

# Richland Resources Ltd

*(Incorporated in Bermuda under the company laws of Bermuda with registration number EC 33385)*

## NOTICE OF ANNUAL GENERAL MEETING

and

## EXPLANATORY MEMORANDUM

Date of Meeting: Monday, 23 November 2020  
Time of Meeting: 10.00 a.m. (Bermuda time)  
Place of Meeting: Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in any doubt about the contents of this notice or as to how they should vote, they should seek their own independent financial advice from their stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser prior to voting.

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the shareholders of Richland Resources Ltd (the “**Company**” or “**Richland**”) will be held at 10.00 a.m. (Bermuda time) on Monday, 23 November 2020 at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.

This Notice of Meeting is set out at the end of an Admission Document which is being circulated to shareholders in connection with the proposed acquisition by the Company of Global Asset Resources Ltd, the proposed change of name to “Lexington Gold Ltd”, proposed placing and subscription of, in aggregate, 120,989,112 new common shares at a price of 2.75 pence per share, proposed 1 for 10 share consolidation, proposed amendments to the Company’s Bye-laws and application for admission of the enlarged share capital to trading on AIM. The letter from the Non-Executive Chairman of Richland in Part I of the Admission Document explains the Resolutions being proposed at the Annual General Meeting and, in particular, provides certain background information in relation to Resolutions 7 to 13 which are being proposed as items of Special Business and further explains why the Board is unanimously recommending that shareholders vote in favour of Resolutions 7 to 13 as well as the other Resolutions (save for Resolutions 1 to 3 which are only being recommended by the directors whose appointment/re-appointment is not being proposed).

The Explanatory Memorandum which forms part of this Notice of Annual General Meeting describes the various matters to be considered and contains a glossary including those terms that are not defined in full in this Notice of Annual General Meeting.

### Agenda

1. **Appointment of Chairman of the Meeting**
2. **Confirmation of the Notice and Quorum**

### Ordinary Business

3. **Accounts for the Year Ended 31 December 2019**

To receive the annual report and financial statements and the Directors’ report and Auditor’s report therein for the Company and its controlled entities for the year ended 31 December 2019 which were posted to shareholders on 9 April 2020 and are available to download from the Company’s website at: [www.richlandresourcesltd.com](http://www.richlandresourcesltd.com).

**4. Resolution 1: Re-election of Mr Edward Francis Gerrard Nealon as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

*“That, Mr Edward Francis Gerrard Nealon, who retires by rotation in accordance with the Company’s Bye-laws and being eligible, offers himself for re-election, be re-elected as a Director.”*

**5. Resolution 2: Election of Dr Bernard Olivier as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

*“That, Dr Bernard Olivier be elected as a director of the Company.”*

**6. Resolution 3: Election of Ms Melissa Josephine Sturgess as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

*“That, Ms Melissa Josephine Sturgess be elected as a director of the Company.”*

**7. Resolution 4: Election of Mr Rhoderick Gordon John Grivas as a Director**

To consider and, if thought fit, to pass, subject to and conditional upon completion of the Acquisition (as defined in the Admission Document), without amendment, the following resolution:

*“That, Mr Rhoderick Gordon John Grivas be elected as a director of the Company.”*

**8. Resolution 5: Re-appointment of Auditor**

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

*“To re-appoint BDO Audit (WA) Pty Ltd as auditor to the Company, to hold office until the earlier of (i) the next annual general meeting of the Company or (ii) their resignation as agreed with the Company upon the identification by the Directors of a replacement auditor at the end of the current tender process for a new auditor, at a fee to be agreed by the Directors.”*

**9. Resolution 6: Electronic Communications Authority**

To consider and, if thought fit, to pass, with or without amendment, the following resolution:

*“That: i) the Company be authorised, subject to contacting shareholders in writing to request their consent, to send, convey or supply all types of notices, documents (including accounts) or information to shareholders by electronic means, including but not limited to making such notices, documents (including accounts) or information available on a website (“**Electronic Communications**”); and ii) shareholders not objecting to the use of Electronic Communications within 28 days of being written to will be deemed to have consented to the use of Electronic Communications.”*

**Special Business**

**10. Resolution 7: Approval of the GAR Transaction**

To consider and, if thought fit, to pass, without amendment, subject to and conditional upon the passing of Resolutions 4 and 8 to 13 (inclusive), the following resolution:

*“That the proposed acquisition (“**Acquisition**”) by the Company of the entire issued share capital of Global Asset Resources Ltd (“**GAR**”) on and subject to the terms of the Acquisition Agreement (as defined in the Admission Document) be and is hereby approved, confirmed and ratified for the purposes of Rule 14 of the AIM Rules for Companies and that the directors of the Company are hereby authorised for and on behalf of the Company to approve the signature of any document and/or taking of any action they deem necessary or appropriate in relation to effecting or facilitating the Acquisition.”*

**11. Resolution 8: Change of Name**

To consider and, if thought fit, to pass, subject to and conditional upon the passing of Resolution 7, without amendment, the following resolution:

*“That the Company change its name to Lexington Gold Ltd as soon as practicable following Admission (as defined in the Admission Document).”*

**12. Resolution 9: Share Consolidation**

To consider and, if thought fit, to pass, subject to and conditional upon the passing of Resolutions 7 and 11, without amendment, the following resolution:

*“That every ten (10) issued and unissued common shares of US\$0.0003 each in the share capital of the Company (“Existing Common Shares”) be consolidated into one (1) common share of US\$0.003 each (“New Common Shares”), such New Common Shares having the same rights and being subject to the same restrictions (save as to nominal value) as the Existing Common Shares as set out in the New Bye Laws to be adopted pursuant to Resolution 11 (the “Share Consolidation”).”*

**13. Resolution 10: Increase in authorised share capital**

To consider and, if thought fit, to pass, subject to and conditional upon the passing of Resolutions 7 and 9, without amendment, the following resolution:

*“That the authorised share capital of the Company be increased from US\$3,000,000 to US\$9,000,000 by the creation of an additional 2,000,000,000 New Common Shares each ranking pari passu with the existing New Common Shares of the Company.”*

**14. Resolution 11: Adoption of new Bye-laws**

To consider and, if thought fit, to pass, subject to and conditional upon the passing of Resolution 7, without amendment, the following resolution:

*“That the Company adopt the Bye-laws in the form tabled at the meeting and signed by the Chairman for the purposes of identification (“New Bye Laws”).”*

**15. Resolution 12: Disapplication of Pre-emption rights (specific)**

To consider and, if thought fit, to pass, subject to and conditional upon the passing of Resolutions 4, 7, 9, 11 and 13, without amendment, the following resolution:

*“That, without prejudice to the authority conferred by Resolution 13, in accordance with:*

- (i) Bye-law 3.3.1 of the New Bye Laws, the Board shall be authorised to issue for non-cash consideration; and/or*
- (ii) Bye-law 3.4 of the New Bye Laws and the Pre-emption Rights in Bye-law 3.3 of the New Bye Laws shall not apply to the issue by the Company of, and the Board shall be authorised on such basis to issue, for cash consideration,*

*New Common Shares as follows:*

- (iii) up to 21,367,288 New Common Shares pursuant to the issue of the Consideration Shares (as such term is defined in the Admission Document);*
- (iv) such number of New Common Shares as shall be required pursuant to the potential issue of New Common Shares in settlement of the Tranche 1 Deferred Consideration and Tranche 2 Deferred Consideration (as such terms are defined in the Admission Document);*
- (v) up to 120,989,112 New Common Shares pursuant to the issue of the Placing Shares and Subscription Shares (as such terms are defined in the Admission Document);*
- (vi) up to 8,305,121 New Common Shares pursuant to the issue of the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares and the Strand Hanson Fee Shares (as such terms are defined in the Admission Document); and*
- (vii) up to 7,844,364 New Common Shares pursuant to the issue of shares in connection with the Strand Warrants and the Peterhouse Warrants (as such terms are defined in the Admission Document).*

**16. Resolution 13: Disapplication of Pre-emption rights and authority to issue New Common Shares for non-cash and cash consideration (general)**

To consider and, if thought fit, to pass, subject to and conditional upon the passing of Resolutions 4, 7, 9, 11 and 12, without amendment, the following resolution:

*“That, without prejudice to the authority conferred by Resolution 12, in accordance with:*

- (i) Bye-law 3.3.1 of the New Bye Laws, the Board shall be authorised to issue for non-cash consideration, such number of New Common Shares as is equal to 60 per cent. of the total number of New Common Shares in issue from time to time; and*
- (ii) Bye-law 3.4 of the New Bye Laws, the Pre-Emption Rights in Bye-law 3.3 of the New Bye Laws shall not apply to the issue by the Company of, and the Board shall be authorised on such basis to issue for cash consideration, such number of New Common Shares as is equal to 60 per cent. of the total number of New Common Shares in issue from time to time,*

*provided that the authorities provided by this Resolution 13 shall expire on the conclusion of the Company’s next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require New Common Shares to be allotted after such expiry and the directors may issue New Common Shares in pursuance of any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.”*

**Further information about the above resolutions is set out in the accompanying Explanatory Memorandum.**

**By Order of the Board on 30 October 2020**

Michael Allardice  
Group Company Secretary

### **Proxy and Voting Entitlement Instructions**

#### **Proxy Instructions**

Shareholders are entitled to appoint another person or persons (including a body corporate) to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the shareholder’s voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise an equal proportion of the votes. If a body corporate is appointed as proxy, the body corporate may appoint an individual as a representative to exercise its powers at the Meeting.

The Proxy Form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or email which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by email to one of the following locations, by 10.00 a.m. (London time) on 19 November 2020 or not less than 48 hours before the time of any adjourned Meeting as the case may be, at which the individual named in the Proxy Form proposes to vote.

Conyers Corporate Services (Bermuda) Limited  
2 Church Street  
Clarendon House  
Hamilton HM CX  
Bermuda  
Facsimile (1 441) 292 4720

OR

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZY  
United Kingdom  
ExternalProxyQueries@computershare.co.uk

The Proxy Form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, by its duly authorised representative. The proxy may, but need not, be a shareholder of the Company. In the case of shares jointly held by two or more persons, all joint holders must sign the Proxy Form.

A Proxy Form is enclosed with the Admission Document if you are a registered shareholder. If you need an additional Proxy Form(s) these can be obtained from Computershare Investor Services PLC at: CSNDITeam@computershare.com.

## **Depository Interest Holders**

If you are a Depository Interest Holder, you will need to submit a Form of Instruction to the Custodian “Computershare Company Nominees Limited” by 10.00 a.m. (London time) on 18 November 2020. A Form of Instruction is enclosed with the Admission Document if you are a Depository Interest Holder and an additional Form(s) of Instruction can also be obtained from Computershare Investor Services PLC at: CSNDITeam@computershare.com.

## **Voting Entitlement**

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at the close of business (London Time) on Thursday, 19 November 2020. Accordingly, transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the information of members in Richland Resources Ltd in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda on Monday, 23 November 2020 at 10.00 a.m. (Bermuda time).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice of Annual General Meeting. A glossary of defined terms is included at the end of this Explanatory Memorandum. The Company also recommends that shareholders read the letter from the Non-Executive Chairman of Richland in Part I of the Admission Document. Full details of the Resolutions to be considered at the Meeting are set out below.

## **Agenda**

### **Item**

#### **4. Resolution 1: Re-election of Mr Edward Francis Gerrard Nealon as a Director**

It is a requirement under the Company’s Bye-laws that Mr Edward Francis Gerrard Nealon retires by rotation. Mr Edward Francis Gerrard Nealon has offered himself for re-election as a Director.

The remaining Directors recommend shareholders to vote in favour of Resolution 1, that Mr Edward Francis Gerrard Nealon be duly re-elected as a Director.

#### **5. Resolution 2: Election of Dr Bernard Olivier as a Director**

Dr Bernard Olivier was appointed as a Director and Chief Executive Officer of the Company by the Board on 24 July 2020 which was subsequent to the Company’s last Annual General Meeting.

The remaining Directors recommend shareholders to vote in favour of Resolution 2, that Dr Bernard Olivier be elected as a Director of the Company.

#### **6. Resolution 3: Election of Ms Melissa Josephine Sturgess as a Director**

Ms Melissa Sturgess was appointed as a Director of the Company by the Board on 24 July 2020 which was subsequent to the Company’s last Annual General Meeting.

The remaining Directors recommend shareholders to vote in favour of Resolution 3, that Ms Melissa Josephine Sturgess be elected as a Director of the Company.

#### **7. Resolution 4: Election of Mr Rhoderick Gordon John Grivas as a Director**

It is a condition of the proposed acquisition of Global Asset Resources Ltd that Mr Rhoderick Gordon John Grivas is appointed as a director of the Company. **Accordingly, if this resolution is not passed the Proposed Acquisition will not complete.**

Conditional on completion of the Proposed Acquisition, the Directors recommend shareholders to vote in favour of Resolution 4, that Mr Rhoderick Gordon John Grivas be elected as a Director of the Company.

## 8. **Resolution 5: Re-appointment of Auditor**

Section 89(1) of the Companies Act provides that members of a company at each annual general meeting shall appoint one or more auditors to hold office until the close of the next annual general meeting.

Section 89(2) of the Companies Act states that if no auditor is appointed at the annual general meeting by the members the directors shall forthwith make such appointment or appointments.

Section 89(6) of the Companies Act provides that the remuneration of an auditor appointed by the members shall be fixed by the members or by the Directors, if they are authorised to do so by the members, and the remuneration of an auditor appointed by the directors shall be fixed by the directors.

As announced by the Company on 27 July 2020, the Company intends, subject to approval of Resolution 7, to acquire Global Asset Resources Ltd and its interests in the GAR Projects situated in North Carolina and South Carolina, USA. The auditors of the group are currently BDO Audit (WA) Pty Ltd based in Australia. The Company therefore plans to request the current auditors and other audit firms with experience of auditing companies quoted on AIM to submit proposals for the audit of the accounts for the financial year ended 31 December 2020 (the “**2020 Audit Tender**”). This process is ongoing and a decision as to who the auditors will be for 2020 has not yet been made. The Directors are therefore seeking approval to be authorised to appoint the Auditor for 2020 once the 2020 Audit Tender has been completed.

All the Directors recommend shareholders to vote in favour of Resolution 5 that the Directors be authorised to appoint the Auditors for the 2020 audit at a fee to be agreed by the Directors.

## 9. **Resolution 6: Electronic Communications**

The Company incurs expenses in the distribution of notices, documents (including accounts) or other information to shareholders (“**Documents & Notices Sent to Shareholders**”) and there can be delays in shareholders receiving Documents & Notices Sent to Shareholders. The Company therefore wishes to have the flexibility to send Electronic Communications to shareholders.

The Directors recommend shareholders to vote in favour of Resolution 6, that the Company be authorised to use Electronic Communications.

## 10. **Resolution 7: Approval of the Proposed Acquisition**

**AIM Rule 14:** In accordance with AIM Rule 14, the Proposed Acquisition constitutes a reverse takeover transaction and therefore requires the approval of shareholders at a duly convened general meeting.

**Background to the Proposed Acquisition:** As announced by the Company on 27 July 2020, the Proposed Acquisition represents a transformational move for the Company away from being an AIM Rule 15 cash shell to becoming an operating company with a clear focus on exploration for gold and other precious metals in North and South Carolina. Full details of the Proposed Acquisition are set out in the Admission Document.

**Consequences of Proposed Acquisition being approved and successfully completed:** The Proposed Acquisition constitutes a reverse takeover transaction pursuant to AIM Rule 14 and approval of the Proposed Acquisition by shareholders will enable completion of the transaction and the Company’s enlarged share capital to be admitted to trading on AIM.

**Consequences of the Proposed Acquisition not being approved:** The Company’s Common Shares are currently suspended from trading on AIM pursuant to AIM Rule 15, and will remain suspended from trading on AIM until Completion of the Proposed Acquisition. If the Proposed Acquisition is not completed, the Company’s Common Shares will remain suspended until such time as an alternative acquisition which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission under the AIM Rules for Companies) is completed or the Company becomes an investing company pursuant to AIM Rule 8 (in either case, a “**Re-admission Transaction**”).

**If the Proposed Acquisition is not approved neither the Acquisition nor the proposed Placing and Subscription will proceed and the Directors will need to consider alternative options for the Company. The Company will have expended sizeable monies in pursuing the proposed transaction and would therefore incur significant abort costs and there can be no guarantee that**

**a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Proposed Placing and Subscription can be obtained on a timely basis or at all. Admission to trading on AIM of the Company's Common Shares will be cancelled pursuant to AIM Rule 41 if a Re-admission Transaction is not completed by 31 December 2020.**

All the Directors recommend that shareholders vote in favour of Resolution 7, to approve the Proposed Acquisition. Approval of Resolution 7 is subject to and conditional upon the passing of Resolution 4 and Resolutions 8 to 13 (inclusive).

**11. Resolution 8: Proposed Change of Name**

The Proposed Acquisition will result in the Company acquiring interests in four gold projects in North Carolina and South Carolina and it is proposed, conditional upon approval of the Proposed Acquisition, to change the Company's name to Lexington Gold Ltd.

Conditional on the passing of Resolution 7, the Directors recommend shareholders to vote in favour of Resolution 8, that the Company's name be changed to Lexington Gold Ltd. It should be noted that the Company will be required to obtain a further new ISIN code in connection with the change of name, if approved, but such new ISIN code cannot be obtained until the resolution has been passed. Accordingly, the name change will be implemented as soon as practicable following admission of the enlarged share capital to trading on AIM and will be announced via a Regulatory Information Service (as defined in the Admission Document) once effected.

**12. Resolution 9: Share Consolidation**

The Company currently has 1,108,172,891 Common Shares in issue (prior to the issue of any of the Consideration Shares, the Placing Shares, the Subscription Shares, the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares and the Strand Hanson Fee Shares). Following the proposed share consolidation, the Company will have 261,478,810 New Common Shares in issue on admission of the enlarged share capital to trading on AIM. The record date of the share consolidation will be 23 November 2020 and, each shareholder in the Company will receive one (1) New Common Share for every ten (10) Common Shares held. As all existing shareholdings in the Company are proposed to be consolidated, the proportion of the issued Common Shares held by each Shareholder immediately before the Share Consolidation and the proportion of the issued New Common Shares held by each Shareholder after the Share Consolidation will remain unchanged, other than for small changes that may arise from the rounding of fractional entitlements.

**If this resolution is not passed, the placing letters and subscription letter signed by the places and subscriber in relation to the Proposed Placing and Subscription will no longer be binding as the placing letters and subscription letter are in respect of the subscription for New Common Shares. If the Proposed Placing and Subscription do not proceed then the Proposed Acquisition will also not proceed as it is a condition of the Proposed Acquisition that the Proposed Placing and Subscription occurs. If the Proposed Acquisition is not approved the Directors will need to consider alternative options for the Company. The Company will have expended sizeable monies in pursuing the proposed transaction and would therefore incur significant abort costs and there can be no guarantee that a suitable alternative Re-admission Transaction and/or funding on similar commercial terms to the Proposed Placing and Subscription can be obtained on a timely basis or at all. Admission to trading on AIM of the Company's Common Shares will be cancelled pursuant to AIM Rule 41 if a Re-admission Transaction is not completed by 31 December 2020.**

The Directors recommend shareholders to vote in favour of Resolution 9, that the Company's Common Shares be consolidated on a 1 for 10 basis. Approval of Resolution 9 is subject to and conditional upon the passing of Resolutions 7 and 11.

**13. Resolution 10: Increase in authorised share capital**

The authorised share capital of the Company is currently US\$3,000,000 comprising, prior to the passing of any of the proposed resolutions, 10,000,000,000 Common Shares of US\$0.0003 each. The Company may not issue shares in excess of its authorised share capital without the prior approval of shareholders in accordance with Bye-law 79 of the current Bye-laws.

The Company is seeking shareholder approval to increase its authorised share capital to US\$9,000,000 comprising, assuming and subject to the passing of Resolution 9, 3,000,000,000 New Common Shares. The proposed increase in the authorised share capital of the Company will allow the Company to issue up to an additional 2,000,000,000 New Common Shares.

The Company experiences delays and incurs significant costs when obtaining shareholder approvals (including approval to increase the Company's authorised share capital). Accordingly, the Company has chosen this opportunity to seek shareholder approval to increase its authorised share capital, to provide the Company with flexibility to raise money in the capital markets and/or acquire additional assets via the issue of shares were the Board to determine it to be in the best interests of the Company to do so. The Directors do not currently have any intention that the Company raise further funds in the capital markets or make any additional acquisitions.

According to Bye-law 79 of the current Bye-laws, any proposed increase in the authorised share capital of the Company, must be approved by a resolution of the Board and by a resolution passed by a three-quarters or 75 per cent. majority of the members at a general meeting.

All the Directors recommend that shareholders vote in favour of Resolution 10, to increase the authorised share capital of the Company. It should be noted that approval of Resolution 10 is subject to and conditional upon the passing of Resolutions 7 and 9.

#### **14. Resolution 11: Amendments to Bye-laws**

The approval of shareholders is sought to amend the Company's Bye-laws to make certain amendments to the current Bye-laws as summarised in paragraph 7.3 of Part VII of the Admission Document. It is also proposed to change the existing Bye-laws for the correction of certain typographical errors.

A copy of the proposed Amended Bye-laws (showing all of the proposed amendments as tracked changes) will be made available for inspection by Shareholders during normal business hours at the Company's registered office in Bermuda, and at the office of the Company's share registry in England, and on the Company's website at: [www.richlandresourcesltd.com](http://www.richlandresourcesltd.com).

Bye-law 79 of the current Bye-laws provides that any amendment to the Bye-laws must be approved by a resolution of the Board and by a resolution passed by a three-quarters or 75 per cent. majority of the members at a general meeting.

**It is a requirement of the Company's application for re-admission of the enlarged share capital to trading on AIM that its Bye-laws be amended as summarised in paragraph 7.3 of Part VII of the Admission Document. Accordingly, if this Resolution 11 is not passed, the Company's New Common Shares will not be re-admitted to trading on AIM which would also mean that the Proposed Acquisition does not proceed as it is a condition of the Proposed Acquisition that the Company be re-admitted to trading on AIM.**

All the Directors recommend that shareholders vote in favour of Resolution 11, to amend the Company's Bye-laws. It should be noted that approval of Resolution 11 is subject to and conditional upon the passing of Resolution 7.

#### **15. Resolution 12: Disapplication of Pre-emption rights (specific)**

Assuming that Resolution 11 is approved, the Amended Bye-laws will include, at Bye-law 3, a prohibition on any issue of shares by the Company other than in accordance with the pre-emption provisions and exemptions set out therein including the issue of equity securities to be held under an employee share scheme or an employee share option scheme or an allotment or issue of shares pursuant to the exercise of any share options issued pursuant to a share option scheme representing up to 10 per cent. of the issued share capital of the Company from time to time.

Resolution 12 proposes the disapplication of such pre-emption provisions in respect of the issue of New Common Shares as follows:

- (i) up to 21,367,288 New Common Shares pursuant to the issue of the Consideration Shares (as such term is defined in the Admission Document);
- (ii) such number of New Common Shares as shall be required pursuant to the potential issue of New Common Shares in settlement of the Tranche 1 Deferred Consideration and Tranche 2 Deferred Consideration (as such terms are defined in the Admission Document);

- (iii) up to 120,989,112 New Common Shares pursuant to the issue of the Placing Shares and Subscription Shares (as such terms are defined in the Admission Document);
- (iv) up to 8,305,121 New Common Shares pursuant to the issue of the Director and Senior Management Fee Shares, the Loan Repayment Shares, the CS Jordaan Investments Fee Shares and the Strand Hanson Fee Shares (as such terms are defined in the Admission Document); and
- (v) up to 7,844,364 New Common Shares pursuant to the issue of shares in connection with the Strand Warrants and the Peterhouse Warrants (as such terms are defined in the Admission Document).

**If Resolution 12 is not passed neither the Proposed Acquisition nor the Proposed Placing nor the Subscription will proceed and the Company's shares will not be re-admitted to trading on AIM.**

All the Directors recommend that shareholders vote in favour of Resolution 12, to approve the disapplication of pre-emption rights. It should be noted that approval of Resolution 12 is subject to and conditional upon the passing of Resolutions 4, 7, 9, 11 and 13.

**16. Resolution 13: Disapplication of Pre-emption rights and authority to issue New Common Shares for non-cash and cash consideration (general)**

Assuming that Resolution 11 is approved, the Amended Bye-laws will include, at Bye-law 3, a prohibition on any issue of shares by the Company other than in accordance with the pre-emption provisions and exemptions set out therein including the issue of equity securities to be held under an employee share scheme or employee share option scheme or an allotment or issue of shares pursuant to the exercise of any share options issued pursuant to a share option scheme representing up to 10 per cent. of the issued share capital of the Company from time to time.

The purpose of Resolution 13 is to approve the disapplication of such pre-emption provisions and thereby provide a standing authority to the Board to issue:

- (i) for non-cash consideration, such number of New Common Shares as is equal to 60 per cent. of the total number of New Common Shares in issue from time to time; and
- (ii) for cash consideration, such number of New Common Shares as is equal to 60 per cent. of the total number of New Common Shares in issue from time to time,

provided that, unless they are amended by resolution passed by a three-quarters or 75 per cent. majority of the members at a general meeting, such authorities shall expire at the conclusion of the Company's next Annual General Meeting.

The Directors do not currently have any intention that the Company raise further funds in the capital markets or make any additional acquisitions, but believe, in light of the Company not having an income generating business and having an objective of exploring and developing the GAR Projects, that this resolution should be approved in order to preserve maximum flexibility for the future.

It should be noted that approval of Resolution 13 is subject to and conditional upon the passing of Resolutions 4, 7, 9, 11 and 12.

## Glossary of Terms

In the Notice of Annual General Meeting and this Explanatory Memorandum the following words and expressions have the following meanings:

“Acquisition”	has the meaning ascribed to it in Resolution 7.
“Acquisition Agreement”	has the meaning ascribed to it in the Admission Document.
“Additional Projects”	has the meaning ascribed to it in the Admission Document.
“Admission Document”	means the admission document which is being circulated to shareholders in connection with the Proposed Acquisition, proposed change of name of the Company to “Lexington Gold Ltd”, proposed Placing and Subscription, proposed Share Consolidation, proposed amendment to bye-laws and application for admission of the enlarged share capital to trading on AIM.
“AIM”	means the AIM Market operated by London Stock Exchange plc.
“AIM Rules”	means the AIM Rules for Companies in force from time to time published by London Stock Exchange plc.
“AU\$”	means the lawful currency of the Commonwealth of Australia.
“Board”	means the board of Directors of the Company.
“Completion”	means completion of the Proposed Acquisition.
“Companies Act”	means the Companies Act 1981 of Bermuda as amended from time to time.
“Company” or “Richland”	means Richland Resources Ltd. Exempt Company No. 33385.
“Consideration Shares”	means the 21,367,288 New Common Shares to be issued to the Sellers and URI on Completion.
“Directors”	means the directors of the Company from time to time.
“Electronic Communications”	has the meaning ascribed to it in Resolution 6.
“Excluded Projects”	has the meaning ascribed to it in the Admission Document definitions.
“Existing Common Shares” or “Existing Shares”	means the 10,000,000,000 common shares of par value US\$0.0003 each in the Company.
“Tranche 1 Deferred Consideration”	means the total amount of AU\$1,500,000 payable to the Sellers and URI if the Tranche 1 Performance Milestone or Tranche 2 Performance Milestone are achieved or certain vesting events occur in the five years following completion of the Acquisition.
“GAR”	means Global Asset Resources Ltd, incorporated and registered in Australia with company number ACN 618 792 877 whose registered office is at C/- Moray & Agnew Lawyers, Level 6, 505 Little Collins Street, Melbourne VIC 3000, Australia;
“GBP, £ or pence”	means the lawful currency of the United Kingdom.
“Meeting” or “Annual General Meeting”	means the annual general meeting of shareholders in the Company or any adjournment thereof, convened by the Notice.
“New Common Shares”	has the meaning ascribed to it in Resolution 9.
“Notice” or “Notice of Annual General Meeting”	means the notice of Annual General Meeting, which accompanies this Explanatory Memorandum.
“Ordinary Business”	means business ordinarily conducted at an Annual General Meeting.
“Proposed Acquisition”	means the proposed completion of the Acquisition.
“Proposed Changes to Bye-laws”	means the changes to the Company’s Bye-laws proposed by Resolution 11.

“Proposed Placing and Subscription”	means the conditional placing of 120,989,112 New Common Shares at 2.75 pence per share pursuant to the Placing Agreement and Subscription Agreement (as defined in the Admission Document).
“Tranche 2 Deferred Consideration”	means the total amount of AU\$3,000,000 payable to the Sellers and URI if the Tranche 2 Performance Milestone is achieved or certain vesting events occur in the five years following completion of the Acquisition.
“Tranche 1 Performance Milestone”	means the confirmation of a JORC 2012 Compliant Resource in respect of any one of the GAR Projects and Additional Projects (if any) that are not Excluded Projects, of at least: <ul style="list-style-type: none"> <li>(i) 0.8 million ounces of gold at a grade of more than 1g/t; or</li> <li>(ii) 0.6 million ounces of gold at a grade of more than 2.5g/t; or</li> <li>(iii) 0.4 million ounces of gold at a grade of 5g/t or more.</li> </ul>
“Tranche 2 Performance Milestone”	means the completion and release by the Company, in accordance with the AIM Rules, of a pre-feasibility study in respect of any one of the GAR Projects and Additional Projects (if any) that are not Excluded Projects, confirming a pre-tax net present value of more than US\$50,000,000 at a discount rate of at least 8 per cent.
“Resolution”	means a resolution referred to in the Notice of Annual General Meeting.
“Sellers”	means the Founder Sellers and the Other Sellers as defined in the Acquisition Agreement.
“Share Consolidation”	means the share consolidation proposed by Resolution 9.
“Special Business”	means business not ordinarily conducted at an Annual General Meeting.