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Capitalised terms used in this announcement carry the same meanings as those ascribed to them in the Company's Admission Document, unless the context requires otherwise.

2 November 2020

Richland Resources Ltd

("Richland" or the "Company")

Update re Proposed Reverse Takeover Transaction

***Publication of Admission Document,
Notice of Annual General Meeting,
Proposed Acquisition of Global Asset Resources Ltd, Proposed Board Change,
Proposed Fundraising, Proposed Change of Name,
Proposed Share Capital Consolidation,
Proposed Repayment of Loan,
Proposed Issue of Director and Senior Management Fee Shares and Adviser Fee
Shares and Proposed Grant of Options***

Richland (AIM: RLD) is pleased to announce that, further to the binding share purchase agreement ("**SPA**") with the existing shareholders of Global Asset Resources Ltd ("**GAR**"), as announced on 27 July 2020, the Company has now published an Admission Document dated 30 October 2020, incorporating a formal Notice of Annual General Meeting, in relation to, *inter alia*, the conditional acquisition of GAR (the "**Proposed Transaction**" or "**Acquisition**") and an associated conditional placing and subscription for New Common Shares (as defined below) to raise, in aggregate, gross proceeds of £3,327,201. GAR, via its wholly owned subsidiary, Global Asset Resources Holdings, Inc., holds a 51 per cent. interest in and operatorship of four gold exploration projects in North and South Carolina in the United States.

Strand Hanson Limited is acting as Nominated and Financial Adviser to the Company, and Peterhouse Capital Limited is acting as Broker to the Company.

The Proposed Transaction constitutes a reverse takeover transaction pursuant to Rule 14 of the AIM Rules for Companies (the "**AIM Rules**") and, accordingly, is conditional on, *inter alia*, the approval of Shareholders at an Annual General Meeting to be held at 10.00 a.m. (Bermuda time) on 23 November 2020 at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.

Key Highlights:

- **Proposed acquisition of GAR, which via its wholly owned US subsidiary, holds a 51% interest in four gold exploration projects in North and South Carolina, being:**
 - the Jones-Keystone-Loflin Project
 - the Carolina Belle Project
 - the Jennings-Pioneer Project; and
 - the Argo Project(together, the "**GAR Projects**").

- **Initial Consideration:** an aggregate payment on completion of the Acquisition (“**Completion**”) to the Sellers and URI of AU\$60,000 (approximately £33,900 or US\$43,392) in cash and the issue of 21,367,288 New Common Shares at 2.75 pence per share being the price of the proposed Placing (as described below) equivalent to approximately AU\$1.04m (approximately US\$752,128; £587,600). In addition, Richland made two non-refundable cash payments to GAR of US\$29,340 on 31 July 2020 and US\$22,818 on 30 September 2020, respectively.
- **Deferred Consideration:** potential further future payments to be made to the Sellers and URI, in cash or New Common Shares at Richland’s sole discretion, of, in aggregate, AU\$1.5m (the “**Tranche 1 Deferred Consideration**”) and AU\$3m (the “**Tranche 2 Deferred Consideration**”), subject to the achievement of certain material, value-generative performance milestones, or the occurrence of certain vesting events within five years of Completion. Absent the earlier occurrence of certain Vesting Events, the Tranche 1 Deferred Consideration will fall due upon confirmation of a prescribed minimum estimated level of JORC 2012 compliant resources and the Tranche 2 Deferred Consideration will fall due on completion of a pre-feasibility study confirming a pre-tax NPV of more than US\$50m in respect of any of the GAR Projects (with the Tranche 1 Deferred Consideration also falling due upon the achievement of such performance milestone if not previously triggered/paid).
- **Proposed share capital consolidation:** the Company is proposing a share capital consolidation at a ratio of 10:1 such that, subject to the passing of the relevant Resolutions (as defined below), Shareholders will be issued one new common share of US\$0.003 (a “**New Common Share**”) for every 10 existing common shares of US\$0.0003 (the “**Existing Common Shares**”) currently held.
- **Proposed Fundraising:** the Company has conditionally raised, in aggregate, approximately £3.33 million (before expenses) via the proposed issue of i) 84,625,476 New Common Shares pursuant to the placing (the “**Placing Shares**”) at a price of 2.75 pence per New Common Share (the “**Placing Price**”) and (ii) 36,363,636 New Common Shares (the “**Subscription Shares**”) pursuant to the subscription at the Placing Price (together, the “**Fundraising**”). The net proceeds of the Fundraising will be utilised to fund the initial cash consideration in respect of the Acquisition and the enlarged group’s planned initial two year work programme and requisite working capital requirements.
- **Proposed Board Change and Other Proposed Corporate Changes:**
 - Proposed appointment of Rhoderick Grivas, a current director and shareholder of GAR, to the Board as a Non-Executive Director on Admission. Mr Grivas is a professional geologist and has significant operational experience in metals exploration and mining generally, including specific knowledge of the GAR Projects, and the Board believes he will be a valuable addition to the Company.
 - Proposed name change to Lexington Gold Ltd to reflect the transformational nature of the Proposed Transaction (to be effected shortly following Admission).

The terms of the SPA are set out in more detail in the Company’s announcement of 27 July 2020 and the Company’s Admission Document, however it should be noted that, pursuant to an addendum to the SPA signed on 30 October 2020, the long-stop date for Completion pursuant to the SPA has been extended to 15 December 2020. Similarly, the long-stop date pursuant to the Joint Venture Implementation Deed between GAR, URI and Carolina Resources has also, as of 29 October 2020, been extended to the same date of 15 December 2020.

The Proposed Transaction 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. The Acquisition rationale is supported by both the Board's belief in the future potential of GAR's existing project interests and the current strong market environment in relation to gold. Pursuant to AIM Rule 15, the Company's Common Shares will remain suspended from trading on AIM until Completion of the Proposed Transaction.

Further comprehensive information on the Acquisition and the Resolutions can be found in the Company's Admission Document (and the Notice of Annual General Meeting set out therein), which is available on the Company's website at www.richlandresourcesltd.com and has been posted to Shareholders.

Edward Nealon, Non-Executive Chairman of Richland, commented:

"The proposed rebirth of Richland as Lexington Gold Ltd focused on the USA represents a move into a world famous mineral zone in the North and South Carolinas, where the dominant commodity is gold at a time when gold is performing strongly compared to other commodities. The acquisition of GAR provides us with not one but four projects which are all individually highly prospective, with two of them having walk up drill targets, such that we expect exciting times ahead."

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014.

Notice of Annual General Meeting

In accordance with Rule 14 of the AIM Rules, completion of the Proposed Transaction is subject to approval by Shareholders to be sought at a forthcoming annual general meeting of the Company to be held at 10.00 a.m. (Bermuda time) on 23 November 2020 at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda (the "**Annual General Meeting**"), formal notice of which is incorporated in the Company's Admission Document (the "**Notice of Annual General Meeting**").

A Form of Proxy or Form of Instruction (as applicable) has been sent to Shareholders alongside the Admission Document and can be downloaded from the Company's website at: www.richlandresourcesltd.com. Shareholders are encouraged to return their Form of Proxy or Form of Instruction as soon as practicable and, in any event, by no later than 10.00 a.m. (London time) on 19 November 2020 in respect of the Form of Proxy and 10.00 a.m. (London

time) on 18 November 2020 in respect of the Form of Instruction. The Form of Proxy or Form of Instruction (as applicable) must be deposited at or delivered to the Company's Transfer Secretary, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom, or sent by email to ExternalProxyQueries@computershare.co.uk. The record date for voting at the Annual General Meeting is close of business (London time) on 19 November 2020.

The Notice of Annual General Meeting sets out resolutions to approve, *inter alia*, the Proposed Transaction, the proposed change of the Company's name to Lexington Gold Ltd, a 10 for 1 share capital consolidation to reduce the total number of Common Shares in issue (the "**Share Consolidation**"), the proposed appointment of Rhoderick Grivas to the Board of the Company, and certain changes to the Company's Bye-laws to bring the Company into greater alignment with more UK market standard corporate governance practices (the "**Resolutions**"). Completion of the Proposed Transaction is conditional on: approval by Shareholders of all resolutions set out in the Notice of Annual General Meeting; the Placing Agreement and Subscription Agreement not being terminated in accordance with their terms; receipt of the Subscription funds prior to the AGM; and admission of the Enlarged Share Capital to trading on AIM. The Existing Directors unanimously recommend that Shareholders vote in favour of all of the Resolutions.

Assuming that the Resolutions are approved, it is expected that the Acquisition will complete and that Admission will occur and trading in the New Common Shares will commence at 8.00 a.m. on 25 November 2020. Accordingly, trading in the Company's shares will remain suspended until such time.

In the event that, for whatever reason, the Proposed Transaction is not completed, the Company's Existing Common Shares will remain suspended until such time as another 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 Resolutions are not approved there can be no guarantee that the Company will be able to complete any alternative Re-admission Transaction within six months of the suspension date of 1 July 2020 and consequently be re-admitted to trading on AIM before 31 December 2020 to avoid the Company's admission to trading being cancelled on 1 January 2020 and/or secure funding on similar commercial terms to the Placing and Subscription. Accordingly, as stated above, the Board unanimously recommends that Shareholders vote in favour of all of the Resolutions.**

Proposed Share Consolidation

Admission is conditional upon the approval of the Resolutions, including the Share Consolidation.

The Share Consolidation, which is expected to take place after close of business (London time) on 23 November 2020, being the Record Date, will involve every 10 Existing Common Shares in issue at such time being consolidated into one New Common Share. The rights attached to the New Common Shares will be the same as the rights attaching to the Existing Common Shares and the New Common Shares will upon Admission, trade on AIM in place of the Existing Common Shares.

In order to avoid any fractions resulting from the consolidation of the Company's outstanding Existing Common Shares, which comprised 1,115,447,891 Existing Common Shares (of which 7,275,000 were held by the Company in Treasury) on 30 October 2020, the Company has cancelled one Existing Common Share from its Treasury holdings, such that the total

number of Existing Common Shares that will be subject to the consolidation is 1,115,447,890 (i.e. a number exactly divisible by 10, being the Share Consolidation factor).

No Shareholder will be entitled to a fraction of a New Common Share and where, as a result of the Share Consolidation, any Shareholder would otherwise be entitled to a fraction only of a New Common Share in respect of their holding of Existing Common Shares on the Record Date (a “**Fractional Shareholder**”), such fractions will, in so far as possible, be aggregated with the fractions of New Common Shares to which other Fractional Shareholders of the Company would be entitled so as to form full New Common Shares (the “**Fractional Entitlement Shares**”). These Fractional Entitlement Shares will be held in Treasury by the Company.

Shareholders with only a fractional entitlement to a New Common Share (i.e. those Shareholders holding a total of fewer than 10 Existing Common Shares at the Record Date) will cease to be a Shareholder of the Company.

The Company will issue new share certificates to those Shareholders holding shares in certificated form to take account of the Share Consolidation. Following the issue of new share certificates, share certificates in respect of Existing Common Shares will no longer be valid. Shareholders will still be able to trade in the Company’s New Common Shares during the period between Admission and the date on which Shareholders receive new share certificates.

The Fundraising

In connection with the Acquisition, the Company has conditionally raised, in aggregate, approximately £3.33 million (before expenses) via the issue of, in aggregate, 120,989,112 New Common Shares at a price of 2.75 pence per New Common Share (the “**Fundraising Shares**”), comprising 84,625,476 Placing Shares and 36,363,636 Subscription Shares.

Completion of the Fundraising is conditional on approval by Shareholders of all Resolutions set out in the Notice of Annual General Meeting, the Placing Agreement and Subscription Agreement not being terminated in accordance with their terms, receipt of the Subscription monies prior to the AGM and admission of the Enlarged Share Capital to trading on AIM.

The net proceeds of the Fundraising, being approximately £2.53 million, will be utilised to fund the initial cash consideration in respect of the Acquisition and the enlarged group’s planned initial two year work programme and requisite working capital requirements.

Significant Shareholders

On Admission, the Company’s significant shareholders holding over 3 per cent. of the Enlarged Share Capital are expected to comprise:

Shareholder	Number of New Common Shares held on Admission	Percentage of the Enlarged Share Capital held on Admission
Doris Chiatanasen	36,363,636	13.91
Trevor Allan	36,363,636	13.91
Mark Mitchell Greenwood	33,244,999	12.71
Argon Financial Limited	10,909,092	4.17

Board Change

As noted above, one of the Resolutions relates to the proposed appointment of Rhoderick Grivas to the Board of the Company. Rhoderick Grivas is a current director and shareholder of GAR and it is proposed that he be appointed to the Board as a Non-Executive Director from Admission. Mr Grivas is a professional geologist and has significant operational experience in metals exploration and mining generally and specific knowledge of the GAR Projects and the Board believes he will be a valuable addition to the Company.

Further information on Rhoderick Grivas, including the information required to be disclosed pursuant to Schedule 2(g) of the AIM Rules, is provided in the Company's Admission Document and will also be announced on conclusion of the Annual General Meeting subject to the Resolutions being approved by Shareholders.

Lock-in arrangements

Each of the Rule 7 Locked-In Shareholders, which includes all of the Existing Directors, the Proposed Director, Mark Greenwood and certain applicable employees, has undertaken to the Company, Strand Hanson and Perterhouse Capital that they will not dispose of any interest in the common shares of the Company held by them for a period of 12 months from the date of Admission pursuant to the requirements of AIM Rule 7. In total, the Rule 7 Locked-In Shareholders will hold 56,821,906 New Common Shares representing approximately 21.73 per cent. of the Enlarged Share Capital at Admission.

In addition, the Locked-In Sellers being the Founder Sellers excluding the Proposed Director (who is a Locked-In Shareholder) have agreed that they will not dispose of any interest in the New Common Shares held by them on Admission for a period of six months from the date of Admission. The Locked-in Sellers will, on Admission, hold 8,347,393 New Common Shares representing approximately 3.19 per cent. of the Enlarged Share Capital.

ISIN/TIDM and Change of Name of the Company

The Board notes that, assuming the Resolutions are approved by Shareholders, the Company will commence trading on its re-admission to AIM under the new ISIN BMG7567C1304 and under its existing name of Richland Resources Ltd, with the TIDM remaining as AIM:RLD. Following the Annual General Meeting, the Company will apply to the Registrar of Companies in Bermuda to effect the change of name to Lexington Gold Ltd and to the Bermuda Stock Exchange for a further new ISIN for its new common shares to reflect the change of name (as per the relevant requirements in Bermuda). Once such process has been duly completed, the change of name, ISIN and change of TIDM (to AIM:LEX) will be effected so as to ensure no disruption to trading, and details of the new ISIN and confirmation of the name change being effected will be announced in due course following the Annual General Meeting.

Proposed Repayment of Loan

As announced on 29 September 2020, Edward Nealon, Non-Executive Chairman of the Company, provided a three month short-term unsecured working capital facility of US\$100,000 via his company, Almaretta Pty Limited (the "**Working Capital Facility**"). The Company intends to repay the Working Capital Facility in full via the issue of 2,840,909 New Common Shares to Almaretta Pty Limited (the "**Loan Repayment Shares**") following the AGM.

Director, Former Directors and Senior Management's proposed fee conversions

Edward Nealon, certain former directors (being Anthony Brooke and Nicholas Sibley), and certain consultants and members of senior management have agreed to convert, in aggregate, US\$128,000 of accrued fees due to them (which to date have been deferred), into, in

aggregate, 3,636,363 New Common Shares at the Placing Price (the “**Conversion Shares**”). The Conversion Shares are intended to be issued following the AGM and the beneficial interests of the relevant individuals will be as set out below on Admission:

Individual	Position	Number of Conversion Shares to be received	Resulting number of New Common Shares on Admission	Resulting percentage of Enlarged Share Capital on Admission
Edward Nealon	Non-Executive Chairman	454,545	6,259,895*	2.39
Nicholas Sibley	Former Director	426,136	6,954,856	2.66
Anthony Brooke	Former Director	852,273	6,348,426	2.43
Michael Allardice	Group Company Secretary	1,136,364	6,566,801**	2.51
Louis Swart	Chief Financial Officer	767,045	5,889,261	2.25

* Includes the 2,840,909 Loan Repayment Shares to be issued to Almaretta Pty Ltd.

** To be held by Strategic Investments International Ltd, a company wholly owned by Michael Allardice.

Proposed Issue of Adviser Fee Shares

The Company has agreed to issue, in aggregate, 1,827,849 New Common Shares following the AGM to certain advisers and introducers *in lieu* of fees due pursuant to the Proposed Transaction (the “**Adviser Fee Shares**”).

Proposed Issue of Adviser Warrants

The Company has agreed to issue, in aggregate, 7,844,364 warrants over New Common Shares exercisable at the Placing Price for a period of three years from Admission to certain of its advisers.

Admission, Settlement and Dealings

Application will be made for the Fundraising Shares, the Consideration Shares, the Adviser Fee Shares and the Conversion Shares to be admitted to trading on AIM at the same time as application is made for admission of all of the other New Common Shares to trading on AIM pursuant to completion of the Proposed Transaction and the Share Consolidation. If all of the Resolutions are passed at the Annual General Meeting, it is expected that such admission of, in aggregate, 261,478,810 New Common Shares will become effective and dealings commence at 8.00 a.m. on 25 November 2020. Trading in the Company’s Existing Common Shares will remain suspended until such time.

A summary of the Acquisition and Fundraising statistics and expected timetable of principal events is set out at the end of this announcement.

If the Resolutions are not passed at the Annual General Meeting, the Acquisition will not 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 will 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 Placing and Subscription can be obtained on a timely basis or at all.

Propose Grant of Options

The Company intends shortly after the AGM to grant, in aggregate, 19,610,910 options over New Common Shares to certain directors, the proposed director and senior managers of the Company exercisable at a price of 2.75 pence per share (the “**Options**”). The Options will vest

in three equal tranches being: (i) one third on the date of issue; (ii) one third on the first anniversary of Admission; and (iii) one third on the second anniversary of Admission, and will be exercisable for a period of 10 years from Admission (the “Options”):

Director / Senior Manager	Number of Options
Edward Nealon	2,614,788
Bernard Olivier	4,140,081
Melissa Sturgess	2,614,788
Rhoderick Grivas	2,614,788
Senior Managers	7,626,465
Total	19,610,910

Related Party Transactions

The proposed issues of the Conversion Shares and Loan Repayment Shares, as detailed above, are deemed to be related party transactions pursuant to Rule 13 of the AIM Rules for Companies. Accordingly, the independent directors for the purposes of such share issues, being Melissa Sturgess and Bernard Olivier, having consulted with the Company’s Nominated Adviser, Strand Hanson Limited, consider that the terms of the issues of the Conversion Shares and the Loan Repayment Shares to the relevant individuals are fair and reasonable insofar as the Company’s Shareholders are concerned.

Expected Timetable of Principal Events

Publication of the Admission Document	30 October 2020
Latest time and date for receipt of Forms of Instruction	10.00 a.m. on 18 November 2020
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 19 November 2020
Annual General Meeting	10.00 a.m. (Bermuda time) on 23 November 2020
Record time and date for the Share Consolidation	Close of business (London time) on 23 November 2020
Admission effective and dealings in the Enlarged Share Capital expected to commence on AIM	8.00 a.m. (London time) on 25 November 2020
Completion of the Acquisition	25 November 2020
CREST accounts expected to be credited with the Consideration Shares, the Placing Shares, the Subscription Shares, the Conversion Shares, the Loan Repayment Shares, the Adviser Fee Shares and all other New Common Shares (where applicable)	25 November 2020
Definitive share certificates for the Consideration Shares, the Placing Shares, the Subscription Shares, the Conversion Shares, the Loan Repayment Shares, the Adviser Fee Shares and all other New Common Shares (where applicable) expected to be despatched by	9 December 2020

Note: Each of the times and dates in the above timetable is subject to change. All references are to London time unless otherwise stated. Temporary documents of title will not be issued. If any of the details contained in this timetable should change, the revised times and/or dates will be notified by means of an announcement through a Regulatory Information Service.

Acquisition and Fundraising Statistics

Number of Existing Common Shares*	1,108,172,891
Closing mid market price per Common Share on 30 June 2020 (being the last dealing day prior to the suspension of the Common Shares from trading on AIM)	0.325 pence
Share Consolidation Ratio	10:1
Number of Consideration Shares to be issued pursuant to the Acquisition**	21,367,288
Number of Placing Shares and Subscription Shares to be issued pursuant to the Placing and Subscription**	120,989,112
Number of Adviser Fee Shares**	1,827,849
Number of Conversion Shares**	3,636,363
Number of Loan Repayment Shares**	2,840,909
Number of New Common Shares in issue on Admission**	261,478,810
Placing Price	2.75p
Market capitalisation of the Company at the Placing Price on Admission	£7,190,667
Value of Consideration Shares at the Placing Price	£587,600
Percentage of the Enlarged Share Capital represented by the Consideration Shares at Admission	8.17 per cent.
Percentage of the Enlarged Share Capital represented by the Placing Shares and the Subscription Shares at Admission	46.27 per cent.
Percentage of the Enlarged Share Capital held by the Existing Directors and Proposed Director at Admission	4.25 per cent.
Gross proceeds of the Placing and Subscription	£3,327,201
Estimated net proceeds of the Placing and Subscription receivable by the Company	£2,525,613
Current AIM symbol	RLD
Proposed new AIM symbol upon change of the Company's name***	LEX
ISIN of the Existing Common Shares	BMG7567C1064
ISIN of the New Common Shares on Admission	BMG7567C1304

Notes:

* *excluding the 7,274,999 Common Shares currently held in treasury. To facilitate the Share Consolidation, one of the Existing Common Shares previously held in treasury was cancelled by the Company on 30 October 2020.*

** *the number of shares is stated following implementation of the Share Consolidation.*

*** *subject to the receipt of shareholder approval, the change of name is expected to be implemented as soon as practicable following Admission and will be announced via a Regulatory Information Service once effected.*

Exchange rates applied to currency conversions within this announcement:

£1:US\$1.28

£1:AU\$1.77