

13 November 2015

**North River Resources plc (“North River” or the “Company”)
Namib Project Work Programme Update**

North River Resources plc, the AIM quoted resource company focused on the Namib Lead-Zinc Project in Namibia (“Namib” or the “Project”), outlines its operational and corporate plans for the Project.

This update follows the announcement dated 30 October 2015, in which the Company stated that it would review its short term operational strategy to ensure that the benefit of the US\$4 million raised in October 2015 can be maximised in light of the fact that the Mining Licence for Namib had not been received by the end of October 2015.

Highlights

- Active and constructive dialogue with the Namibian Ministry of Mines and Energy (“MME”) is continuing and discussions on the Mining Licence application and related conditions are advancing;
- Preparations for project financing and a construction decision continue;
- Focus on keeping corporate overheads to a minimum given the lengthening timescale for a mining licence decision;
- Front End Engineering Design (“FEED”) proceeding – confirming the Project’s final technical, operating and cost parameters is a critical workstream in reaching a construction decision and securing project financing;
- Drilling campaign to increase Resource and Reserve base which will support a longer mine life and in turn, is expected to positively impact financing negotiations for project construction; and
- Shareholder call to be held on Tuesday 17 November 2016 at 11am

North River CEO James Beams said, “I would like to thank shareholders for their patience whilst we have closely analysed and streamlined the activities planned at Namib following receipt of the US\$4 million. Our focus is to ensure we pursue workstreams that advance the project towards a construction decision and facilitate effective construction funding negotiations. With this in mind, we see the FEED process (and related overall operating and capital cost update), and resource and reserve drilling as top priorities. An increase in reserves and the mine life will, we believe, be a major positive in securing an appropriate funding package for the construction of the mine and ultimately to deliver enhanced value to all of our shareholders. I am also encouraged by the real progress being made in our discussions with the MME and remain confident that the Mining Licence will be granted in due course.

“The revised work plan will lead to an increased level of operational news flow over the next six months with initial results from exploration and resource and reserve drilling expected in Q1 2016 ahead of a resource upgrade towards the end of Q2 2016. Results of the FEED process are also expected to be available in Q1 2016. I welcome any questions on these activities ahead of our call, which I hope shareholders will understand it made sense to reschedule to fit with ongoing Board debate on the business plan and discussions with the MME on the mining licence application. I look forward to communicating the results of our activities regularly as they come into fruition over what is set to be a very busy and exciting period for North River.”

Mining Licence

Since the new Government took office earlier this year the MME has been reviewing the process and conditions attached to exploration and mining licences in the country. This review has impacted the assessment of North River’s mining licence application for the Namib Project. The Company is very actively and directly engaged with the MME and discussions on the conditions under which the licence will be issued are advancing.

Background to the Revised Work Plan

The capital raising of US\$4 million was completed in October 2015 (“the Fundraising”), following which Greenstone Resources LP (“Greenstone”) is interested in 29.9% of the Company’s issued share capital and holds convertible loan notes which, if exercised in full, would increase its interest to 52.3% of the resulting enlarged issued share capital (assuming an exchange rate of 1.511).

- \$0.4 million raised from non-Greenstone shareholders;
- \$0.2 million subscribed for by Directors of the Company;
- \$3.4 million raised from Greenstone, with \$3.1 million by way of convertible loan note as part of the Underwriting Agreement

The Underwriting Agreement with Greenstone (as described in the announcement on 15 September 2015) included various commitments by North River in respect of the use of proceeds from the Fundraising to ensure that the funds would be applied to a work plan to advance the Namib Project towards a construction decision. This work plan was nominally based on an assumed receipt of the Namib Mining Licence by the end of October 2015. In light of the on-going uncertainty on the timing in the issuance of the Mining Licence, the Company has agreed a revised work plan with Greenstone which continues to progress the Project towards a construction decision. Subject to updated project economics, a construction decision remains dependent on both the Mining Licence and securing appropriate financing for the construction of the Project.

Accordingly and depending on the timing of the receipt of the Mining Licence and project funding, the Company now expects it will need to fund corporate overheads, in addition to the project development costs, over a longer period of time and will need to raise some further funding before a construction decision can be reached.

The Revised Work Plan

As a result of the ongoing uncertainty in timing of receipt of the Mining Licence, the Company has decided, with Greenstone's agreement, to revise its work plan at the Namib Project. The Board is committed to continue to work towards a construction decision and to project financing, albeit recognising that the timescales are going to be longer than envisaged at the time of the recent fundraising and therefore the need to conserve capital and minimise overheads:

- **Proceeding with FEED** on the processing plant to incorporate an optimised process flowsheet, together with a revised overall operating and capital cost estimate for the Project.

Metallurgical testwork has continued and is providing ever greater confidence in the selected process flowsheet. Recent testwork has also indicated there may be potential to commercially co-treat Namib's existing tailings which, if confirmed, could increase the operating life of the Project. An assessment of the technical and economic viability of the tailings co-treatment will be undertaken in due course.

- **An accelerated drilling campaign** to increase both the size and confidence levels of the Project's Resource and Reserve base:
 - The North River owned drill will continue with both infill and exploration drilling in the North, South and Junction sections of the Namib orebody;
 - A contracted drilling programme on the 5-level drive to start in December 2015, targeting resource extension below the North section of the current Namib orebody;
 - The overall drill programme is expected to comprise ~3,500m of drilling although this is subject to change as the campaign will be continually monitored and refocused to take account of the drilling results;
 - Together with 4,796 metres of infill drilling which has been completed since the August 2014 Resource Statement, this should provide sufficient data for an updated Resource Statement;
 - Initial drill results are expected to be available in Q1 2016, with an updated Resource Statement targeted for the end of Q2 2016; and
 - An enlarged resource base will support a longer mine life which will in turn be highly beneficial in securing financing for mine construction in the continued weak commodity price environment.
- **Development of the 5-level drive** in the North will continue during the drilling campaign to allow access to the final two drill locations. Improved mining practices have led to month on month improvements in mining performance, with development in October exceeding plan. A second shift will be added to accelerate development progress.

Corporate Initiatives

The Company remains focused on keeping corporate overhead to an absolute minimum to ensure that funds are spent on advancing the Namib Project to a construction decision. However, the Board is aware that a balance between investing for growth and preserving capital has to be reached to ensure that cost-cutting does not compromise the Company's ability to progress the Project and react rapidly at the appropriate time.

Over the coming months, the Company will relocate the Namibian corporate office from Windhoek to Swakopmund, which is closer to Namib, in anticipation of the Project moving into the construction phase.

Additionally, the Company continues to evaluate candidates for the Chairman position, and intends to appoint a Chief Financial Officer to conduct the continued assessment of financing options as a high priority.

Shareholder Conference Call

North River is pleased to announce the dial in details for the shareholder call on Tuesday 17 November at 11am. During the call James Beams will update participants on the Revised Work Plan.

To participate in this conference call, please dial 0808 109 0701, or +44 (0) 20 3003 2701 if you are calling from outside of the UK, and type in 7667979 followed by the hash key for the access pin. Please note that all lines will be muted with the exception of the James Beams', however the Company invites shareholders to submit questions to its public relations advisers, St Brides Partners Ltd, ahead of the call via email to shareholderenquiries@stbridespartners.co.uk. St Brides Partners will acknowledge receipt of shareholder enquiries to that address via email, and in the case that this response from St Brides Partners is not received, please re-send the questions to the email address or call +44 (0) 20 7236 1177. The management team will strive to answer as many of these previously submitted questions as possible during the course of the call.

A presentation will be made available during the call. To view the presentation online, please go to www.meetingzone.com/presenter?partCEC=7667979 and log in as a participant using the access pin 7667979# but please note that it will only be made live once the call has commenced.

Unfortunately the online presenter programme is not compatible with iPads and iPhones. If you have any problems accessing the call, please contact St Brides Partners Ltd on shareholderenquiries@stbridespartners.co.uk or on the telephone number +44 (0) 20 7236 1177.

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