29 September 2020

Richland Resources Ltd

("Richland" or the "Company")

Interim Results for the half-year ended 30 June 2020 (unaudited)

Richland (AIM: RLD) is pleased to announce its unaudited interim results for the six month period to 30 June 2020.

Richland became an AIM Rule 15 Cash Shell on 31 December 2019 and the Company's common shares were suspended from trading on AIM on 1 July 2020 pursuant to AIM Rule 40 pending the completion of a reverse takeover under AIM Rule 14 (including seeking re-admission under the AIM Rules for Companies). As announced on 27 July 2020, the Company has entered into a conditional share purchase agreement to acquire a 51% interest in four gold exploration projects in North and South Carolina in the United States.

Highlights:

Results:

- Loss of US$0.21 million for the six month period ended 30 June 2020 (H1 2019: US$0.39 million)
- As at 30 June 2020:
    - US$0.1 million of cash and cash equivalents
    - US$0.51 million of total assets

Fundraisings:

- On 13 January 2020, the Company announced that it had raised approximately £150,000 (before expenses) through the issue of, in aggregate, 150,000,000 new common shares of US$0.0003 each in the capital of the Company ("**Common Shares**") at a price of 0.10 pence per share
- On 12 March 2020, the Company announced that it had raised approximately a further £100,000 (before expenses) through a placing of 83,333,333 Common Shares at a price of 0.12 pence per share

Post Period End:

- On 1 July 2020, the Company announced that it was in late-stage discussions with respect to a potential reverse takeover transaction involving the acquisition of majority interests in, and operatorship of, four gold exploration projects in North and South Carolina in the United States located within the wider Carolina Super Terrane (formerly, the 'Carolina Slate Belt') and the suspension of trading in the Company's Common Shares on AIM pending the completion of such acquisition or an alternative acquisition(s) which constitutes a reverse takeover under Rule 14 of the AIM Rules for Companies ("AIM Rule 14") or seeking re-admission as an investing company pursuant to AIM Rule 8

- On 27 July 2020, the Company announced, that it had entered into a binding share purchase agreement ("**SPA**") with the existing shareholders of Global Asset Resources Ltd ("**GAR**") for the conditional acquisition of GAR, which, 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 (the "**Proposed Transaction**") and that the Proposed Transaction constituted a reverse takeover transaction pursuant to AIM Rule 14

- The Board intends to fund the initial cash consideration in respect of the Proposed Transaction and the enlarged group's planned initial two year work programme and requisite working capital requirements via the issue of new equity by way of a proposed private placing to be conducted in the short term in connection with the Proposed Transaction (the "**Proposed Placing**")
- **Director, Former Directors and Management's fee deferrals and proposed fee conversions**: Mr Nealon, the former-directors, Mr Brooke and Mr Sibley, and certain other members of senior management have agreed to: i) defer payment of certain fees due to them as at 30 June 2020 of US$182,000 until the earlier of completion of the Proposed Placing and 30 November 2020; and ii) to convert US$106,000 of the accrued fees due to them as at 30 June 2020 into new common shares in the capital of Company (subject to the Company being in an open period) (the "**Proposed Fee Conversions**"). Accordingly, all outstanding fees due to the Company's current Directors, former Directors and senior management up to 30 June 2020 are expected to be settled in full in due course.
- **US$100,000 Working Capital Facility**: Mr Nealon, the Chairman of the Company, has agreed to provide the Company with a three month short-term, unsecured and interest free working capital facility of US$100,000 via his company, Almaretta Pty Limited (the "**Working Capital Facility**") from today's date. Whilst there is no commitment so to do, it is currently likely that drawdowns of the Working Capital Facility will be repaid via the issue of new common shares in the capital of the Company (subject to the Company being in an open period). Mr Nealon's provision of the Working Capital Facility constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Accordingly, the independent directors, being Ms Melissa Sturges and Mr Bernard Olivier, having consulted with the Company's Nominated Adviser, Strand Hanson Limited, consider the terms of Mr Nealon's provision of the Working Capital Facility to be fair and reasonable insofar as the Company's shareholders are concerned.

For further information, please contact:

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Nominated Adviser Strand Hanson Limited James Harris Matthew Chandler James Bellman +44 (0) 20 7409 3494	**Broker** Peterhouse Capital Limited Duncan Vasey / Lucy Williams (Broking) Eran Zucker (Corporate Finance) +44 (0) 20 7 469 0930	

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.

Note to Editors:
Further information is available on the Company's website at: www.richlandresourcesltd.com. Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

CHAIRMAN'S STATEMENT

Dear Fellow Shareholder

On behalf of the Board, I am pleased to present the Group's unaudited results for the six months to 30 June 2020.

On 2 January 2020, the Company announced the completion on 31 December 2019 (the "**Completion Date**") of the sale of its wholly owned subsidiary Richland Corporate Ltd, the holder of the Capricorn Sapphire Project (and the Company's loans to Richland Corporate Ltd) to Fura Gems Inc. and that pursuant to the successful completion of such disposal, the Company had become an AIM Rule 15 cash shell. As such, the Company was required to make an acquisition, or acquisitions, which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission under the AIM Rules for Companies) within six months from the Completion Date or alternatively seek to become an investing company pursuant to AIM Rule 8, which would require, *inter alia*, the raising of at least £6 million and publication of an admission document (either being a "**Re-admission Transaction**"), The Company's common shares were suspended from trading on AIM on 1 July 2020 pursuant to AIM Rule 40 pending the completion of a reverse takeover under AIM Rule 14 (including seeking re-admission under the AIM Rules for Companies). If a Re-admission Transaction is not completed by 31 December 2020 admission to trading on AIM of the Company's common shares would be cancelled.

Identification of a suitable reverse takeover transaction: The Company's focus during the reporting period was therefore on identifying a suitable takeover transaction in the mining sector. Post the period end, on 27 July 2020, the Company announced that it had entered into the aforementioned SPA in relation to the Proposed Transaction with the existing shareholders of GAR in respect of the conditional acquisition of GAR, which, 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. The Company will also have the right to earn up to a 80 per cent. interest in the projects through project related expenditure.

Fundraisings during the period: To provide the Company with working capital to satisfy certain of the due diligence costs arising in respect of the identification, evaluation and pursuit of a reverse takeover transaction and to fund ongoing corporate costs and working capital requirements, the Company, on 13 January 2020, raised approximately £150,000 (before expenses) and, on 12 March 2020, raised approximately a further £100,000 (before expenses) through equity fundraisings via the Company's broker.

Details of the Proposed Transaction: The requisite due diligence exercise in relation to the Proposed Transaction was progressed by the Company and its professional advisers during the period. Although only announced recently, post the period end, as completion of the Proposed Transaction is key to the Company's future, I have summarised below its key elements, with the full details being available in the Company's announcement of 27 July 2020.

Key terms of the Proposed Transaction:

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**").

The balancing 49% interest in the GAR Projects is held by GAR's joint venture partner, Uwharrie Resources Inc. ("**URI**").

Initial Consideration: an aggregate payment on completion to the sellers and URI of AU$60,000 (approximately US$42,500; £33,250) in cash and AU$1.04m (approximately US$737,500; £576,750) in new Common Shares to be issued at the price of the associated placing (which remains to be determined). In addition, Richland was required to make a non-refundable cash payment to GAR of US$29,340 on 31 July 2020 and a further non-refundable payment of US$22,818 on 30 September 2020.

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 of the Proposed Transaction. Subject to an earlier occurrence of a vesting event (as set out and defined in the Company's announcement of 27 July 2020), the Tranche 1 Deferred Consideration will fall due upon confirmation of a prescribed minimum estimated level of JORC 2012 Compliant Resources for any of the GAR Projects whilst 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).

Accounting treatment of costs incurred in relation to the Proposed Transaction: All costs incurred in the period to 30 June 2020 with respect to the Proposed Transaction and the Proposed Placing have been capitalised on the Company's balance sheet under "Prepayments". Were the Proposed Transaction and Proposed Placing not to complete, for whatever reason, such prepaid costs would be required to be charged to the Income Statement at that time.

Consequences of not completing the Proposed Transaction: In the event that the Company does not successfully complete the Proposed Transaction or an alternative Re-admission Transaction by 31 December 2020, trading in the Company's common shares on AIM would be cancelled.

Director & Management Fee deferral and proposed fee conversion: Myself, the former-directors, Mr. Brooke and Mr. Sibley and certain other members of senior management have agreed to i) defer payment of the fees due to them as at 30 June 2020 of US$182,000 until the earlier of the Proposed Placing and 30 November 2020 and ii) to convert US$106,000 of the accrued fees due to them as at 30 June 2020 into common shares in the Company (subject to the Company being in an open period).

$100,000 Working Capital Facility: Almaretta Pty Limited a company controlled by my family has agreed to provide the Company with a three month short-term,unsecured and interest free working capital facility of US$100,000. Whilst there is no commitment so to do, it is currently likely that drawdowns of the Working Capital Facility will be repaid via the issue of new common shares in the capital of the Company (subject to the Company being in an open period).

The post balance sheet proposed conversion of fees by the Directors and certain other members of the senior management team and my Company's provision of the $100,000 Working Capital Facility serve, I trust, to demonstrate our continued commitment to the Company and focus on completing the Proposed Transaction and Proposed Placing as soon as practicable.

Outlook: The Company is currently focused on completing the due diligence exercise, and various technical, legal and accounting workstreams in respect of the Proposed Transaction which will culminate in the publication of an Admission Document and formal notice of a shareholder meeting to, *inter alia*, approve the Proposed Transaction. Concurrently, the Company is undertaking the proposed placing announced on 27 July 2020 to fund the initial cash consideration and the enlarged group's planned initial two year work programme with Peterhouse Capital Limited, the Company's Broker, acting as bookrunner. The Board currently anticipates that it will be in a position to publish the Admission Document and a formal notice of Annual General Meeting, in the coming weeks.

Lastly, but not least, on behalf of the Board I wish once again to express our appreciation for the support and patience of the Company's various stakeholders during this period of transition.

Mr Edward Nealon
Non-Executive Chairman

29 September 2020

Interim Financial Statements

Richland Resources Ltd
Condensed Consolidated Statement of Profit and Loss
For the Half Year ended 30 June 2020
(Unaudited)

	Notes	**Unaudited Six months ended 30 June 2020 $'000**	**Unaudited Six months ended 30 June 2019 $'000**
CONTINUING OPERATIONS			
Operating (expenses)/income	3	(212)	93
Operating (loss)/income		**(212)**	**93**
Finance cost	4	-	(310)
Loss before income tax		**(212)**	**(217)**
Income tax credit/(charge)		-	-
Loss after income tax from continuing operations		**(212)**	**(217)**
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations		-	(177)
Loss for the period		**(212)**	**(394)**
		(212)	**(394)**
- Continuing operations		(212)	(217)
- Discontinued operations		-	(177)
Basic and diluted EPS from continuing operations (cents per share)	5	(0.02)	(0.04)
Basic and diluted EPS from discontinued operations (cents per share)	5	-	(0.03)
Basic and diluted EPS from all operations (cents per share)	5	(0.02)	(0.07)

The accompanying notes form part of these financial statements.

Richland Resources Ltd
Condensed Consolidated Statement of Other Comprehensive Income
For the Half Year ended 30 June 2020
(Unaudited)

	Unaudited Six months ended 30 June 2020 $'000	Unaudited Six months ended 30 June 2019 $'000
Other comprehensive income		
Loss for the period	(212)	(394)
Items that may be reclassified to profit or loss:		
Foreign currency reserve movement	-	(2)
Total comprehensive loss for the period	**(212)**	**(396)**
	(212)	**(396)**
- Continuing operations	(212)	(217)
- Discontinued operations	-	(179)

The accompanying notes form part of these financial statements.

Richland Resources Ltd
Consolidated Statement of Financial Position
As at 30 June 2020 (Unaudited)

	Notes	Unaudited 30 June 2020 $'000	Audited 31 December 2019 $'000
Non-current assets			
Prepayments	6	385	-
Total non-current assets		**385**	**-**
Current assets			
Trade and other receivables		20	376
Cash and cash equivalents		101	12
Total current assets		**121**	**388**
Total assets		**506**	**388**
Equity			
Share capital	7	335	260
Share premium	8	55,047	54,782
Accumulated loss		(55,229)	(55,017)
Total equity		**153**	**25**
Current liabilities			
Trade and other payables		353	363
Total current liabilities		**353**	**363**
Total liabilities		**353**	**363**
Total equity and liabilities		**506**	**388**

The accompanying notes form part of these financial statements.

Richland Resources Ltd
Consolidated Statement of Changes in Equity
For the Half Year Ended 30 June 2020
(Unaudited)

	Common share capital US$'000	A class share capital US$'000	Total issued share capital US$'000	Share premium US$'000	Fees to be converted to equity US$'000	Share option reserve US$'000	Foreign currency translation reserve US$'000	Accumu-lated loss US$'000	Total equity US$'000
Six months ended 30 June 2020 (unaudited)									
At start of period	**259**	**1**	**260**	**54,782**	**-**	**-**	**-**	**(55,017)**	**25**
Total comprehensive loss for the period	-	-	-	-	-	-	-	(212)	(212)
Loss for the period	-	-	-	-	-	-	-	(212)	(212)
Foreign exchange gain on translation	-	-	-	-	-	-	-	-	-
Issue of share capital	75	-	75	277	-	-	-	-	352
Share issue cost	-	-	-	(12)	-	-	-	-	(12)
At end of period	**334**	**1**	**335**	**55,047**	**-**	**-**	**-**	**(55,229)**	**153**
Six months ended 30 June 2019 (unaudited)									
At start of period	**172**	**1**	**173**	**54,644**	**-**	**47**	**54**	**(54,816)**	**102**
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(2)**	**(394)**	**(396)**
Loss for the period	-	-	-	-	-	-	-	(394)	(394)
Foreign exchange gain on translation	-	-	-	-	-	-	(2)	-	(2)
Fees to be converted	-	-	-	-	86	-	-	-	86
Share options	-	-	-	-	-	3	-	-	3
At end of period	**172**	**1**	**173**	**54,644**	**86**	**50**	**52**	**(55,210)**	**(205)**

The accompanying notes form part of these financial statements.

Richland Resources Ltd
Consolidated Statement of Cash Flows
For the Half Year Ended 30 June 2020
(Unaudited)

	Notes	**Unaudited Six months ended 30 June 2020 $'000**	**Unaudited Six months ended 30 June 2019 $'000**
Cash flows used in operating activities			
Cash generated/(absorbed) by operations	9	155	(180)
Financing cost paid		-	(21)
Net cash used in operating activities		**155**	**(201)**
Cash flows used in investing activities			
Prepayments	6	(385)	-
Net cash used in/by investing activities		**(385)**	**-**
Cash flows from financing activities			
Proceeds from issue of shares		330	-
Proceeds from convertible loans		-	150
Net cash generated from financing activities		**330**	**150**
Net increase/(decrease) in cash and cash equivalents		**100**	**(51)**
Movement in cash and cash equivalents			
Exchange losses		(11)	1
At the beginning of the period		12	59
Increase/(decrease)		100	(51)
At the end of the period		**101**	**9**
Cash and cash equivalents - continuing operations		101	1
Cash and cash equivalents included in asset from Disposal Group classified as held for sale		-	8

The accompanying notes form part of these financial statements.

1 Basis of preparation

The unaudited interim financial information set out above, which incorporates the financial information of the Company and its subsidiary undertakings (the "**Group**"), has been prepared using the historical cost convention and in accordance with International Financial Reporting Standards ("**IFRS**") and with those parts of the Bermuda Companies Act, 1981 applicable to companies reporting under IFRS.

These interim results for the six months ended 30 June 2020 are unaudited and do not constitute statutory accounts as defined in section 87A of the Bermuda Companies Act, 1981. The financial statements for the year ended 31 December 2019 have been delivered to the Registrar of Companies and the auditors' report on those financial statements was unqualified and contained an emphasis of matter pertaining to going concern.

Going concern basis of accounting

For the six months ended 30 June 2020, the Group recorded a loss of US$212,000 and had net cash outflows from operating and investment activities of US$230,000. The ability of the entity to continue as a going concern is dependent on the group generating positive operating cash flows and/or securing additional funding through the raising of debt or equity. Management has successfully raised money in the past, but there is no guarantee that adequate funds will be available when needed going forwards.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The interim financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group has entered into a binding SPA with the existing shareholders of GAR for the conditional acquisition of GAR;
- Management is optimistic that the Proposed Transaction and associated placing will complete;
- During the period the Company through two separate fundraisings raised, in aggregate, £250,000 (gross);
- Directors and management have agreed to defer payment of their accrued fees due to 30 June 2020 until the earlier of the Proposed Placing and 30 November 2020;
- Almaretta Pty Ltd (a company controlled by the family of Mr Nealon) has agreed to provide a $100,000 working capital facility; and
- Management has successfully raised money in the past.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The interim financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

2 Significant events

The World Health Organization declared coronavirus and COVID-19 a global health emergency on 30 January 2020 which is having a markedly negative impact on global stock markets, currencies and general business activity. The directors have considered the impact of COVID-19 on the Group and do not believe that it has had a material impact on carrying values and results during the reporting period.

3 Operating (expenses)/income

	Unaudited Six months ended 30 June 2020 $'000	**Unaudited Six months ended 30 June 2019 $'000**
Auditors' remuneration	-	(13)
Directors' emoluments and fees	(48)	89 [1]
Net foreign exchange (loss)/gain	(11)	1
Office expenses	(12)	(14)
Professional and other services	(127)	32 [1]
Share option expense	-	(2)
Shares issued at a discount	(9)	-
Other expenses	(5)	-
Total operating (expenses)/income	**(212)**	**93**

[1] In order to preserve cash reserves within the Company, the Directors and senior management personnel agreed to waive, in aggregate, US$452,559 of accrued fees due to them for periods from 1 June 2018 up to and including 30 June 2019.

4 Finance costs

	Unaudited Six months ended 30 June 2020 $'000	**Unaudited Six months ended 30 June 2019 $'000**
Fair value adjustment on embedded derivative element of convertible loan	-	(286)
Interest paid	-	(24)
Total finance cost	**-**	**(310)**

5 Basic and diluted loss per share

The calculation of basic and diluted loss per share for the six months ended 30 June 2020 was based on the loss attributable to common shareholders from continuing operations of US$212,000 (six months ended 30 June 2019: US$217,000), discontinued operations loss of

US$Nil (six months ended 30 June 2019: US$177,000) and a weighted average number of common shares outstanding of 1,085,153,256 (six months ended 30 June 2019: 568,353,850).

6 Prepayments

	Unaudited 30 June 2020 $'000	Audited 31 December 2019 $'000
Prepayments relating to the Proposed Transaction and Proposed Placing	385	-
	385	-

In the event that, for whatever reason, the Proposed Transaction and Proposed Placing are not successfully completed the above prepayments will be expensed.

7 Share capital

	Unaudited 30 June 2020 $'000	Audited 31 December 2019 $'000
Common share capital		
Authorised		
2,500,000,000 common shares of US$0.0003 each	750	750
Issued		
1,108,172,891 (2019: 859,139,558) common shares of US$0.0003 each	334	259
Common share capital		
Balance at the beginning of the period	259	172
Share placement	70	48
Fees converted	5	39
Balance at the end of the period	**334**	**259**

Each fully paid common share carries the right to one vote at a meeting of the Company. Holders of common shares also have the right to receive dividends and to participate in the proceeds from sale of all surplus assets in proportion to the total shares issued in the event of the Company winding up.

Reconciliation of common shares in issue	**Unaudited** **30 June 2020** **Number of shares**	**Audited** **31 December 2019** **Number of shares**
Shares in issue at beginning of the period	859,139,558	568,353,850
Share placement	233,333,333(1)	158,730,159(3)
Fees converted	15,700,000(2)	132,055,549(4)
Shares in issue at end of the period	**1,108,172,891**	**859,139,558**

(1) As announced on 13 January 2020, the Company raised approximately £150,000 (before expenses) through a placing of 105,000,000 new common shares of US$0.0003 each in the capital of the Company ("Common Shares") (the "Placing Shares") (the "Placing") with certain new investors at an issue price of 0.10 pence per Placing Share (the "Issue Price") and a subscription for a further 45,000,000 new Common Shares (the "Subscription Shares") by a new investor also at the Issue Price (the "Subscription") (the Placing and Subscription together being the "Equity Fundraising"). The Issue Price represented a discount of approximately 5 per cent. to the closing middle market price of a Common Share of 0.105 pence on 9 January 2020.

As announced on 12 March 2020, the Company raised approximately £100,000 (before expenses) through a placing of 83,333,333 new common shares of US$0.0003 each in the capital of the Company ("Common Shares") (the "Placing Shares") (the "Placing") with an existing major shareholder, Mark Greenwood, and certain new investors at an issue price of 0.12 pence per Placing Share (the "Issue Price") (the "Placing"). The Issue Price represented a discount of approximately 17.2 per cent. to the closing middle market price of a Common Share of 0.145 pence on 11 March 2020.

(2) As announced on 13 January 2020, the Placing was arranged via Peterhouse Capital Limited ("Peterhouse') as agent of the Company. Peterhouse were due 5 per cent. commission on the gross proceeds of the Placing and 1 per. cent. commission on the gross proceeds of the Subscription which it agreed to settle by the issue of 5,700,000 new Common Shares to Peterhouse (the "Commission Shares") at the Issue Price. Peterhouse also agreed that their initial six monthly retainer fee for 2020 be settled by the issue to them of a further 10,000,000 new Common Shares at the Issue Price (the "Broker Fee Shares").

(3) As announced on 4 July 2019, the Company raised approximately £100,000 (before expenses) through a placing of 158,730,159 new common shares of US$0.0003 each in the capital of the Company ("Common Shares") (the "Placing Shares") (the "Placing") with certain new investors at an issue price of 0.063 pence per Placing Share (the "Placing Price"). The Placing Price represented a discount of approximately 16 per cent. to the closing middle market price of a Common Share of 0.075 pence on 3 July 2019.

(4) As announced on 4 July 2019, the Placing was arranged via Peterhouse Capital Limited ("Peterhouse') as agent of the Company. Peterhouse were due 5 per cent. commission on the gross proceeds of the Placing which it agreed to settle by the issue of 7,936,508 new Common Shares to Peterhouse (the "Commission Shares") at the Placing Price. Peterhouse were appointed the Company's sole broker on 4 July 2019 and also agreed that their initial six month retainer fee be settled by the issue to them of a further 15,873,016 new Common Shares at the Placing Price (the "Broker Fee Shares").

As announced on 29 August 2019, a Director and senior management agreed to the conversion of an aggregate amount of US$86,250 of unpaid fees accrued for periods up to 30 June 2019 to be converted into Common Shares (the "Fee Conversion"). Pursuant to the Fee Conversion, the Company issued, in aggregate, 108,246,025 new Common Shares (the "Conversion Shares") at an issue price of 0.065 pence per share (the "Conversion Price"), being the Company's closing mid-market share price on 28 August 2019 and representing a premium of approximately 3.17 per cent. to the Placing Price for the Company's last equity fundraising of 4 July 2019.

	Unaudited 30 June 2020 $'000	Audited 31 December 2019 $'000
A Class share capital		
Authorised		
66,666,667 A class shares of ZAR 0.0003 each	3	3
Issued		
1,009,029 A class shares of ZAR 0.0003 each issued by the Company's wholly-owned subsidiary, Rohstein Class A (Proprietary) Limited ("**Rohstein Class A (Pty) Ltd**")	1	1
Total issued share capital (Common shares and A class shares)	**335**	**260**

A class shares have been converted at the historical rate at 1 June 2004 of ZAR6.52 to the US Dollar.

Reconciliation of A Class share capital in issue	Unaudited 30 June 2020 Number of shares	Audited 31 December 2019 Number of shares
Shares in issue at beginning and end of period	1,009,029	1,009,029

8 Share premium

	Unaudited 30 June 2020 $'000	Audited 31 December 2019 $'000
Balance at beginning of the period	54,782	54,644
Share placement	252	78
Share issue costs	(12)	(7)
Fees converted	25	67
Balance at end of period	**55,047**	**54,782**

9 Cash generated/(absorbed) by operations

	Unaudited Six months ended 30 June 2020 $'000	Unaudited Six months ended 30 June 2019 $'000
Loss before income tax	(212)	(394)
Adjusted for:		
▪ Shares issued at discount/(premium)	9	-
▪ Finance cost	-	307
▪ Unwinding of discount	-	7
▪ Share options expense	-	2
▪ Net foreign exchange difference	11	(1)
Cash from operations before working capital changes	**(192)**	**(79)**
Working capital changes:		
Inventories	-	3
Trade and other receivables	356	38
Trade and other payables	(9)	(142)
Cash utilised by operations before interest and tax	**155**	**(180)**

10 Subsequent events

As announced on 1 July 2020, Richland became an AIM Rule 15 Cash Shell on 31 December 2019 pursuant to the successful completion of the disposal of its former wholly owned subsidiary, Richland Corporate Ltd, the holder of the Capricorn Sapphire Project (and the Company's loans to Richland Corporate Ltd), to Fura Gems Inc.

As such, the Company was required to complete a Re-admission Transaction within six months from 31 December 2019, failing which, the Company's common shares would be required to be suspended from trading pursuant to AIM Rule 40.

To date, Richland has not consummated such a Re-admission Transaction and accordingly trading in the Company's common shares was suspended with effect from 7.30 a.m. on 1 July 2020.

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 within a further six month period from 1 July 2020, being the suspension date.

As announced on 27 July 2020, Richland has entered into a binding SPA with the existing shareholders of GAR for the conditional acquisition of GAR. The Proposed Transaction constitutes a reverse takeover transaction pursuant to AIM Rule 14.

The consideration for the Proposed Transaction comprises an aggregate payment on completion of the Proposed Transaction ("**Completion**") to the sellers and GAR's joint venture partner, URI, of AU$60,000 (approximately US$42,500; £33,250) in cash and AU$1.04m (approximately US$737,500; £576,750) in new Common Shares. In addition, Richland was required to make a non-refundable cash payment to GAR of US$29,340 on 31 July 2020 and a further non-refundable payment of US$22,818 on 30 September 2020, with such payments to be utilised to cover certain project costs pending Completion. Furthermore, the Company may also be required to make two additional future conditional deferred consideration payments to the sellers and URI, in cash or new Common Shares at Richland's sole discretion, of, in aggregate, AU$1.5m and AU$3m, linked to the achievement of certain performance milestones or the occurrence of certain vesting events during the five year period following Completion.

The Board intends to fund the initial cash consideration in respect of the Proposed Transaction and the enlarged group's planned initial two year work programme and requisite working capital requirements via the issue of new equity by way of a proposed private placing being undertaken in the short term in connection with the Proposed Transaction (the "**Proposed Placing**"). In accordance with AIM Rule 14 and the SPA, completion of the Proposed Transaction is subject, *inter alia*, to approval by the Company's shareholders at a duly convened general meeting and successful completion of the Proposed Placing. In order to convene such meeting and obtain the requisite shareholder approvals, the Company is required to publish an AIM admission document in respect of the proposed enlarged group which will detail, *inter alia*, the Proposed Transaction, which it is currently anticipated will be finalised and published in the coming weeks.

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.

In the event that, for whatever reason, the Proposed Transaction is not completed, the Company's Common Shares will remain suspended until such time as an alternative Re-admission Transaction is completed. There can be no guarantee that the Company will be able to complete the Proposed Transaction or any alternative Re-admission Transaction within six months of the suspension date and consequently be re-admitted to trading on AIM.

In conjunction with the Proposed Transaction, the Company also announced that with effect from 27 July 2020, Anthony Brooke, Chief Executive Officer, and Nicholas Sibley, Non-Executive Director, had stepped down from the Board with Bernard Olivier appointed as Chief Executive Officer and Melissa Sturgess as a Non-Executive Director from the same date.

Director, Former Directors and Management's fee deferrals and proposed fee conversions: Mr Nealon, the former-directors, Mr Brooke and Mr Sibley, and certain other members of senior management have agreed to: i) defer payment of certain fees due to them as at 30 June 2020 of US$182,000 until the earlier of completion of the Proposed Placing and 30 November 2020; and ii) to convert US$106,000 of the accrued fees due to them as at 30 June 2020 into new common shares in the capital of Company (subject to the Company being in an open period) (the "**Proposed Fee Conversions**"). Accordingly, all outstanding fees due to the Company's current Directors, former Directors and senior management up to 30 June 2020 are expected to be settled in full in due course.

US$100,000 Working Capital Facility: Mr Nealon, the Chairman of the Company, has agreed to provide the Company with a three month short-term, unsecured and interest free working capital facility of US$100,000 via his company, Almaretta Pty Limited (the "**Working Capital Facility**") from today's date. Whilst there is no commitment so to do, it is currently likely that drawdowns of the Working Capital Facility will be repaid via the issue of new common shares in the capital of the Company (subject to the Company being in an open period).