing the accounts.

Applications for the Namib Lead mining licence and the renewal of several exploration EPLs in the Licence Areas have been submitted and are awaiting confirmation. A proposal has been submitted to the Namibian Ministry of Mines and Energy in respect of the Namib Project, to address new licence conditions introduced by the Ministry, this is under review by the Ministry. If the mining licence is not received or the EPLs are not renewed then the Directors would have to reconsider the position of the Group and the resulting ability to continue operations as planned.

**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 of the Group's assets are based in the United Kingdom, Namibia and Mozambique.

**Geographical Segment – Group Six months ended 30 June 2016 (UNAUDITED)**

	United Kingdom	Namibia	Mozambique	Total
	£	£	£	£
Exploration & evaluation expenditure	-	(592,619)	-	(592,619)
Administration expenses	(417,100)	(121,504)	-	(538,604)
Interest paid	(174,777)	-	-	(174,777)
Interest received	299	3,264	-	3,563
<b>Loss before taxation</b>	<b>(591,578)</b>	<b>(710,859)</b>	<b>-</b>	<b>(1,302,437)</b>
Trade and other receivables	61,812	71,593	25,114	158,519

Cash and cash equivalents	123,287	26,458	12,281	162,026
Accrued expenditure and provisions	(215,096)	(72,563)	-	(287,659)
Convertible loan notes	(150,238)	-	-	(150,238)
Non-current convertible loan notes	(1,621,915)	-	-	(1,621,915)
Goodwill	-	1,036,052	-	1,036,052
Investment in associate company	-	-	113,182	113,182
Intangible assets	1,199	-	56,495	57,694
Plant and equipment	340	132,489	-	132,829
<b>Net (liability) / asset</b>	<b>(1,800,611)</b>	<b>1,194,029</b>	<b>207,072</b>	<b>(399,510)</b>

At the end of June 2016, the Group had not yet commenced commercial production from its exploration sites and therefore had no turnover for the period.

#### Geographical Segment – Group six months ended 30 June 2015 (UNAUDITED)

	United Kingdom	Namibia	Mozambique	Total
	£	£	£	£
Exploration & evaluation expenditure	-	(692,150)	-	(692,150)
Administration expenses	(615,429)	(73,125)	-	(688,544)
Interest paid	-	(134)	-	(134)
Interest received	650	2,401	-	3,051
<b>Loss before taxation</b>	<b>(614,779)</b>	<b>(763,008)</b>	<b>-</b>	<b>(1,377,787)</b>
Trade and other receivables	203,715	57,950	25,114	286,779
Cash and cash equivalents	563,613	26,199	12,281	602,093
Accrued expenditure and provisions	(195,449)	(109,595)	-	(305,044)
Goodwill	-	7,738,986	-	7,738,986
Investment in associate company	-	-	113,182	113,182
Intangible assets	5,577	-	56,495	62,072
Plant and equipment	975	197,897	-	198,872
<b>Net assets</b>	<b>578,431</b>	<b>7,911,437</b>	<b>207,072</b>	<b>8,696,940</b>

#### Geographical Segment – Group Year ended 31 December 2015 (AUDITED)

	United Kingdom	Namibia	Mozambique	Total
	£	£	£	£
Other income	-	-	-	-
Exploration & evaluation expenditure	-	(1,142,851)	-	(1,142,851)
Administration expenses	(1,078,093)	(805,507)	-	(1,883,600)
Interest paid	(82,657)	(120)	-	(82,777)
Interest received	718	13,753	-	14,471
Impairment of goodwill	-	(6,702,934)	-	(6,702,934)
<b>Loss before taxation</b>	<b>-</b>	<b>(8,637,659)</b>	<b>-</b>	<b>(9,797,691)</b>
Trade and other receivables	28,737	28,074	25,114	81,925
Cash and cash equivalents	1,194,994	169,465	12,281	1,376,740
Accrued expenditure and provisions	(158,732)	(44,165)	-	(202,897)
Convertible loan notes	(150,238)	-	-	(150,238)
Non-current convertible loan notes	(1,574,105)	-	-	(1,574,105)
Goodwill	-	1,036,052	-	1,036,052
Investment in associate company	-	-	113,182	113,182
Intangible assets	3,399	-	56,495	59,894
Plant and equipment	563	141,039	-	141,602
<b>Net (liability) / assets</b>	<b>(655,382)</b>	<b>1,330,465</b>	<b>207,072</b>	<b>882,155</b>

### 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 2016 (Unaudited)	(1,302,437)	2,199,091,843	(0.06) pence
Six months ended 30 June 2015 (Unaudited)	(1,377,787)	1,915,875,310	(0.07) pence
Year ended 31 December 2015 (Audited)	(9,797,691)	1,981,829,845	(0.49) pence

The diluted loss per share has been calculated using a weighted average number of shares in issue. The conversion of share options decreases the basic loss per share, thus being anti-dilutive and the options must be excluded from the calculation.

### 4. GOODWILL

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

At the time of the acquisition the Namib Lead Licence Areas were subject to an external review by MSA Geosciences of South Africa whose employee, Mike Venter, acted as a Competent Person, as disclosed in the AIM re-admission document dated 28 November 2009.

Goodwill arising on the acquisition is £1,036,052 and was allocated to cash-generating units (CGUs) by reference to the exploration areas as shown below:

#### Goodwill ascribed to CGUs:

	£
<b>Namib Lead</b>	
Namib lead-zinc mine	<u>1,036,052</u>

#### Goodwill impairment review

In accordance with the Group's accounting policies, and as required by IAS 36 ‘Impairment of Assets’, the Directors test each goodwill CGU for impairment annually, or sooner, where indications exist or information comes to light that clarifies the size, quality and economics of the licences and ore bodies held/owned by WAGE and Namib Lead.

#### Namib Lead and Zinc Mining (Pty) Ltd (“NLZM”)

The Namib Lead-Zinc project held by NLZM is the primary focus of activity. To date, significant project work has been completed resulting in the publication of a definitive feasibility study in late 2014 showing an economically robust project. The feasibility study and the impairment testing of the goodwill indicates a calculated net present value of \$24.7 million and an IRR of 52%. To further enhance the value of the project, the Group has undertaken project optimisation work and has embarked on a 3,800 metre resource drilling campaign targeted at increasing the resource base and mine life. As a result of the impairment tests carried out and the resulting CGU's net present value estimated, the Directors do not believe that the goodwill of NLZM's Namib Lead of £1,036,052 should be impaired.

#### Goodwill balances at the period end

The goodwill balances at each period end were as follows:

	Unaudited at 30 June 2016 £	Unaudited at 30 June 2015 £	Audited at 31 December 2015 £
<b>Goodwill ascribed to CGUs:</b>			
<b>WAGE</b>			
Witvlei Copper	-	4,719,300	-
Dordabis Copper	-	1,983,634	-
	<u>-</u>	<u>6,702,934</u>	<u>-</u>
<b>Namib Lead</b>			
Namib Lead – mine	1,036,052	1,036,052	1,036,052

**Goodwill carrying values**

1,036,052

7,738,986

1,036,052

At 31 December 2015 an impairment charge of £6,702,934 was made to the goodwill ascribed to West Africa Gold Exploration (Namibia) (Pty) Ltd. This was due to the net present value of the copper projects associated with the licenses being marginal using long term consensus copper prices.

**5. INTANGIBLE ASSETS**

	<b>Exploration licences £</b>	<b>Software £</b>	<b>Total £</b>
<b>COST</b>			
<b>At 31 December 2014 (Audited)</b>	<b>134,464</b>	<b>37,151</b>	<b>171,615</b>
Effects of foreign exchange	(5,159)	(1,429)	(6,588)
<b>At 30 June 2015 (Unaudited)</b>	<b>129,305</b>	<b>35,722</b>	<b>165,027</b>
Effects of foreign exchange	(11,342)	(3,139)	(14,481)
<b>At 31 December 2015 (Audited)</b>	<b>117,963</b>	<b>32,583</b>	<b>150,546</b>
Effects of foreign exchange	9,831	2,745	12,576
<b>At 30 June 2016 (Unaudited)</b>	<b>127,794</b>	<b>35,328</b>	<b>163,122</b>
<b>AMORTISATION</b>			
<b>At 31 December 2014 (Audited)</b>	<b>77,969</b>	<b>28,708</b>	<b>106,677</b>
Charge for the period	-	2,861	2,861
Effects of foreign exchange	(5,159)	(1,424)	(6,583)
<b>At 30 June 2015 (Unaudited)</b>	<b>72,810</b>	<b>30,145</b>	<b>102,955</b>
Charge for the period	-	2,182	2,182
Effects of foreign exchange	(11,342)	(3,143)	(14,485)
<b>At 31 December 2015 (Audited)</b>	<b>61,468</b>	<b>29,184</b>	<b>90,652</b>
Charge for the period	-	2,200	2,200
Effects of foreign exchange	9,831	2,745	12,576
<b>At 30 June 2016 (Unaudited)</b>	<b>71,299</b>	<b>34,129</b>	<b>105,428</b>
<b>NET BOOK VALUE</b>			
<b>At 30 June 2016 (Unaudited)</b>	<b>56,495</b>	<b>1,199</b>	<b>57,694</b>
At 30 June 2015 (Unaudited)	56,495	5,577	62,072
At 31 December 2015 (Audited)	56,495	3,399	59,894

## 6. PROPERTY, PLANT AND EQUIPMENT

	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
<b>COST</b>				
<b>At 31 December 2014 (Audited)</b>	<b>163,452</b>	<b>39,483</b>	<b>172,724</b>	<b>375,659</b>
Additions in the period	89,052	5,375	-	94,427
Effects of foreign exchange	(10,815)	(1,432)	(11,430)	(23,677)
<b>At 30 June 2015 (Unaudited)</b>	<b>241,689</b>	<b>43,426</b>	<b>161,294</b>	<b>446,409</b>
Additions in the period	(12,890)	803	-	(12,087)
Effects of foreign exchange	(23,777)	(3,148)	(25,125)	(52,050)
<b>At 31 December 2015 (Audited)</b>	<b>205,022</b>	<b>41,081</b>	<b>136,169</b>	<b>382,272</b>
Additions in the period	-	470	-	470
Effects of foreign exchange	33,073	3,750	21,966	58,789
<b>At 30 June 2016 (Unaudited)</b>	<b>238,095</b>	<b>45,301</b>	<b>158,135</b>	<b>441,531</b>
<b>DEPRECIATION</b>				
<b>At 31 December 2014 (Audited)</b>	<b>73,045</b>	<b>33,302</b>	<b>125,455</b>	<b>231,802</b>
Charge for the period	19,362	3,113	9,411	31,886
Effects of foreign exchange	(5,997)	(1,286)	(8,868)	(16,151)
<b>At 30 June 2015 (Unaudited)</b>	<b>86,410</b>	<b>35,129</b>	<b>125,998</b>	<b>247,537</b>
Charge for the period	23,615	2,217	7,072	32,904
Effects of foreign exchange	(16,104)	(3,435)	(20,232)	(39,771)
<b>At 31 December 2015 (Audited)</b>	<b>93,921</b>	<b>33,911</b>	<b>112,838</b>	<b>240,670</b>
Charge for the period	22,219	1,493	7,033	30,745
Effects of foreign exchange	16,060	2,736	18,491	37,287
<b>At 30 June 2016 (Unaudited)</b>	<b>132,200</b>	<b>38,140</b>	<b>138,362</b>	<b>304,691</b>
<b>NET BOOK VALUE</b>				
<b>At 30 June 2016 (Unaudited)</b>	<b>105,895</b>	<b>7,161</b>	<b>19,773</b>	<b>132,829</b>
At 30 June 2015 (Unaudited)	155,279	8,297	35,296	198,872
At 31 December 2015 (Audited)	111,101	7,170	23,331	141,602

## 7. CONVERTIBLE LOAN NOTES

	Unaudited at 30 June 2016 £	Unaudited at 30 June 2015 £	Audited at 31 December 2015 £
<b>Amounts falling due within one year:</b>			
Convertible loan notes	150,238	-	150,238
<b>Amounts falling due after more than one year:</b>			
Convertible loan notes	1,621,915	-	1,574,105
<b>Total</b>	<b>1,772,153</b>	<b>-</b>	<b>1,724,343</b>

Greenstone Resources LP issued convertible loan notes to North River Resources Plc as part of the contracted subscription agreement in the Open Offer placed on the market in September 2015.

The US Dollar notes are convertible into new ordinary shares at the Open Offer Price (0.02p per Ordinary Share). The Offer Price is converted into US Dollars applying the Financial Times Exchange rate on the date before the Open Offer (14 September 2015 \$1: £0.6489).

Transaction costs directly associated with the issue of Convertible loan notes have been allocated to the liability and equity components in accordance with IAS 32 'Financial Instruments: Presentation'. They are recognised against the outstanding loan balance and included in the discounting calculation used to calculate the fair value of the loan notes. The loan notes are unwound over the loan period until maturity, at this point the loan liability will be equal to the face value notes issued in October 2015 of \$3,418,355.

In July 2016 the Convertible loan notes were redeemed in full as part of a £4.2m (\$5.6m) fundraising completed, see note 15 for further details.

## 8. INVESTMENT IN ASSOCIATED COMPANY

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

Company	Country of Incorporation	Group interest at 30 June 2016
North River Resources (Murrupula) Limitada	Mozambique	40%

North River Resources (Murrupula) Limitada ('Murrupula') is a company that was registered in Mozambique on 27 January 2011. The Group's interest in Murrupula is jointly held by North River Resources plc and NRR Mozambique Limited. It is also the beneficial owner of an exploration licence in Mozambique. The licence and Murrupula are the subject of a Heads of Agreement between Baobab Resources Limited ("Baobab") and North River Resources plc. Under this agreement Baobab is entitled to a 60% participation interest in Murrupula. Baobab have completed the agreed level of exploration work. Legal control over Murrupula has not yet passed to Baobab, however, effective control has passed.

Accordingly, these consolidated financial statements have been prepared on the basis that control has passed and that Murrupula is treated as an associate as from 1 October 2011.

## 9. SHARE CAPITAL

### Allotted, issued and fully paid:

	Nominal value	Unaudited at 30 June 2016 £	Unaudited at 30 June 2015 £	Audited at 31 December 2015 £
Number of Ordinary shares		2,199,091,843	1,915,875,310	2,199,091,843
Ordinary share capital	0.2p	<u>£4,398,183</u>	<u>£3,831,750</u>	<u>£4,398,183</u>

Date of issue	Detail of issue	Number of Ordinary shares	Share capital £	Share premium £
At 1 January 2014		1,915,875,310	3,831,750	21,258,590
7 October 2015	Open Offer and Placing	283,216,533	566,433	-
As at 31 December 2015		2,199,091,843	4,398,183	21,258,590
As at 30 June 2016		<u>2,199,091,843</u>	<u>4,398,183</u>	<u>21,258,590</u>

## 10. SUBSIDIARIES

The consolidated interim financial information includes the following group

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

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

## 11. SHARE BASED PAYMENTS

### Share options outstanding

	<b>Unaudited 6 months ended 30 June 2016 Number</b>	Unaudited 6 months ended 30 June 2015 Number	Audited Year ended 31 Dec 2015 Number
Opening balance	-	9,100,000	9,100,000
Expired / cancelled during the period	-	(9,100,000)	(9,100,000)
Closing balance	-	-	-

There are no share options outstanding as at 30 June 2016. All share options were fully expensed in prior periods.

## 12. CONTROL

No one party is identified as controlling the Group.

## 13. RELATED PARTY TRANSACTIONS

### Convertible loan notes

During the period the Group incurred interest quarterly in arrears on the full balance of the loan notes at an annualised rate of 10%. A total of £113,113 (December 2015: £50,698, June 2015: £nil) was paid on the issued loan notes to Greenstone Resources LP.

### Directors' remuneration

Details of the Director's remuneration for the period ending 30 June 2016 were as follows:

James Beams	£80,000
Ken Sangster	£12,000
Keith Marshall	£12,000
Rod Beddows	£24,000
Mark Thompson	£12,000

## 14. EXPLORATION EXPENDITURE COMMITMENTS

### Restoration commitments

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

### Existing Exploration Licences in Namibia

The Group has a number of exploration licences in Namibia. The Group plans to carry out further exploration work on the licences, the amount of work being dependant on success at each stage. Estimated exploration expenditure, excluding the ongoing expenditure on the Namib project, and based on success, could be up to £0.1 million on these licences through 2016 - 2017. There is scope in the Mines and Minerals Act for expenditure to be altered by the Group and still keep the licences in good standing. It should also be noted that meaningful expenditure will only commence once outstanding licence renewals have been received, and if at any point the results do not support further investment, the relevant work programme will be terminated without further expenditure.

### Existing Exploration Licences in Mozambique

The Group has a 40% interest in a licence in Mozambique, through its associated company North River Resources

(Murrupula) Limitada. The cost of maintaining this licence is not significant to the Group and will be borne by North River Resources plc (see Note 8).

## 15. SUBSEQUENT EVENTS

### **Fundraising:**

On 18 July 2016, shareholders approved a financing proposal by the Company involving a share capital reorganization, an open offer and placing.

The Company had secured £4.2m (US \$5.6m) of funding through the issue of new secured, conditionally convertible loan notes to Greenstone Resources LP in order to fully redeem the 2015 convertible loan notes and raise \$2.5 million in new working capital. The conditional convertible loan notes were redeemable in full for newly issued shares in the Company. The Company also received approval from shareholders to undertake a share capital re-organisation in order to be able to issue these new ordinary shares and to undertake an open offer and a placing to redeem the loan notes in full.

The results of the Open Offer led to an additional 258,758 new ordinary shares being issued to Eligible Shareholders. The Company did not raise any funds from the placing.

The Company redeemed £61,455 of the loan notes from amounts raised in the open offer and converted the remaining balance of the convertible loan notes into 17,337,471 new ordinary shares. Following the issue of new ordinary shares to Greenstone, Greenstone's aggregate holding in the Company stands at 19,975,501 ordinary shares, which represents 75.69 per cent of the Company's issued share capital.